



Corporate Citizenship Report

2021



CardinalHealth™

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 will grow



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.

Inside this report

A message from our CEO _____ 4

*Essential to care*TM _____ 8

Diversity, equity and inclusion _____ 10

Creating value for our customers and partners ____ 30

Strengthening our communities _____ 36

Operating sustainably _____ 48

Governance and ethics _____ 54

A message from our CEO



This year marked the 50-year anniversary of Cardinal Health, and for 30 of those years, I have had the privilege of being a part of our growth and evolution. Over the past half century, there have been two constants: change, and an unwavering commitment to our customers, partners, employees and communities. This year, more than ever, I reflect on how dramatically the COVID-19 pandemic has impacted communities around the globe and how our customers care for them. It is our honor at Cardinal Health to support our customers in these efforts and grow and evolve, combining our deep heritage in business with a bias toward action as we shape the future.

Our environmental, social and governance (ESG) priorities are more critical than ever to our shared future. As a global company, we know that the long-term health of our employees, customers, partners and communities depends on a healthier, more sustainable and equitable world. In many ways, the pandemic has exposed how much our world still needs to change in order to protect and serve the most vulnerable among us and create a more inclusive future. This motivates us as we continually push ourselves to find ways to care for our people and our planet, and we remain grateful to our Board of Directors for their ongoing oversight and support of our enterprise ESG priorities and initiatives year over year. These efforts are highlighted throughout this report.

Strengthening our focus on diversity, equity and inclusion

We believe representation matters and are committed to using our voices to speak out against racism and inequities of any kind — making diversity, equity and inclusion (DE&I) foundational to everything that we do.

DE&I is about ensuring that our people — every employee and potential employee, and every customer, partner and supplier — feel welcome, included and valued. While that's the right thing to do, research proves it's also smart business. A recent survey of more than 1,000 global companies, for example, demonstrates the relationship between diverse leadership teams and positive financial results.¹

In FY21, we established specific goals for significantly increasing the representation of our African American and Black employees and other ethnic minority populations in the U.S., as well as the representation of women in our employee populations around the world by 2030. We also recently announced a comprehensive talent strategy to increase access to leadership development programs

for diverse employees at the management level and above, including professional development, career counseling and mentoring. This commitment is aimed at increasing the company's global leadership representation of women, as well as African American and Black, Asian, Latinx, Indigenous and all other ethnically diverse groups in the U.S. Finally, we're expanding DE&I metrics in our FY22 annual incentive plan and performance share units under our long-term incentive plan, further reinforcing globally our cultural commitment with our employees and leaders.

DE&I leads to better performance, makes us more innovative and agile, and enables us to solve problems more quickly and creatively. To help ensure continuous innovation, DE&I must be a leading factor in everything we do.

I'm proud of the progress we've made, but we still have work to do. Achieving a culture that is truly diverse, equitable and inclusive is a journey to which my executive team and I are committed.

Setting environmental goals

We continue to identify opportunities to help combat climate change and build a sustainable economy. I'm proud to share here for the first time that Cardinal Health has committed to reducing Scope 1 and 2 greenhouse gas (GHG) emissions by 50% by FY30 (measured from our FY19 data), as we continue to do our part and reduce our potential environmental impact.

We've also broadened our Total Waste Management (TWM) initiative, which simplifies and standardizes waste management across our businesses and contributes to our environmental sustainability. In FY21, we extended TWM throughout our pharmaceutical distribution, specialty and global logistics businesses and continue to expand it across the enterprise.

Leading through the pandemic to support our customers and partners

As in many industries, the COVID-19 pandemic drove fast-paced, significant changes within healthcare and in our business.

Our people are our most important asset. Over and over again, they showed remarkable commitment to our customers, responding to dramatic and unforeseen changes with both agility and determination. I continue to be inspired by them every day.

At the start of the pandemic, we pivoted almost overnight to a work-from-home model for those who could work remotely. We very quickly developed safety protocols for our essential workers — those who continued working in our manufacturing facilities, distribution centers and critical customer operations to help provide our customers with products and services critical to healthcare. (You can read more about our initial response to the pandemic in our [FY20 Corporate Citizenship Report](#).)

Our employees were able to quickly learn new ways of doing business to continue serving customers and communities around the world. As a result, we kept all of our facilities open and operating throughout FY21. We have kept patient safety and product quality at the forefront of every decision we make.

Early on, we began reevaluating our entire supply chain to respond to the unprecedented increase and surges in global demand for gowns, masks and other personal protective equipment (PPE). We changed our sourcing practices to limit geographic concentration of products coming from a single

country and expanded self-manufacturing capabilities in North America for some of our PPE products. We also began a partnership with FourKites, a leader in supply chain visibility, to continue optimizing our supply chain based on actionable data and predictive intelligence.

We changed inventory practices, increasing inventory of certain products so that we can more quickly meet spikes in demand, and collaborated with U.S. and foreign trade authorities to expedite shipments and shorten lead times. As a result of a \$58 million contract with the U.S. Department of Health and Human Services (HHS), we stored and distributed 80,000 pallets of PPE to support the U.S. Strategic National Stockpile (SNS), the country's national repository of critical medical supplies that are used to supplement state and local supplies in public health emergencies.

And we focused on developing and investing in innovative technology solutions and actionable data tools as never before, enabling meaningful, cost-effective and outcomes-driven connections in healthcare. One example is MyScheduling, a digital solution specific to COVID-19 that enables U.S.-based independent pharmacists to schedule vaccinations (and allows patients to schedule their own appointments), creates waiting lists for patients not yet eligible for the vaccine, gathers screening and demographic information and generates reports on daily appointments.

We remain focused on innovating solutions that enhance how we serve our customers and their communities — throughout the pandemic and beyond.

Celebrating 50 years with an increased commitment to our communities



We celebrated our 50th anniversary in January 2021 with a virtual bell ringing at the New York Stock Exchange (NYSE) and the kickoff to a year of service for Cardinal Health employees around the world. Our employees are passionate about giving back to our communities; during our anniversary year, we have a collective goal of giving 50,000 hours in volunteer service.

Through our Cardinal Health Foundation, we work to improve the health of our communities, particularly for disadvantaged populations. The Foundation focuses its investments on impacting social determinants of health, particularly hunger (by increasing access to healthy foods through its Food Rx for Health program and other initiatives) and homelessness. It also seeks to increase both access to and quality of physical and behavioral healthcare services.

Looking ahead

With our deep healthcare expertise, we are delivering solutions that enable our customers and partners to provide the best possible care for their patients and communities. At Cardinal Health, we know that change will be a constant, as will our unwavering commitment to our customers, partners, employees and communities.

The Foundation also supports a variety of near-term and long-term solutions designed to prevent prescription drug misuse and fight the opioid epidemic, from drug take-back initiatives to Generation Rx, an evidence-informed prevention, education and awareness program powered through a partnership between The Ohio State University College of Pharmacy and our Foundation since 2009. Generation Rx is designed to educate people of all ages about safe medication practices and the potential dangers of misusing prescription medications.

In July, we announced that we have negotiated a comprehensive proposed settlement agreement and settlement process designed to achieve broad resolution of governmental opioid claims. As I write this letter, we have determined that enough states have agreed to settle to proceed to the next phase, and each participating state will offer its political subdivisions the opportunity to participate in the settlement for an additional 120-day period, which ends January 2, 2022. If all conditions are satisfied, this agreement would result in the settlement of a substantial majority of opioid lawsuits filed by state and local governmental entities and, depending on the level of state and subdivision participation, we would pay up to \$6.4 billion over 18 years.

This is an important step forward. We remain committed to being a part of the solution to the U.S. opioid epidemic and believe the settlement would provide meaningful relief for our communities and certainty for our shareholders.

I hope you'll read on, in the pages that follow and on our website, to learn more about our progress in becoming healthcare's most trusted partner.

Be well.

A handwritten signature in black ink, appearing to read "Mike Kaufmann".

Mike Kaufmann, CEO

Essential to care™

We distribute pharmaceuticals, manufacture and distribute medical and laboratory products, and provide performance and data solutions for healthcare facilities.

We are a crucial link between the clinical and operational sides of healthcare, delivering end-to-end solutions and data-driven insights that advance healthcare and improve lives every day.

With more than 50 years of experience, we seize the opportunity to address healthcare's most complicated challenges — now, and in the future.



We serve nearly **90%** of U.S. hospitals



We have more than **4,500** sourcing and manufacturing partners across the healthcare supply chain



We operate in more than **35** countries



Through our distribution and services, we serve more than **60,000** U.S. pharmacies



We ship to more than **140,000** locations globally



Specialty Solutions

We serve more than **10,000** specialty physician offices and clinics



Outcomes™

Our digital ecosystem to support medication adherence currently reaches more than **23 million** patients and more than **60** payers



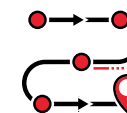
Nuclear & Precision Health Solutions

We have a U.S. network of more than **130** nuclear pharmacies and more than **30** PET sites and manufacturing facilities



at-Home Solutions

We serve more than **3.4 million** patients with more than **46,000** home healthcare products



Medical Services

Our OptiFreight® Logistics business makes **20 million** shipments annually to **22,000** shipping locations, and our WaveMark™ business optimizes the supply chain for more than **2,400** individual critical care areas from more than **250** U.S. hospitals

Approximately **44,000** employees worldwide

\$162.5 billion in revenue in fiscal year 2021

cardinalhealth.com

@CardinalHealth

linkedin.com/company/cardinal-health

facebook.com/cardinalhealthinc

Diversity, equity and inclusion

Creating awareness, access
and opportunities for all



Representation matters

At Cardinal Health, we have been deeply committed to fostering diversity and inclusion for years. As we continue to grapple with the COVID-19 pandemic and confront racism and social injustice, we continue our work to create a culture where everyone can thrive. We recently added "equity" to our global strategy. Adding equity, and advancing the work of diversity, equity and inclusion (DE&I), is more essential than ever.

As you'll read in the pages that follow, DE&I is foundational to who we are. It differentiates us as an employer and makes us more attractive to top talent around the world, which makes our company stronger. A focus on DE&I allows us to better meet the needs of our customers and partners — and the patients they care for — and fulfills our mission as an organization to make a positive difference in the lives of our employees and communities.

Creating a workplace that is truly diverse, equitable and inclusive takes focused, thoughtful

hard work and doesn't happen overnight. However, we have a strong foundation. We've been refining our recruiting, development, succession and retention practices to ensure equitable access and opportunity, and we continue to listen, learn and act.

Representation matters. Employees with a diversity of talent, experiences and ideas drive more innovation — innovation that propels our evolution from a distributor to a tech-enabled healthcare solutions provider. That is why we are pleased to highlight on these pages our representation goals for 2030 — for women around the globe and, in the U.S., for African American and Black, Asian, Latinx, Indigenous and all other ethnically diverse individuals.

Two distinct internal organizations are helping to guide our progress. Our DE&I Steering Council, composed of senior leaders from across the company, is charged with identifying and discussing barriers to DE&I, challenging the status quo and empowering change. Our African American and Black Racial Equity Cabinet also is made up of leaders, all of whom serve as truth tellers to our senior executives by identifying and naming issues of inequity both inside and outside the company.

As we continue this journey, we regularly assess our progress through a robust employee listening strategy, which includes

engagement surveys, focus groups and onboarding assessments. We maintain open and transparent dialogue with external stakeholders, partners and investors, and proactively share information about our progress.

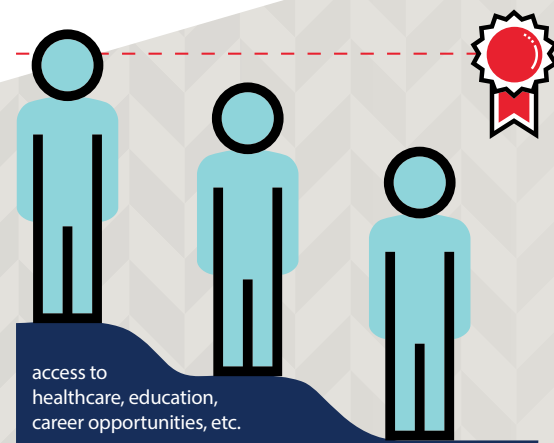
We are proud of the work we've done, but we know there is much more to do.
We are committed to listening, learning and acting to help drive change.

Understanding diversity, equity and inclusion

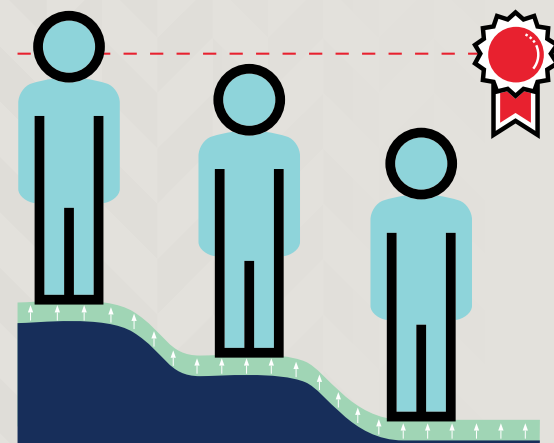
Diversity is any difference between individuals and groups.

Equity focuses on the specific access gap to enable success for all individuals.

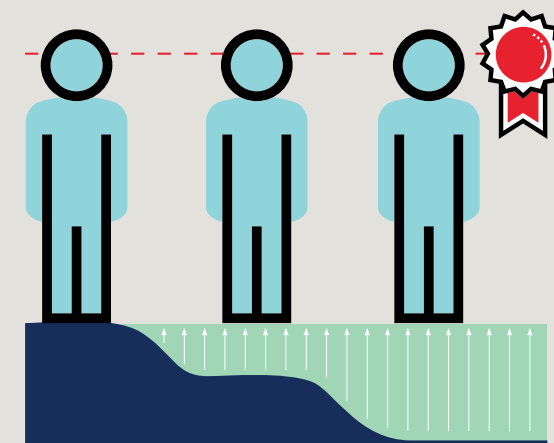
Inclusion is a culture that values the unique perspectives and contributions of all employees.



In **reality**, success can be difficult to obtain for all individuals because of the access gap.



Equality focuses on providing the same for all, regardless of the access gap.



Equity focuses on the specific access gap to enable success for all individuals.

It's important to note that equity is not interchangeable with equality — both are important. Equality means ensuring that everyone has the same amount of resources; equity means distributing resources based on the needs of the recipients. Equity brings focus to access gaps, which helps enable success for individuals.

We focus on **equality** when we say equal pay for equal work, and we ensured years ago that LGBTQ+ employees have the same rights and protections as other groups — even before federal and state laws were expanded to provide protections for these employees.

But all individuals may not have the same access and opportunity. At left, we explore how individuals may experience the same situation in three distinct scenarios as we illustrate how gaps in access to education, healthcare, housing, financial resources and career opportunities can impact outcomes. **Equity** can help close the gaps in access.

Goal setting: Representation matters

Representation matters because when the decision makers at the table are truly diverse, the choices we pursue and the decisions and policies we make are better, bolder and more creative. And yet, there are gaps in access and opportunity, particularly for women and ethnically diverse populations, across the U.S. That is why we have established goals for increasing representation of traditionally underrepresented people at the manager level and above.

Specifically, by 2030, our goals are that workforce representation changes in the following ways:



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

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

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



Accountability at every level

We have invested in the work of culture change, leadership capability, policy infrastructure and content development to support an inclusive workplace. Our leaders are working to create environments that allow for psychological safety and growth mindsets among all employees.

We have a listening strategy to help ensure we hear from a broad cross-section of employees through employee surveys, focus groups and informal listening sessions.

In establishing our 2030 Representation Goals, the Human Resources & Compensation Committee of the Cardinal Health Board of Directors also approved expanding DE&I metrics in the company's FY22 annual incentive plan, and performance share units under our long-term incentive plan at the SVP level and above, with a portion of payouts aligned to progress toward our 2030 Representation Goals over each program's relevant performance periods. These incentives extend well beyond the executive team, reinforcing the cultural commitment within the company's leadership team.



Speaking out against racism and social injustice

Two public health crises — the COVID-19 pandemic and systemic racism in the U.S. — merged over the last 18 months to expose and exacerbate inequities across the country; we were impelled to speak out.

This spring, CEO Mike Kaufmann spoke out publicly as violence against Asians and Asian Americans increased across the U.S.:

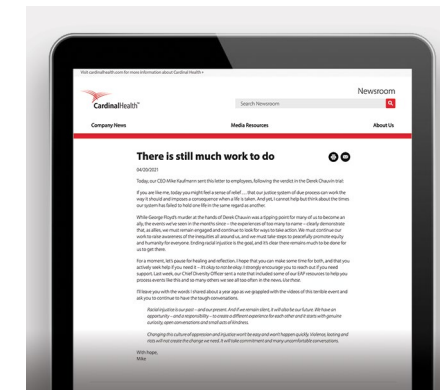
“There is a straight line that runs between degradation and violence. While details of the recent shootings in Atlanta are still unfolding, it is the latest example of the disturbing increase in violence towards Asians. Seeing someone as less than human, due to their race, class, gender or any of the layers of identity that define each of us, is the first step towards exploitation and brutality. As a company, we stand against hate. We stand for perspectives, actions and policies that support the human dignity of all people.”

After George Floyd’s murder in May 2020, we took a public stand with this statement:

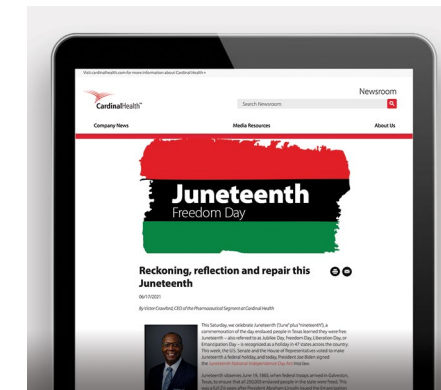
“George Floyd’s death should never have happened. Inhumanity against one is inhumanity against all. This has to stop. All of us have a responsibility to encourage unity and demand justice for George Floyd, Breonna Taylor and too many others whose lives have been cut short by racism throughout our country’s history. We must come together so that everyone enjoys the same privilege of living, working and raising their families in a community that is safe for all.”

We know that racism is our past, and it is our present. Discriminatory policies created centuries ago continue to produce unequal outcomes. Many benefit from the effects of systemic racism and the advantages it gives to white people. If we remain silent and do nothing, racism will be our future. We have the responsibility to do things differently, to ensure a just and equitable future for all.

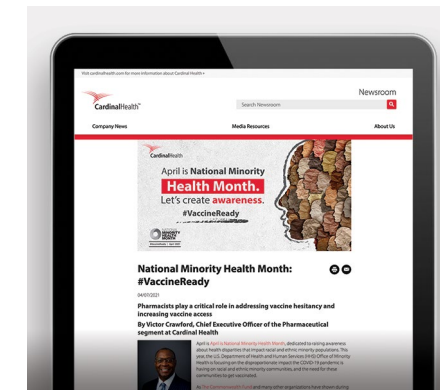
We know that changes won’t be easy or happen quickly. We are committed to the hard work and long journey required to end systemic racism and inequities. And we continue to speak out. Visit newsroom.cardinalhealth.com to read these recent examples:



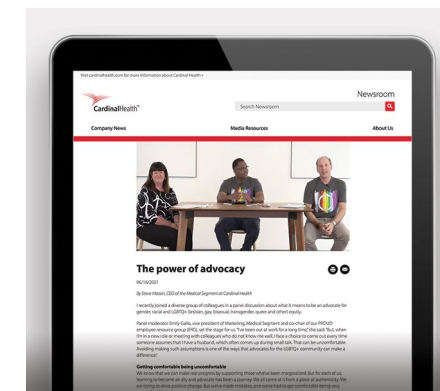
▼ **There is still much work to do**
by Mike Kaufmann, CEO



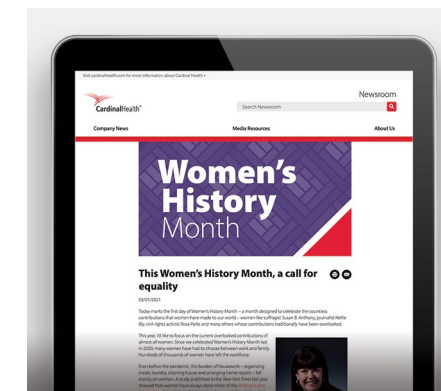
▼ **Reckoning, reflection and repair this Juneteenth**
by Victor Crawford, CEO of our Pharmaceutical Segment



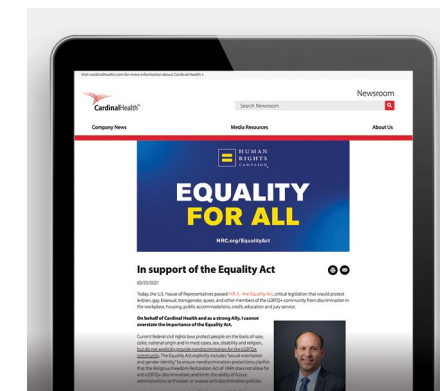
▼ **National Minority Health Month: Addressing vaccine hesitancy**
by Victor Crawford, CEO of our Pharmaceutical Segment



▼ **The power of advocacy**
by Steve Mason, CEO of our Medical Segment



▼ **This Women’s History Month, A call for equality**
by Ola Snow, Chief Human Resources Officer



▼ **In support of the Equality Act**
by Steve Mason, CEO of our Medical Segment

Leadership development

Increasing representation through increased access

We are focused on attracting, developing and retaining diverse talent from entry-level to senior leadership positions. To build a diverse pipeline of tomorrow's leaders, we are expanding our existing differentiated development programs and creating new offerings to bring an equity lens to our development practices and help more effectively advance underrepresented talent.

Differentiated development programs provide professional growth opportunities as well as increased access and awareness for traditionally underrepresented populations and their leadership. We launched our first such program for women several years ago, and have continued to expand differentiated development offerings for men and women of color.

We are intentional about diversity, equity and inclusion for all our differentiated development offerings, both in the mix of employees selected to participate and in curricula.



“ Cardinal Health is deeply committed to creating a balanced, inclusive and equitable culture, an approach that has fostered great employee engagement and innovation. For me personally, it has provided opportunities to engage leaders and take on leadership roles within our organization while receiving unwavering support from our leadership teams as we pursue the company's core values. ”

— **Jeremy Bolden**
Senior Consultant, Sales, Medical Segment, Texas

Driving innovation through DE&I

DE&I makes us better, more innovative and agile, and allows us to solve problems faster and more creatively.

Many studies link DE&I to organizational performance. According to McKinsey & Company,¹ organizations with gender diversity and ethnic diversity are 25% and 36% more likely to outperform less diverse organizations, respectively. Companies with more gender diversity — and policies about gender diversity — are likely to have lower levels of employee turnover, according to research published in

Organizational Studies.² And a study from the Boston Consulting Group³ shows that diversity in gender, country of origin, career path and industry background are all linked to innovation. The takeaway is simple: When talented people with diverse experiences and perspectives work together, they innovate more. A keen focus on diversity, equity and inclusion is essential to our evolution from a distributor into a tech-enabled healthcare solutions provider. We are building core strengths of innovation and data-driven insights, and we need DE&I to be a leading factor in everything we do.





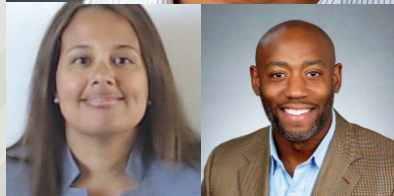
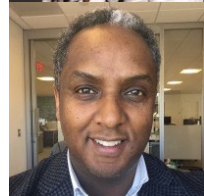
Black Leadership Academy

In FY21, 29 of our employees participated in McKinsey & Company's inaugural Black Leadership Academy. This program featured two tracks to further develop high-performing, promising Black and African American talent: one for executives one or two levels below the C-suite, and one for early- to mid-career leaders.



“Inclusion is how we unleash the power of diversity. I have taken the responsibility to foster belonging and empowerment at work by hosting open, honest and sometimes tough conversations within my team. I have learned the importance of listening first, and being mindful and authentic to all perspectives. This approach has truly translated into my growth as an individual and a leader at Cardinal Health.”

— **Romeyn Webb**
Director, Distribution Operational Excellence, California



Our employees participate in a variety of other differentiated development programs, including:

KPMG Women's Leadership Summit for executive women

Signature Leaders Select and Premier programs for high-potential female executives

MDX, a mid-level leader development experience for those on executive succession plans (women and men of various races are among the participants)

EDX, an executive development experience for those on senior executive succession plans (participants are women and men of various races)

Aspiring Leaders program, designed for underrepresented supply chain leaders not yet at the manager level. The program, currently in a pilot phase, focuses on helping participants grow their leadership skills. We have developed the program in partnership with Franklin Covey to address what McKinsey & Company calls the "broken rung" in the talent pipeline.

Cardinal Health will also focus on developing diverse junior talent through its existing **summer internship program** and **EMERGE**, a three-year rotational development program for young professionals launching their careers.

Read more about our differentiated leadership development programs »

Listening to and learning from our employees

At Cardinal Health, employees from underrepresented populations share their experiences with their colleagues and with our leaders through a variety of internal organizations, including:

Diversity, Equity and Inclusion Council

This diverse group of business leaders is committed to putting DE&I at the center of everything we do.

[Learn more about the Steering Council »](#)

African American and Black Racial Equity Cabinet

As 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.

[Read more about the Racial Equity Cabinet »](#)

New Perspectives

This grassroots group is committed to learning together and sharing different points of view about a wide range of social issues like inequality, systemic racism, unconscious bias, access gaps and social identity. New Perspectives hosts group discussions every other week, with as many as 400 employees participating.



Spotlight

Multi-Cultural Community

Like all of our employee resource groups (ERGs), our Multi-Cultural Community (MCC) is ingrained in the culture of Cardinal Health and welcomes employees around the globe to get involved. The MCC's mission is to bring more people across the globe into our DE&I efforts.

“ The global Multi-Cultural Community was created with the vision of a world made up of communities that welcome everyone to come as they are. Every Cardinal Health employee is a member of the MCC. The mission of this group is to unite all the existing MCCs around the globe to share many different perspectives — and grow from them. ”

— **Suzanne Foster**
President, Cardinal Health at-Home Solutions
and Executive Sponsor of the Multi-Cultural Community



Fostering inclusion



Our seven employee resource groups (ERGs) and our Multi-Cultural Community (MCC) help create community for underrepresented populations, their allies and advocates — all of whom are committed to helping recruit, develop, engage and retain talented individuals who are part of the same constituencies.

[Read more about the Cardinal Health ERGs and MCC »](#)



The results of our 2021 Voice of the Employee (VOE) Survey showed that our strong record of employee engagement continues to improve: Sustainable engagement — meaning how engaged, energized and empowered employees feel in their work — is at 87% across the enterprise.

Prioritizing pay equity

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.

[Read more about pay equity »](#)

For every dollar male employees are paid, **female employees** at Cardinal Health are paid



(on average in the U.S.)

For every dollar non-minority employees are paid, **minority employees** at Cardinal Health are paid



“The business case for building diverse teams is undeniable, but building them requires intentionality. Cardinal Health is committed to creating a diverse, equitable and inclusive culture, which continues to unleash a greater impact on innovation, business results and employee engagement. I am grateful to be part of an organization that is so intentional about DE&I.”

— **Stephanie Revish**
Vice President, Corporate Finance, Ohio

Diversity in leadership

Our Board and senior leadership are deeply committed to better reflecting the diversity of the communities where we live and work — and we are proud of the diversity they represent.

Board of Directors

33% female

17% ethnically diverse

Executive team

39% female

12% ethnically diverse

As of the end of FY21. Our executive team includes our CEO's direct reports and our business presidents.

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 31, 2020. (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	
Executive/Senior Level Officials and Managers	1	2	0	3	0	1	0	0	0	0	17	40	1	0	65
First/Mid-Level Officials and Managers	101	176	154	206	137	230	3	5	3	6	1,222	1,721	24	39	4,027
Professionals	340	432	339	191	269	215	12	13	5	7	2,380	2,243	72	58	6,576
Technicians	46	79	145	144	177	149	9	8	12	7	519	493	19	18	1,825
Sales Workers	24	21	35	49	41	42	2	3	3	3	720	761	7	19	1,730
Administrative Support Workers	47	15	620	99	189	42	11	2	3	0	1,045	196	49	9	23,27
Craft Workers	0	6	6	30	8	47	0	1	0	1	10	194	0	2	305
Operatives	441	725	1,095	1,815	1,197	1,561	28	42	53	64	1,135	2,651	55	118	10,980
Laborers and Helpers	67	22	213	50	229	67	2	0	1	0	173	84	7	1	916
Service Workers	0	1	1	16	0	8	0	0	0	1	3	66	0	0	96
Total	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

Supplier diversity

Maintaining a diverse supplier base promotes an inclusive approach to procurement and provides direct support to the communities where these diverse businesses reside. At Cardinal Health, we define diverse suppliers as small businesses (some of which are minority- or women-owned), as well as those that are at least 51% owned, operated and controlled by an individual or team that is part of an underrepresented group, including ethnic minorities, women, veterans, LGBTQ+ individuals and those with disabilities.

Our supplier diversity program 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. Our program also helps generate economic opportunities for marginalized communities.

Read more about our supplier diversity program »

\$ 5.6 billion
total FY21 spend with diverse suppliers

4,200
diverse suppliers

“ Cardinal Health operates in more than 35 countries; I see colleagues around the globe working to embrace diversity in everything they do each day. For example, even though I’m based in Asia, my U.S. and European colleagues always consider time zone differences when setting up meetings. This sort of inclusiveness is one of the key reasons I recently agreed to and accepted a new international business role. I knew it wouldn’t be a problem to collaborate with teams in other countries. That’s what makes this company so special. I know I am appreciated for who I am here. This is a place where I truly can be myself at work. ”

— Raymond Francis
International Communications Business Partner, Singapore



Awards and recognition

- 20% by 2020 Women on Boards
- 2020 Corporate Citizenship Award
- 2021 Best Places to Work for LGBTQ Equality
- 2020 COLUMBUS BUSINESS FIRST Corporate Citizenship Most Charitable Companies Vanguard Award
- BEST PLACES TO WORK 2021 for LGBTQ Equality 100% CORPORATE EQUALITY INDEX
- Devray Kirkland: Top 50 Chief Diversity Officers by the National Diversity Council
- DiversityInc 2020 Noteworthy Company
- 2020 Inclusion Index Company, Diversity Best Practices
- 2020 TOP 50 CHIEF DIVERSITY OFFICERS
- DiversityInc 2020 TOP 50 COMPANIES FOR DIVERSITY NOTEWORTHY
- 50 Best Companies for Latinas to Work for in the U.S., Latina Style 50 Report
- 2021 Best Companies for Multi-Cultural Women from Seramount (formerly Working Mother Media)
- The 50 Best Companies for Latinas to Work for in the U.S. LATINA Style 2020
- TOP COMPANIES FOR EXECUTIVE WOMEN

Mind Matters: Focusing on mental health

In 2019 we launched Mind Matters, a global mental health initiative to provide mental health resources to employees and their families, foster an open and supportive mental health culture and eliminate stigma around mental health issues throughout the company. Since the launch of Mind Matters, and throughout the pandemic, we have learned so much about the mental health needs of our employees.

We know the past 18 months have been difficult for our employees, whether they've continued to work on the front lines, ensuring that our customers get the products they need to care for patients, or they work from home, where work-life balance is especially challenging to achieve. Since the onset of the pandemic, many employees have reported working longer hours. Many are still juggling their work with additional responsibilities of childcare, home schooling and/or eldercare, and many feel isolated and long for social interaction.

Mental health issues can affect employees in many different ways, from reducing their ability to complete tasks and their cognitive performance to causing communication problems with peers and managers.

We also know that mental health issues can affect women and ethnically diverse people differently. For example, according to the World Health Organization, women are twice as likely to struggle with depression as men.⁴ People from diverse backgrounds can face unconscious bias and other stressors that affect their mental health; they may also lack access to mental healthcare services.

Stigma is also a significant barrier to mental healthcare among certain racial and ethnic communities. Throughout the pandemic, we've focused on expanding support for all employees, including customized resources for diverse audiences.

[Read more about how we prioritize mental health »](#)

Early in the pandemic, we increased the number of one-on-one counseling sessions that employees and their household members could access through our global Employee Assistance Program (EAP). Nearly 11% took advantage of these counseling sessions, an increase of 2.5% over the previous year; those accessing more than one counseling session more than doubled in 2021 over the previous year.

We also provided free access to an app called Headspace to our employees worldwide. This app is designed to guide individual meditation and relaxation. Headspace offered virtual educational sessions for employees to help them understand the benefit of meditation and drive engagement. As a result, requests from employees for Headspace licenses increased by 150%.

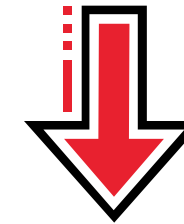


Here's what we're doing to help:



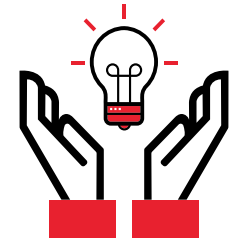
Creating balance

We encourage employees to focus on the job to be done, rather than on the time of day it's completed, to create some balance and mitigate burnout. Working parents, for example, may need time during the traditional workday to help students with virtual learning. We instituted **Midweek Moment**, a weekly window without internal meetings that employees can use however they want. Leaders are encouraged to limit how much they engage with their teams via email late in the evenings and during weekends.



Reducing stigma

Stigma is often the reason people avoid or delay seeking mental health treatment, even though treatment can alleviate many symptoms. Stigma directly affects individuals with mental illness, but it also hurts the friends and family members who help support them. Through our **Mind Matters** initiative, we have hosted multiple virtual programs that provide employees with access to mental health professionals. We've also offered programming through our employee resource groups (ERGs), designed with specific educational messages for diverse audiences.



Increasing training

We're training our leaders in mental health awareness and response so they have the skills to address mental health issues in the workplace. To date, almost 900 Cardinal Health managers have completed our Mental Health Responsiveness Training. In FY21, we began offering a 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 an issue (e.g., a panic attack, traumatic event or withdrawal from substance misuse), and helps connect them to care. Almost 500 employees have completed the MHFA certification. They continue training after certification and lead small group conversations designed to help reduce stigma.

Creating value for our customers and partners

Transforming through growth, innovation and technology



50 years of expertise

We celebrated our 50th year in business in January 2021, less than 10 months after the World Health Organization (WHO) formally declared the COVID-19 pandemic. As a company, we were able to pivot quickly at the start of the pandemic and learn new ways of doing business to continue serving customers and communities around the world.

Over the past 50 years, the only constants have been change and a deep commitment to our customers and partners. Today, as we continue to evolve from a distributor to a technology-enabled healthcare solutions provider, we're bringing life-changing healthcare innovations to market and optimizing care delivery by harnessing the power of technology, data and insights to improve the patient experience.

Read more about our initial pandemic response in our FY20 Corporate Citizenship Report »

We have deep expertise — and we know how to respond to disruptions with innovation. We are advancing healthcare and removing barriers to deliver solutions that will allow our customers and partners to provide the best possible care for the patients who depend on them.

The pandemic pushed us further in our evolution, as you'll read on these pages. We are enabling technology solutions at a faster pace than ever before. And as we look ahead, focused on becoming healthcare's most trusted partner, we'll continue to prioritize improved outcomes for our customers. We're agile, determined and continually innovating.

Delivering life-saving blood donations amid severe shortages

Blood Centers of America (BCA) recognized Cardinal Health™ OptiFreight® Logistics with one of its new Critical Infusion Awards for helping deliver record amounts of critical blood supplies and convalescent plasma to hospitals.

Throughout the pandemic, OptiFreight® Logistics helped BCA centralize shipping efforts, provide same-day delivery, optimize visibility to shipments using real-time analytics, get deliveries quickly to point of care and, ultimately, save on shipping costs.

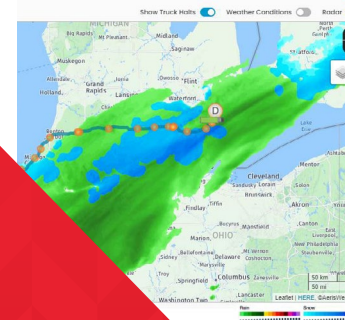
Visit newsroom.cardinalhealth.com to learn more.



Reevaluating the supply chain

In the early days of the pandemic, the demand for gowns, masks and other personal protective equipment (PPE) that helps protect healthcare providers and their patients was two to 12 times that of what was available. Once products arrived in the U.S., we delivered them to customers swiftly and efficiently; the challenge was securing reliable and quality products through a disrupted global supply chain facing a rapid, unprecedented increase in demand.

To meet the demand, we reevaluated our entire supply chain. We changed sourcing practices to limit geographic concentration of products coming from a single country. We expanded self-manufacturing capabilities to increase production capacity of isolation gowns, surgical and procedural masks and face shields — all in North America. These efforts are expanding surgical and procedural mask capacity by 150 million masks annually and increasing safety needle capacity by 15 million units. Throughout the pandemic and beyond, patient safety and product quality are at the forefront of every decision we make as we maintain trusted sources of supply.



We began a partnership with FourKites, the leader in supply chain visibility, to give our healthcare customers real-time information about where their products are in the supply chain. The technology behind this visibility is allowing us to revolutionize the network and to ensure that all parts of the supply chain are working seamlessly. We continue to innovate as the supply chain and technology evolve.

Read more about our partnership with FourKites »

We launched Cardinal Health™ TotalVue™ Analytics, a logistics management tool for healthcare supply chain leaders that provides health systems with shipping trends so they can identify opportunities to reduce freight costs, including inbound shipments from suppliers or outbound shipments from sites of care. These actionable data help supply chain leaders improve the predictability and efficiency of their supply chains.

Read more about TotalVue™ Analytics »

Read more about how we're enhancing the entire supply chain by continually focusing on supply resiliency, business continuity and advanced planning and visibility »



Upgrading inventory practices



Ensuring patient safety and product quality

Our manufacturing and sourcing strategy, and our responsible sourcing, keep safety and quality at the forefront of everything we do and every decision we make. Read more in our [FY20 Corporate Citizenship Report](#).



As a distributor of pharmaceutical products and a global manufacturer and distributor of medical products and supplies, we remain focused on getting critical medicines and supplies into the hands of our customers so they can effectively care for their patients. We've increased inventory of certain products to more quickly meet spikes in demand.

In April 2021, we were awarded a \$58 million contract to store and distribute 80,000 pallets of PPE to support the U.S. Strategic National Stockpile (SNS), the repository of critical medical supplies used to supplement state and local supplies in public health emergencies. We're also investing \$50 million in medical inventory management throughout the U.S., adding nearly 1.5 million square feet to our regional replenishment centers. These centers store products that our nearby distribution centers can quickly access to restock their own inventory, then ship to our customers.

Developing and investing in innovative technology solutions

Our innovations are enabling meaningful, cost-effective and outcomes-driven connections in healthcare. Here are four notable examples:



Continually evolving our business

To discover more about how we're transforming our business through growth, innovation and technology to best serve our customers and their patients now and into the future, please visit newsroom.cardinalhealth.com

1 MyScheduling, a digital solution specific to COVID-19 that allows U.S.-based independent pharmacists to schedule vaccines (and lets patients schedule their own appointments), creates waiting lists for patients not yet eligible for the vaccines, gathers patient information and generates reports on daily appointments. MyScheduling has scheduled 283,000 COVID-19 vaccination appointments (with only a 2% no-show rate); more than 3,500 pharmacies have connected via the MyScheduling tool to the Centers for Disease Control and Prevention (CDC) Datawarehouse for COVID-19 vaccine reporting. The MyScheduling tool is available through our Outcomes™ Connect platform, which supports 23 million patients at more than 60,000 pharmacy locations nationwide.

2 Cardinal Health™ Navista™ Tech Solutions (TS) launched to help oncology practices improve patient care, lower costs and drive success in value-based care. Through this comprehensive suite of technology solutions, Navista™ TS helps oncology practices understand the biggest cost and value drivers, identify treatments that offer the highest-quality care at the lowest cost and select the right care plan at the onset of each patient's treatment. It also helps to automate manual processes and reduce administrative burdens.

3 We collaborated with **eMed**, a digital health company democratizing healthcare through digital point-of-care solutions, to distribute at-home COVID-19 rapid tests to thousands of pharmacies nationwide. eMed offers a unique digital health platform to virtually guide individuals through the testing process. The tests require no additional equipment; they are authenticated and deliver results within minutes. The collaboration enables pharmacies to offer convenient at-home tests to their patients and help protect against the further spread of COVID-19 in their communities.

4 Through work with **HIMSS Analytics™**, our WaveMark™ Supply Management & Workflow Solutions became a Certified Organization of the Clinically Integrated Supply Outcomes Model (CISOM), to help health systems optimize and benchmark progress as they innovate their clinical and operational supply chains. WaveMark™ supports an optimized supply chain strategy with service and technology offerings, helping to ensure accurate visibility to "at risk" product inventory and to help prevent "never events," including expired or recalled product used on a patient.



Enabling hospital care at home

Medically Home is a technology company that supports and enables the delivery of safe, high-quality acute care in the home. In collaboration with Medically Home, health systems, payers and providers, we're bringing hospital-level care into the home — complete with labs, nurses, meals, medications and equipment.

Learn more about how we're making healthcare more accessible, including through virtual care »

Strengthening our communities

Cardinal Health focuses on creating positive, lasting change



The Cardinal Health Foundation

The Cardinal Health Foundation works to help build healthier, more equitable communities where all people have the opportunity to live healthy lives and share their perspectives and experiences — communities where diversity, equity and inclusion thrive.

Each year, we invest **\$5.5 million** to improve health outcomes. On these pages, you'll see some of the highlights of this work in FY21.



[Read more about the Foundation's work »](#)

Our priorities



Improving physical health



Expanding mental health services



Increasing access to healthy foods



Increasing access to stable housing



Improving educational outcomes

Supporting employee engagement



Giving back to important causes

In addition to their time and talent, employees donate more than \$2 million each year to nonprofit organizations — funds that are matched by the Foundation.

Fighting prescription drug misuse

Many of our employees teach others about medication safety through the resources of Generation Rx (learn more on [page 41](#)).

COVID-19 response

Addressing unprecedented need

When the COVID-19 pandemic took hold last year, we acted with urgency, funding our nonprofit partners that work to address some of the most pressing needs of at-risk children and families in our hometown of Columbus, Ohio, and around the world. Below is a list of the organizations we support:

Central Ohio relief:

- **United Way of Central Ohio**, to support its COVID-19 emergency response
- **I Know I Can**, to support high school graduation for seniors in Columbus City Schools
- **Mid-Ohio Food Collective**, to help feed hungry children and their families in Central Ohio throughout school closures
- **Mid-Ohio Regional Planning Commission**, to support a broadband access pilot program across Central Ohio

Global relief:

- **United Way Worldwide**, to support basic needs of children and families and children's education across six countries
- **Red Cross Society of China**, for emergency relief



[Read more about our vaccine efforts to support our customers and employees »](#)



When vaccines became available in Ohio in early 2021, the Foundation partnered with Ohio State University (OSU) Athletics to address vaccine hesitancy in disadvantaged communities by sponsoring a statewide public service announcement (complemented by other promotional materials) featuring former OSU linebacker Joshua Perry.

Advancing mental well-being

About one in five adults in the U.S. have mental health issues,⁵ and one in 10 have a drug use disorder at some time in their lives,⁶ according to the National Institutes of Health. Though many of these issues can be managed with treatment and support, many people struggle to get help. Here are some of the ways the Foundation is working to combat mental health and substance use issues.

The Cardinal Health Foundation Zero Suicide Collaborative

Suicide is a growing public health concern. According to the Centers for Disease Control and Prevention, in 2019, suicide was the second leading cause of death for people ages 10-34, the fourth leading cause among people ages 35-44, and the fifth leading cause among people ages 45-54.⁷

Suicide deaths for individuals under the care of health and behavioral health systems are preventable. That's why the Cardinal Health Foundation is partnering with the Zero Suicide Institute, whose framework is based on the realization that those at risk of suicide often fall through the cracks in a fast-paced and sometimes fragmented healthcare system. A systematic approach to quality improvement in these systems is both available and necessary to save lives.

With the Zero Suicide Institute, we have created a national Zero Suicide Collaborative of 17 adult and children's hospitals. Each of the participating hospitals received a two-year grant and are receiving in-depth training and expert consultation from the Zero Suicide Institute throughout the term of the grant.

The collaborative includes a partnership with the State of Ohio and the Ohio Children's Hospital Association (OCHA),



focused on six children's hospitals that are implementing systemwide and community-based suicide prevention efforts. And through an initiative of Ohio Governor Mike DeWine, the Ohio Department of Mental Health and Addiction Services is making an investment in youth suicide prevention. We are proud that the Cardinal Health Foundation is amplifying this work to create a comprehensive suicide prevention model from hospitals to home.

Each of the Zero Suicide Collaborative grantees is committed to patient safety and the safety and support of clinical staff, as well as supporting a community focus on suicide prevention. Through the collaborative, grantees will track and share learnings and best practices with each other, with the Zero Suicide Institute and with Cardinal Health to inform and improve future suicide prevention work.

Optimal Prescribing for Pain Management (OPPM) Collaborative

In 2019, the Foundation awarded nearly \$1 million in grants through the OPPM Collaborative to combat the opioid epidemic across five states. The initiative engaged state pharmacy associations and schools of pharmacy in partnerships that enabled pharmacists to work closely with other healthcare providers and patients to improve pain management and pain medication prescribing.

The five grantees completed their grant-funded work in FY21:



The grantees worked to bridge the communication gap between prescribers, pharmacists and patients in their states, and spread tools and resources to promote optimal prescribing for pain management patients. Throughout the term of the grant, they participated in a learning collaborative led by the Alliance for Integrated Medication Management (AIMM) designed to drive progress and to facilitate discussions, identify barriers and brainstorm solutions.

In addition to AIMM, the Foundation also partnered with the National Alliance of State Pharmacy Associations (NASPA) and the American Association of Colleges of Pharmacy (AACP) to coordinate the program.



The Foundation supports several solutions designed to prevent prescription drug misuse and fight the opioid epidemic. A key program is Generation Rx, which was founded at The Ohio State University College of Pharmacy and has been powered through a partnership with the Foundation since 2009. Generation Rx is an evidence-informed prevention education and awareness program designed to educate people of all ages about safe medication practices.

Read more at cardinalhealth.com/GenerationRx

Taking action on social determinants of health

Clinical care that is safe, effective, timely, efficient, equitable and people-centered is key to positive health outcomes. But healthcare providers and researchers recognize that social factors are even greater predictors of health and well-being than clinical health. In fact, social determinants of health (SDoH), including health-related behaviors, socioeconomic factors and environmental factors, account for 80% to 90% of health outcomes.⁸ To improve health and reduce longstanding disparities in health and healthcare, particularly for Black or African American people, we must address SDoH.

Advancing social justice and racial equity

The Cardinal Health Foundation and the company have prioritized donations to organizations working to help eliminate inequities in healthcare, education, jobs, housing, criminal justice and more.

The Foundation provides 100% matching gifts for employee donations to these nonprofit organizations:

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

Cardinal Health provides financial support to a variety of organizations working to advance equity. In Central Ohio, these include: Dr. Martin Luther King, Jr. Birthday Breakfast, Columbus Urban League, United Negro College Fund of Central Ohio and United Way of Central Ohio.

On the national level, we support National Urban League, National Council of Negro Women, Boris Lawrence Henson Foundation, Loveland Foundation and the Center for Healthcare Innovation.

Fighting food insecurity with food pharmacies

To begin addressing SDoH, the Foundation is investing in grant-funded work to combat food insecurity, which is the lack of consistent access to enough nutritious food to support an active, healthy life. Food insecurity is a complex social issue that greatly impacts population health. By supporting organizations that help to increase access to healthy foods, we can improve health outcomes as well as the overall health of the communities in which we work and live.

Our food pharmacy work was established with a pilot cohort of five grantees across the country in 2020, all working together to address food insecurity. Food pharmacies — partnerships between food banks and healthcare organizations — help to support and sustain healthier eating habits of low-income patients. Through clinic-based food pharmacies, patients can fill prescriptions for free, nutritious foods written by their healthcare providers. They also receive support to foster and sustain healthy eating habits with cooking instructions, recipe sharing and nutrition coaching.

In FY21, the Foundation expanded its food pharmacy initiative with national partner Feeding America* and announced its Food Rx for Health program, awarding new grants to four food banks partnering with healthcare organizations to improve health outcomes for adults with diabetes. The following partnerships began their grant-funded work in July 2021:

- **Mid-South Food Bank in Memphis, Tennessee** partnering with Methodist Le Bonheur Healthcare, Methodist University Hospital
- **Mountaineer Food Bank of Gassaway, West Virginia** partnering with the Wheeling Health Right Medical Center in Wheeling, West Virginia
- **Feeding Tampa Bay in Riverview, Florida** partnering with Tampa Family Health Center, a Federally Qualified Health Center (FQHC)
- **Northern Illinois Food Bank in Geneva, Illinois** partnering with Northwestern Medicine Lake Forest Hospital



Above: Employees around the globe do their part to help fight hunger in their communities by hosting food drives, volunteering at food banks and working in community gardens.

* The Cardinal Health Foundation is a supporting partner of Feeding America.

Empowering employees

We support our employees in giving back to the causes they're passionate about. Around the world, they raise millions of dollars for and share time and professional skills with thousands of nonprofit organizations.

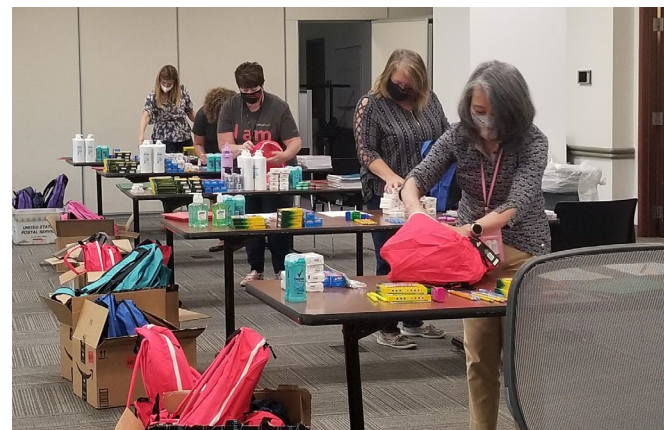
A year of service

Our employees are passionate about giving back to the communities where we live and work. During our 2021 year of service, we are inspired by the collective goal of giving 50,000 hours in volunteer service.

On these pages, we share highlights of that commitment.



In January 2021, we celebrated our 50th anniversary with a virtual bell ringing at the New York Stock Exchange (NYSE) and the kickoff of a year of service for Cardinal Health employees around the world.



Throughout our year of service, employees have hosted school supply drives, stuffed and donated backpacks, cleaned up community green spaces, donated to food pantries and more.



Pelotonia

Our Foundation, company and employees have raised more than \$3 million for cancer research since 2009. Hundreds of employees, friends and families participate each year by cycling, volunteering or setting their own challenges to fundraise against.

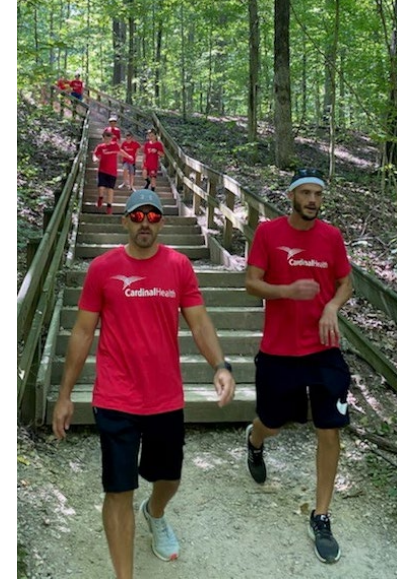
 **\$3M+**
raised



American Heart Association (AHA) Heart Walk

Since 2009, we've raised more than \$2 million for heart research; hundreds of employees participate in walks across the country.

 **\$2M+**
raised



“ I am proud to support Pelotonia’s mission of engaging, inspiring and challenging a community committed to changing the world by accelerating innovative cancer research. ”



— **Victor Crawford**
CEO of our Pharmaceutical Segment

As a healthcare leader, cancer survivor and advocate for advancing health equity, Crawford serves on the Pelotonia Board of Directors.

Learn more about Pelotonia’s impact on cancer research at [pelotonia.org](https://www.pelotonia.org)



“ Through our collaboration with the American Heart Association, Cardinal Health is focusing on health equity, education, wellness, mental health and overall well-being for our employees and the community. ”

Learn more about the American Heart Association at [heart.org](https://www.heart.org)

— **Ola Snow**
Chief Human Resources Officer

A long-time champion of the AHA, Snow recently joined the AHA’s Go Red for Women National Leadership Council, an influential group of women who encourage other women to take charge of their heart health.

Operating sustainably

Creating a cleaner future



Building a more sustainable future

As a global company, we know that the long-term health of our communities, colleagues, customers and partners depends on a commitment to environmental sustainability. We all have a role to play in addressing climate change to ensure a healthier planet for generations to come; it's essential that we do our part.

Across our footprint, we look for ways to reduce greenhouse gas (GHG) emissions, reduce landfill burden, conserve water and design products, services and solutions that help lessen our environmental impact. We continue to measure and manage our impact, constantly pursuing opportunities for improvement — and we are achieving real results in an effort to benefit our planet and the communities in which we operate.

Following the completion of a climate scenario analysis in FY21, we are issuing for the first time a report using the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) as a guide.

[Read our FY21 Task Force on Climate-related Financial Disclosures Report »](#)

Guiding principles



Pollution prevention



Energy optimization



Design for environment



Employee and public outreach

Goal setting: Enterprise GHG emissions

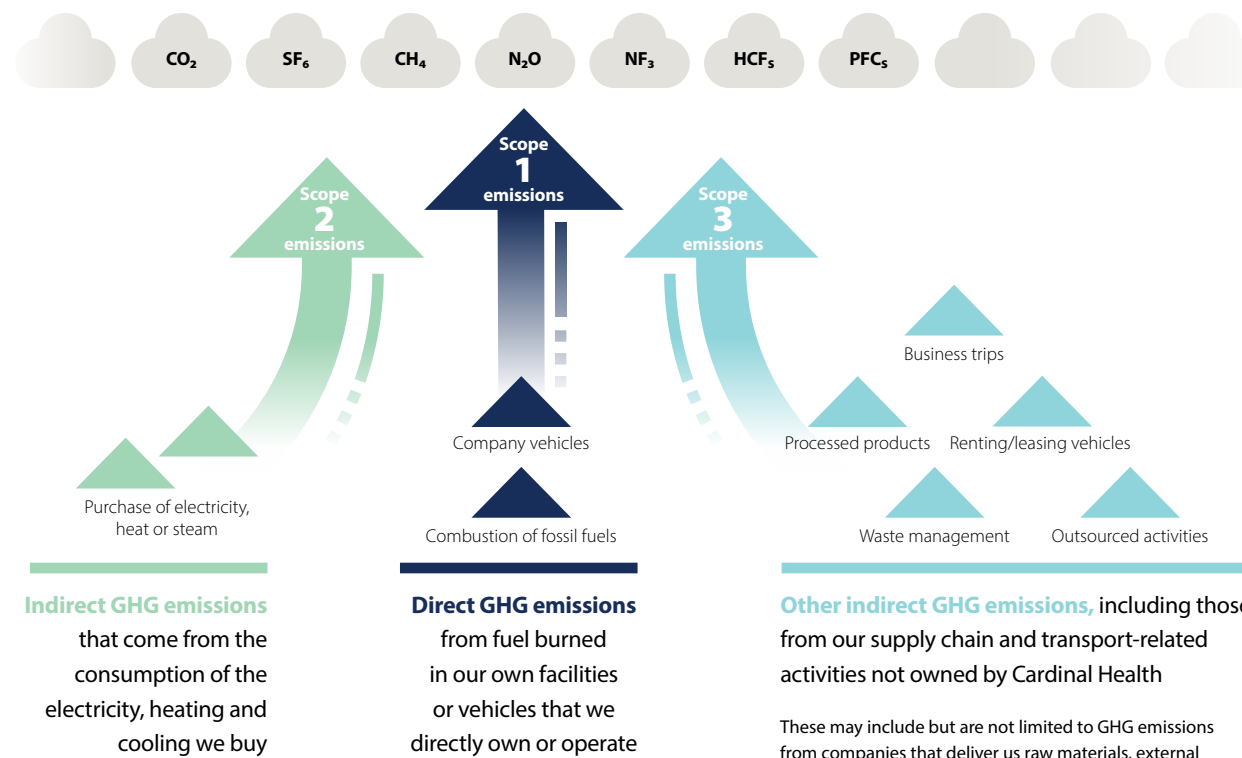
We're committed to reducing our impact on the environment and have set initial targets for reducing our Scope 1 and 2 GHG emissions by 50% by FY30, against an FY19 baseline.

Our Scope 1 and 2 targets align with what the latest climate science deems necessary to meet the goals of the Paris Agreement: limiting global warming to well below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C. Further, we are assessing our Scope 3 emissions and working toward validation of a comprehensive Scope 1, 2 and 3 science-based target by the Science-Based Targets initiative (SBTi).



[Learn more about our GHG data and goals »](#)

Understanding Scope 1, 2 and 3 emissions



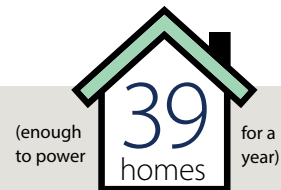
These may include but are not limited to GHG emissions from companies that deliver us raw materials, external manufacturing facilities and last-mile partners who drive products to healthcare providers. Scope 3 emissions are more difficult to measure but, along with Scope 1 and 2, they represent an important impact on the environment.

Total Waste Management

We promote responsible waste management across the company through an innovative program initiated in FY20 called **Total Waste Management**. An enterprise-focused solution emphasizing elimination, reduction and/or reuse of waste and waste by-products, Total Waste Management simplifies and standardizes waste management throughout our operations and increases compliance solutions.

In FY21, our Total Waste Management program:

Increased use of waste-to-energy, generating **412,000 kWh**



Increased landfill avoidance by nearly **870 tons**



Once fully implemented across the enterprise, Total Waste Management is expected to:

Achieve a waste management cost-savings year over year of at least



In FY21, we deployed Total Waste Management throughout our Pharmaceutical Distribution, Specialty and Global Logistics businesses; in FY22, we anticipate expanding the program throughout our Nuclear & Precision Health Solutions.



Recycling

Fundamental to our sustainability initiatives, our recycling programs address water, wood, cardboard, plastics, paper, metal, electronics, ink cartridges and other materials.

For details on our FY21 outcomes, visit cardinalhealth.com/recycling-data



International Organization for Standardization (ISO) certification

In FY21, we achieved internationally recognized ISO 14001:2015 (environmental management system) and ISO 45001:2018 (operational health and safety management system) integrated certifications in four manufacturing sites: Rayong, Thailand; Costa Rica; Juarez, Mexico; and Tullamore, Ireland.

By FY23, we expect to achieve a multisite ISO 14001 and 45001 certification for a total of 21 manufacturing sites, including the four sites certified in FY21.

Renewable energy

In FY21, we were among Central Ohio's three founding customers of renewable energy through Smart Columbus Energy, an initiative of Smart Columbus designed to support the decarbonization of large businesses in the region. The program pools customers' energy demands and allows procurement energy from Ohio-based wind and solar projects. Smart Columbus estimates the initiative will supply the founding customers with about 25 megawatts of renewable energy each year — the equivalent of annually powering more than 4,000 U.S. homes.

Beginning early in calendar year 2022, we will use renewable energy to fully power our global headquarters and our National Logistics Center in Central Ohio.

[Read more about renewable energy »](#)

Sustainable sourcing and human rights

We are committed to ensuring that our supply chain reflects our core values and our prioritization of both product quality and social responsibility. To do this, we have built ESG priorities into our procurement and manufacturing standards and procedures. This includes thorough evaluation of our suppliers and sites to protect against the use of forced labor and unsafe work environments, and improve waste and emission control programs.

Find our most recent vendor code of conduct, Global Human Rights and Labor Standards policy and Modern Slavery Statement on our website.

[Read more about our work to build a more sustainable future »](#)



As a global citizen, we're working to reduce our environmental impact in the communities where we work and live. We're reducing energy use, GHG emissions and waste, and prioritizing recycling efforts.



— **Mike Bellantis**
Director, ESG and Sustainability



Governance and ethics

Doing business the right way to
create value for all our stakeholders



Comprehensive Board- and management-level ESG oversight

Board of Directors

Oversight of ESG-related risks and opportunities

Read more about governance and ethics at Cardinal Health, our Board of Directors and Standards of Business Conduct »

Audit Committee

Monitors the company's financial risks, cybersecurity, internal audit function and enterprise risk management process

Human Resources and Compensation Committee

Human capital management, including diversity, equity and inclusion, talent recruitment and development, and workplace safety and culture

Nominating and Governance Committee

Environmental sustainability, corporate citizenship activities, political contributions and lobbying, and corporate governance

Ad Hoc Committee

Oversight of company's response to the opioid epidemic and related litigation, regulatory and reputational risks

Risk Oversight Committee

Monitors compliance risks associated with ethical, quality and legal/regulatory requirements (other than opioid matters)

ESG Steering Committee

This committee, chaired by the EVP, Chief Corporate Affairs Officer and composed of management team members, oversees our ESG strategies.

The ESG Steering committee leads efforts to integrate corporate citizenship throughout our business by:

- Coordinating and prioritizing recommendations and requests about ESG issues
- Making recommendations to management on ESG projects and investments, with a focus on business benefit, cost-effectiveness and sustainability
- Assessing recommendations and requests for ESG information or initiatives from stakeholders and interest groups
- Developing consistent internal and external communications about ESG matters

About our Corporate Citizenship Report

Unless otherwise indicated, data in this report are reflective of the fiscal year 2021 (July 1, 2020-June 30, 2021). The statistics and metrics included in this report may be based on estimates, assumptions or developing standards. The information in this report has not been externally assured or verified by an independent third party.

Cardinal Health is headquartered in Dublin, Ohio. More than 97% of our FY21 revenue was generated in the United States. Although the scope of this report primarily reflects the United States, the ethics and governance information referred to in this report and on our website reflects company-wide practice. In addition, data about the environment and employee health and safety (EHS) are based on our global operations.

GRI and SASB standards

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option and leverages the Sustainability Accounting Standards Board (SASB) standards for Health Care Distributors. It takes into account topic-specific GRI standards that we identified through our ESG priority assessment. (Read more about our ESG priorities on our website.) The GRI standards represent global best practice for reporting publicly on a range of economic, environmental and social impacts. Sustainability reporting based on the standards provides information about an organization's positive or negative contributions to sustainable development. SASB standards include 77 industry-specific standards that enable businesses around the world to identify, manage and communicate sustainability information to their investors. The inclusion of information in this report in response to the GRI and SASB standards should not be construed as an admission or conclusion that the information is material to our investors.

For more details, please refer to the [FY21 Corporate Citizenship Report Indices](#) »

Task Force on Climate-related Financial Disclosures Report

In FY21, we began assessing our climate management program and disclosures using the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) as a guide. We completed a climate scenario analysis, which helped to identify potential climate-related risks and opportunities related to the physical impacts of climate change and the transition to a low-carbon economy. Following completion of this climate scenario analysis, Cardinal Health published for the first time a Task Force on Climate-related Disclosures Report.

Read our [FY21 Task Force on Climate-related Financial Disclosures Report](#) »

Forward-looking statements

This report contains forward-looking statements addressing expectations, prospects, estimates and other matters with respect to our environmental, social and governance (ESG) related actions and initiatives that are dependent on future events or developments. These statements may be identified by words such as "expect," "anticipate," "aim," "intend," "plan," "believe," "will," "should," "could," "would," "positioned," "project," "continue," "likely," "commit to" or other words or expressions of similar meaning, although not all forward-looking statements contain such terms. Actual results may differ materially from those projected, anticipated or implied in forward-looking statements due to a variety of factors, including the risks and uncertainties described in our Form 10-K, Form 10-Q and Form 8-K reports and exhibits to those reports. Forward-looking statements in this report may include, without limitation, statements regarding: (i) strategies for implementing ESG-related programs and related plans, targets and goals; (ii) commitments to climate-related programs and policies; (iii) expectations and priorities for ESG-related initiatives; and (iv) future ESG reporting. Forward-looking statements speak only as of the date this report is first published. Except to the extent required by applicable law, we undertake no obligation to update or revise any forward-looking statement. Forward-looking statements are aspirational and not guarantees or promises that goals, targets or projections will be met, and no assurance can be given that any commitment, expectation, initiative or plan in this report can or will be achieved or completed. Investors are cautioned not to place undue reliance on any forward-looking statements.

For more information about our operations, please see the [FY21 Cardinal Health Annual Report](#) »

Read our [FY21 Proxy Statement](#) »



CardinalHealth™

Corporate Offices
Cardinal Health
7000 Cardinal Place
Dublin, Ohio 43017

614.757.5000
cardinalhealth.com

Learn more about this report at
cardinalhealth.com/CCR

References: 1. Dixon-Fyle S, et al. <https://www.mckinsey.com/featured-insights/diversity-and-inclusion/diversity-wins-how-inclusion-matters>. Published May 19, 2020. Accessed August 31, 2021. 2. Maurer CC, et al. *Organization Studies*. 2021;42(1):85-107. 3. Lorenzo R, et al. <https://www.bcg.com/publications/2017/people-organization-leadership-talent-innovation-through-diversity-mix-that-matters>. Published April 26, 2017. Accessed August 31, 2021. 4. World Health Organization. https://www.who.int/mental_health/media/en/242.pdf. Published May 6, 2002. Accessed September 12, 2021. 5. National Institute of Mental Health. <https://www.nimh.nih.gov/health/statistics/mental-illness>. Accessed September 16, 2021. 6. National Institute of Mental Health. <https://www.nih.gov/news-events/news-releases/10-percent-us-adults-have-drug-use-disorder-some-point-their-lives>. Published November 18, 2015. Accessed September 16, 2021. 7. Centers for Disease Control and Prevention. <https://www.cdc.gov/injury/wisqars>. Updated July 1, 2020. Accessed September 17, 2021. 8. Hood CM, et al. *Am J Prev Med*. 2016;50(2):129-135.

© 2021 Cardinal Health. All Rights Reserved. CARDINAL HEALTH, the Cardinal Health LOGO, ESSENTIAL TO CARE, OPTIFREIGHT, TOTALVUE, NAVISTA and WAVEMARK are trademarks of Cardinal Health and may be registered in the US and/or in other countries. All other marks are the property of their respective owners. Patent cardinalhealth.com/patents. Lit. No. 5PR21-1592559-01 (09/2021)