



# FISCAL 2024

## Environmental, social and governance report

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# Table of contents

A message from our CEO | p3

## 01 About Cardinal Health

- 7 Company overview
- 9 Awards and recognition
- 10 Fiscal 2024 ESG highlights
- 11 ESG topics and priorities
- 12 ESG governance at a glance

## 02 Empowering our people

- 15 Talent management
- 18 Culture and inclusion
- 22 Employee well-being
- 24 Wages and benefits
- 26 Workplace health and safety

## 03 Creating value for our customers and communities

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

## 04 Operating sustainably and responsibly

- 44 Energy and climate
- 48 Waste management
- 49 Efficient transportation and logistics
- 51 Product and service innovation
- 55 Responsible sourcing

## 05 Governance, ethics and compliance

- 60 Corporate governance
- 61 Data privacy and security
- 63 Business ethics and compliance
- 68 About this report and cautionary statement

## 06 Reporting indices

- 70 Global Reporting Initiative (GRI) Index
- 92 Sustainability Accounting Standards Board (SASB) Index
- 99 Task Force on Climate-Related Financial Disclosures (TCFD) Index
- 104 Basis of reporting

# A message from our CEO

Dear Stakeholders,

At Cardinal Health, our environmental, social and governance (ESG) priorities are aligned with our business strategy, as we safely and efficiently deliver products and solutions for our customers and the patients they serve, while fulfilling our role as healthcare’s most trusted partner.

This past fiscal year, we made significant progress across our ESG priorities. We are committed to continuing that progress, because we believe that these priorities help drive business success and are central to our core mission of improving lives every day.

## Reducing our environmental impact

In fiscal 2024 we took additional steps toward reducing our environmental impact. We sought and received approval from the Science Based Targets initiative (SBTi) for our near-term science-based climate targets for Scopes 1, 2 and 3 GHG emissions that:

**Reduce absolute Scopes 1 and 2 GHG emissions 50% by fiscal 2030 from a fiscal 2019 base year**

**Ensure that 75% of our company’s suppliers by spend, covering purchased goods and services and upstream transportation and distribution, will have science-based targets by fiscal 2028**

We made progress toward our first target, reducing our Scopes 1 and 2 emissions by 17% since fiscal 2019. With these efforts, we’re reducing our environmental impact and generating savings across our businesses. This work also allows us to respond to evolving customer expectations and support our customers in achieving their own sustainability goals.

Additionally, we have begun working more closely with our suppliers to achieve our second science-based target.

To accelerate our progress toward achieving these targets, we’ve created a comprehensive climate action plan that enables the decarbonization of our operations through energy efficiency and building optimization, renewable energy, and improved transportation efficiency.



**Jason Hollar**  
Chief Executive Officer



**We made progress in other key ESG areas in fiscal 2024, including:**

**Increasing equitable access to healthcare among our workforce, through our businesses and the work of the Cardinal Health Foundation:** Particularly meaningful is our Equity Rx program, which the Foundation piloted this fiscal year in Ohio. Equity Rx works with free and charitable clinics to increase access to medications for those in need. Through the pilot, more than 22,000 prescriptions, representing \$2.6 million in retail value, were filled by patients who otherwise could not have afforded them. With the success of the pilot, the Foundation is expanding Equity Rx nationally.

**Improving employee safety:** Safely and efficiently delivering products to our customers is a priority and we have taken steps to improve employee safety within our distribution centers (DCs). Our safety improvement plan drives accountability at all levels and resulted in a 29% reduction in work-related injuries in fiscal 2024 over the prior year.

**Expanding supply chain due diligence:** Supply chain due diligence provides us with a more comprehensive view of our suppliers and their compliance with regulatory requirements, like labor practices, thereby enhancing supply chain transparency and resiliency. In fiscal 2024, we evaluated suppliers across our entire enterprise, growing our due diligence program. Through this expanded effort, we have gained greater insight into suppliers across our businesses and how we can collaborate to mitigate risks and comply with coming regulations.

**Building an inclusive work culture that works for all:** We believe that a strong workplace culture results in higher performing employees who are more driven to meet our customers' needs and those of the patients our customers serve. We strive to build an inclusive workplace where employees are encouraged to be their authentic selves and thrive. We recently launched an "Allyship for all" initiative, focused on our belief that every individual has unique insights and experiences that they can use to build strong work relationships and support their fellow employees and the customers they serve. In addition, we continued to take action to support employees' mental health through innovative benefits and initiatives.

**In closing**

I want to extend my gratitude to our employees for their commitment to this work, our Board of Directors for their leadership, and all our stakeholders, including our customers who serve patients every day, for their continued trust, support and partnership.

We know that a sustainable business is good for all, and we're energized by our progress. We also recognize that there is always more work to do. We look forward to continuing our journey with you and embracing the challenges and opportunities ahead.

Sincerely,

**Jason Hollar**  
Chief Executive Officer



# About Cardinal Health

In this section:

**7** Company overview

**9** Awards and recognition

**10** Fiscal 2024 ESG highlights

**11** ESG topics and priorities

**12** ESG governance at a glance



**At Cardinal Health, we provide the products and solutions that improve the lives of people every day. We strive to be healthcare's most trusted partner, providing customized solutions for hospitals, healthcare systems, pharmacies, ambulatory surgery centers, clinical labs, physician offices and patients in the home.**

**We are building on our expertise in distribution, products and solutions to innovate and create customer-centric solutions that address healthcare's most complicated challenges.**



# Company overview

Cardinal Health provides customized solutions for hospitals, healthcare systems, pharmacies, ambulatory surgery centers, clinical laboratories, physician offices and patients in the home.

We are a distributor of pharmaceuticals and specialty products; a global manufacturer and distributor of medical and laboratory products; an operator of nuclear pharmacies and manufacturing facilities; and a provider of performance and data solutions. Working to be healthcare's most trusted partner, our customer-centric focus drives continuous improvement and leads to innovative solutions that improve the lives of people every day.

Effective January 1, 2024, the company began operating under an updated enterprise structure, which includes two reportable segments: Pharmaceutical and Specialty Solutions (PSS) and Global Medical Products and Distribution (GMPD). Cardinal Health's remaining operating segments that are not significant enough to require separate reportable segment disclosures (Nuclear and Precision Health Solutions, at-Home Solutions and OptiFreight® Logistics) are included as Other.

## Pharmaceutical and Specialty Solutions



The PSS segment distributes branded and generic pharmaceutical, specialty pharmaceutical and over-the-counter healthcare and consumer products in the United States (U.S.). This segment also provides services to pharmaceutical manufacturers and healthcare providers for specialty pharmaceutical products; provides pharmacy management services to hospitals and operates a limited number of pharmacies, including pharmacies in community health centers; and repackages generic pharmaceuticals and over-the-counter healthcare products.

## Global Medical Products and Distribution



The GMPD segment manufactures, sources and distributes Cardinal Health™ brand medical, surgical and laboratory products, which are sold in the U.S., Canada, Europe, Asia and other markets. This segment also distributes a broad range of medical, surgical and laboratory products known as national brand products to hospitals, ambulatory surgery centers, clinical laboratories and other healthcare providers in the U.S. and Canada.

## Other businesses

This category includes three growth businesses:

**Nuclear & Precision Health Solutions (NPHS)** develops, manufactures, compounds, dispenses and delivers radiopharmaceuticals used in nuclear medicine. Its Center for Theranostics Advancement helps customers accelerate the development of diagnostic drugs and new therapies and delivers them directly to care providers through its network of 130 nuclear pharmacies.

**at-Home Solutions** has two main businesses: Edgepark, a medical supplies provider that specializes in serving patients with chronic conditions in the home; and at-Home, a business-to-business distribution service that delivers medical supplies and over-the-counter products to home medical equipment providers, home health and hospice agencies, and e-commerce providers.

**OptiFreight Logistics** helps meet the unique shipping and logistics needs of healthcare providers, working as an extension of customers' supply chain teams and supporting their shipping, freight management and logistics management strategies. This segment serves hospitals, pharmacies, labs and surgery centers.

Pharmaceutical and Specialty Solutions

**\$210B**  
in revenue

Global Medical Products and Distribution

**\$12.4B**  
in revenue

Other

**\$4.5B**  
in revenue

**Total**  
fiscal 2024 revenue **\$226.8B**

# Working to be healthcare's most trusted partner



**90%+**  
U.S. hospitals served



**20+**  
product categories as an integrated medical manufacturer



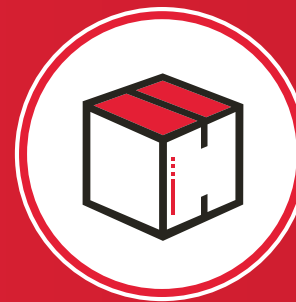
**5M+**  
patients served in the home by direct to patient business



**30**  
PET cyclotron facilities



**20K**  
physician offices or clinics serviced by our Pharmaceutical and Specialty Solutions business



**22M+**  
parcel packages managed through OptiFreight Logistics



**40K+**  
pharmaceutical deliveries a day



**~130**  
nuclear pharmacies

# Awards and recognition

- 100 Best Corporate Citizens, 3BL Media
- America's Greenest Companies, Newsweek
- America's Most Innovative Companies, Fortune
- Best Employers for Diversity, Forbes
- Business Group on Health – Best Employers Awards, Excellence in Mental Health
- Equality 100 Company, 2025 Corporate Equality Index, Human Rights Campaign
- LATINA Style 50 Report, 2024
- Supply Chain Resiliency Badge, Diamond-level, and Transparency Badge, Healthcare Industry Resilience Collaborative (HIRC)
- Seramount Inclusion Index
- Seramount Top Companies for Executive Women
- World's Best Companies of 2024, TIME

# Fiscal 2024 ESG highlights



**01 Received approval from the Science Based Targets initiative (SBTi)** for near-term science-based greenhouse gas (GHG) emissions reduction targets



**02 Expanded supplier ESG due diligence** from the GMPD segment to across the enterprise



**03 ESG Governance Committee and Board of Directors aligned on a climate action plan** designed to achieve our Scope 1 and Scope 2 GHG emissions reduction target



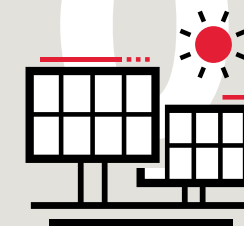
**04 Reduced Scope 1 and Scope 2 GHG emissions by 17%** from a fiscal 2019 base year



**05 Reduced work-related injuries** in our distribution operations by **29%** over the prior year



**06 Piloted Equity Rx in Ohio,** which provided more than **22K** prescriptions for patients who otherwise could not have afforded them



**07 Completed solar installations** at our glove manufacturing facility in Rayong, Thailand, and at our manufacturing site that produces neonatal and intravenous access catheters in Fukuroi, Japan

# ESG topics and priorities

There are 17 ESG topics that guide our ESG strategy, help us manage organizational risks and, we believe, create lasting value for our stakeholders. We report on all 17 of these topics on the pages that follow and in our reporting indices.

In fiscal 2022, we prioritized seven of these topics to serve as the foundation of a three-year strategic ESG plan. These seven priorities are:

- 01 Community engagement
- 02 Culture and inclusion
- 03 Employee well-being
- 04 Energy and climate
- 05 Product and service innovation
- 06 Responsible sourcing
- 07 Talent management

We have identified these as priorities because we believe they allow us to differentiate ourselves in the market and, at the same time, enable us to mitigate environmental and social risks to the company.

Our ESG Working Group includes director- and vice president-level subject matter experts on our ESG priority topics, and is responsible for the development of a strategy for each of the seven priorities in alignment with business objectives, policies and operations. The group monitors sector trends and periodically re-evaluates the importance of each priority as new regulatory requirements emerge or stakeholder needs evolve.

The remaining 10 ESG topics serve as the basis for the company's approach to managing organizational ESG risk in coordination with our existing business processes, including our enterprise risk management (ERM) processes. We have robust programs in place to address and monitor risks for these other ESG topics.

**These 10 topics are:**

- 01 Workplace health and safety
- 02 Wages and benefits
- 03 Responsible use of prescription medications
- 04 Product quality and patient safety
- 05 Supply chain resiliency
- 06 Waste management
- 07 Efficient transportation and logistics
- 08 Corporate governance
- 09 Data privacy and security
- 10 Business ethics and compliance

We regularly assess our performance on these ESG topics and related metrics to determine whether our policies and programs are effectively managing risk.

In this report, we have organized all 17 ESG topics into four broad categories: empowering our people, creating value for our customers and communities, operating sustainably and responsibly, and governance, ethics and compliance. Within our [GRI index](#), we align our disclosures with all corresponding standards for each of the 17 ESG topics.



**United Nations Sustainable Development Goals**

The United Nations (UN) Sustainable Development Goals continue to serve as guideposts for our ESG priorities and initiatives. Of the **17 Sustainable Development Goals stemming from the UN's 2030 Agenda for Sustainable Development, we have prioritized four**, as shown below. These are the goals that are most aligned with our ESG priorities and we believe they can enable Cardinal Health to generate positive impact and create long-term value for stakeholders.





# ESG governance at a glance

Our ESG strategy is closely aligned with our overall business strategy. Successfully carrying out our ESG strategy, improving impact across our ESG priorities and realizing our ESG goals relies on an effective governance structure. The governance structure is also critical to the appropriate oversight and management of ESG-related risks and opportunities.

## Board of Directors

Relevant Board committees oversee specific issues, and the full Board discusses significant ESG risks and opportunities. The Governance and Sustainability Committee provides formal oversight of enterprise ESG activities, policies, strategies, and reporting and disclosure practices (except to the extent such matters are overseen by another Board committee). The Vice President of ESG reports to this committee each quarter, providing updates on the regulatory environment, progress against our ESG priorities, governance over ESG risks and opportunities, and our ESG strategy for the coming months and years.

## ESG Governance Committee

The internal ESG Governance Committee includes Cardinal Health’s senior-most leaders, including the CEO, his direct reports and other leaders across the company. This committee is responsible for approving and tracking progress against enterprise-wide ESG strategies, providing guidance on managing ESG risks and opportunities, and helping to ensure ownership and accountability across the business.

## ESG Working Group

The ESG Working Group, which includes director- and vice president-level subject matter experts for Cardinal Health’s ESG priority topics, is responsible for working together to develop a strategy for each of the seven priorities that is aligned with business strategies, policies and operations. The ESG Working Group also works together to integrate ESG considerations into business strategies, policies, and operations and to identify gaps and opportunities for success.

## ESG team

The ESG team at Cardinal Health, led by the Vice President of ESG, is responsible for supporting and advising on the enterprise ESG strategy in collaboration with cross-functional owners and partners. This team is directly accountable for ESG data and reporting, environmental sustainability, and ESG supply chain due diligence and provides subject matter expertise in these areas. The VP of ESG coordinates ESG matters and regularly engages with the Board’s Governance and Sustainability Committee. The VP of ESG and the ESG team are primarily responsible for:

- 01 **Assessing and managing, with leaders across the enterprise, Cardinal Health’s ESG topics**
- 02 **Working with senior leaders to align ESG-related priorities with Cardinal Health’s business operations**
- 03 **Developing ESG-related goals and managing ESG data, measurement and reporting.**

# Empowering our people

In this section:

**15** Talent management

**18** Culture and inclusion

**22** Employee well-being

**24** Wages and benefits

**26** Workplace health and safety





**We know that our greatest assets are our employees – the approximately 48,000 team members around the globe who work together to improve the lives of people every day.**

**In this section, learn how we support and empower our employees by building a world class work culture – through our Voice of the Employee listening strategies, professional development programs, employee resource groups and allyship, and benefits that support mental, physical and financial well-being.**

# Talent management



## Building a world-class culture

At Cardinal Health, we work hard to create a strong and vibrant culture where employees thrive, and are inspired and empowered to do their very best work.

The company's executive officers hold themselves accountable to fostering a world class culture by setting and evaluating their performance to key culture, talent, and safety goals. Employees are encouraged to speak up and listen, treat each other with dignity and respect, and come together for moments that matter.

A key component of our workplace culture is our listening strategy, which involves many touchpoints with employees throughout the year. We listen to our employees through focus groups and lifecycle surveys with employees onboarding and with those who exit the company voluntarily. We also solicit employee input and feedback through our Voice of the Employee initiative. Through this listening strategy, we better understand our employees and gain invaluable business insights.

## Voice of the Employee survey



Through Cardinal Health's Voice of the Employee (VOE) initiative, each year we survey employees about their engagement and sentiment. Full surveys are conducted every other year; check-in surveys are conducted in the interim years. For example, in fiscal 2023, all regular, non-contracted employees around the world were invited to participate in the full survey, which asks employees to share their sentiments on a broad range of engagement categories, including career development, customer focus, empowerment, leadership, goals and objectives, work environment, retention, and more.



**VOE response rate in fiscal 2024**

In fiscal 2024, all regular, non-contracted employees were invited to participate in a check-in survey, asking about the same subjects, but with fewer questions. Participation in both the full VOE and check-in surveys is consistently high.

The results of these surveys are carefully analyzed each year and shared with people leaders across the company, senior leadership and our Board of Directors. Fiscal 2024 results show that our employees are highly engaged and aligned with our mission and our values.

Through the surveys, we identify areas of opportunity, and we develop plans to address these at the enterprise level and across teams throughout the company.

### VOE check-in survey 2024 key results

**91% of employees** agree Cardinal Health is working to improve the lives of people every day

**88% of employees** say they can be themselves at Cardinal Health without worrying about how they will be accepted

**87% of employees** remain highly engaged, find personal accomplishment in their work and say they would recommend the organization as a good place to work



**TALENT MANAGEMENT**

## Growing through sponsorship, mentoring and gigs

In fiscal 2024, the Talent Management team launched a sponsorship initiative, strengthened mentoring programs and expanded a stretch assignment program called gigs. These initiatives strengthen our talent pipeline and provide employees opportunities to expand their skills in preparation for a lateral or progressive move.

### 01

#### Sponsorship

The sponsorship approach is organic and led by a sponsor – a person of influence who leverages their professional capital, leadership role and relationships to actively champion, advocate for and open doors for a sponsee – the individual they sponsor. Sponsorship relationships may grow out of a working relationship, networking or talent and succession planning discussions. It is recommended that these relationships are initiated by the sponsor, who is typically one or two job levels senior to the sponsee. Sponsors invest time in learning about their sponsee's career aspirations and helping them set priorities around career development.

**Sponsees are responsible for helping to manage the relationship with their sponsor, openly sharing career aspirations and professional goals, accepting opportunities for projects or experiences that will close experience gaps, networking with leaders recommended by their sponsors, delivering on commitments, being open to feedback, and seeking help when they need it.**

### 02

#### Mentoring

Cardinal Health champions a robust global mentoring program to support employees in expanding their networks, enhancing their abilities to deliver on business objectives, and furthering their development goals. Mentoring is a key part of our leadership development programs, including internships and early-career programs, high potential leadership programs, and throughout our business functional units. Additionally, we have a strong mentoring presence throughout our Employee Resource Groups (ERGs). Five of our seven ERGs have mentoring programs.

**Mentoring creates connections for employees throughout the company and serves as a critical lever to foster and sustain our inclusive culture in alignment with our sustainable engagement strategy.**

Participants typically meet with their mentor at least one hour per month for a minimum of six months. Topics discussed in mentoring conversations include career management, leadership development, business acumen, becoming organizationally savvy and more.

**4K+** employees were in mentoring relationships at the end of fiscal 2024

### 03

#### Gigs

Gigs are increasingly becoming an important lever for career development in our organization. It is based on the concept that much of our skill development is through experiential, on the job application. Our gigs program allows employees to take on interim stretch assignments – in areas and with teams they would otherwise not have a connection to. Gig hosts create a gig for a variety of reasons: They may need additional support to advance a project, or they may need someone to fill in for an employee on temporary leave.

**Those taking on gigs can gain valuable hands-on experiences, develop new skills, and network with teams other than their own.**





**TALENT MANAGEMENT**

## Development for leaders and future leaders

### 01 **Embark** — Support early career development and career pathways

Embark is an early career development program for high caliber college graduates, who are either former Cardinal Health interns or other recent college graduates. This 12-month program is designed to strengthen our talent pool of professional- and manager-level employees by creating meaningful entry-level roles with solid career pathways. Program participants own their development by building career readiness skills, learning and adopting Cardinal Health values and behaviors, and building connections through networking and mentorship. A number of current Cardinal Health vice presidents and senior vice presidents began their careers at the company through early-career development programs like Embark.

### 02 **Elevate** — Advance inclusive growth through development and advocacy

Elevate was created in partnership with industry leader Korn Ferry. This six-month program helps develop and advance employees at the supervisor, manager and director level who have the potential for long-term career growth. Unique to this program, each participant and their direct manager take part in programming.

### 03 **Envision** — Accelerate readiness of mid-level talent for VP and SVP roles

Envision is our program for high potential leaders at the manager and director level, designed in partnership with Korn Ferry. This six-month program helps accelerate the readiness of these leaders for vice president and senior vice president roles. Envision focuses on building next-level leadership capability, broadening their knowledge of our enterprise, and strengthening participants' commercial and results-driven mindset.

## Career Hub

**A new career navigation tool**



In fiscal 2024, the Talent Management team launched **Career Hub** by Workday, a self-service digital tool employees can use to identify potential career paths, grow their skills and network with leaders.

**In their profile, the employee lists 10 to 20 skills they have interest in developing; the tool then uses artificial intelligence and machine learning to provide personalized job suggestions based on those skills.**

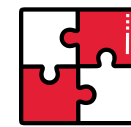
Career Hub also recommends new skills for the employee to acquire based on job interests and the skills listed frequently on internal job postings.

In addition, the tool's Opportunity Graph helps identify potential career moves. The Graph, based on the career transitions of other employees who held similar roles, shows job profile details, any open postings for the role, and the names of all employees who currently work in that role, to highlight networking opportunities for employees looking at new roles.



# Culture and inclusion

## Bringing authenticity to work



We believe our workplace culture is one of our greatest strengths, enabling us to attract, develop and retain top talent. Our diverse workforce reflects that of our customers and the communities where we live and work. We believe our strong and inclusive workplace culture results in higher performing employees who are more driven to meet our customers' needs and those of their patients.

In fiscal 2024, we continued to focus on building a diverse, equitable and inclusive workplace where everyone is encouraged to be their authentic self, and where we maintain an environment of respect and professionalism. This year, we furthered those efforts by focusing on allyship for all and supporting employee engagement with our employee resource groups (ERGs).

Encouraging authenticity in the workplace helps improve job satisfaction and engagement – because people who feel valued for who they are are more likely to bring greater energy and enthusiasm to their work, according to global human resources advisor HR Path.<sup>1</sup> They're also likely to think more creatively and come up with more innovative solutions.

**A workplace culture where employees can be their authentic selves helps build trust and creates a place where everyone can thrive.**

## Allyship for all

Our "Allyship for all" initiative is designed to enhance our workplace culture by providing everyone with additional opportunities to support their colleagues.

**Allyship is intended to support the idea that every individual has unique insights and experiences, and everyone can use those experiences and insights to support others, engage in interpersonal interactions and strengthen an environment of belonging.**

We encourage allyship through ERGs, which are open to all employees. We provide all employees an opportunity to express their identities, voices and values. Most of our ERGs now have an Ally Pledge and encourage employees at all levels to commit to allyship by taking the pledge.

Beginning in the second half of calendar year 2024, all bonus-eligible employees are required to take an online "Allyship for all" course, designed to help increase their understanding of what it means to be an ally, and why it helps strengthen a diverse and inclusive work culture.

<sup>1</sup>HR Path, Why should we encourage authenticity at work? April 4, 2024, <https://hr-path.com/en/blog/why-should-we-encourage-authenticity-at-work/2024/04/04/>, (accessed June 21, 2024).

**CULTURE AND INCLUSION**

# Employee resource groups and multi-cultural communities

Open to all employees, seven employee resource groups (ERGs) at Cardinal Health help create community and connections for employees with shared experiences, identities and interests, including for groups that traditionally have been underrepresented.

Each ERG meets regularly and discusses a wide range of topics, from career development and mentorship to family history and traditional celebrations. The ERGs also dedicate programming each year to help advance members' mental and physical well-being. ERGs regularly support nonprofit organizations that serve our communities. In addition, through attendance at external job fairs, mentorship and event programming, they help recruit, develop, engage and retain the best talent at Cardinal Health.

Cardinal Health also has seven multi-cultural communities (MCCs) around the globe. Like our ERGs, our MCCs are part of the culture of Cardinal Health; their mission is to help us foster a diverse and inclusive workplace by engaging employees around the globe. Here, members of our ERGs and MCCs share why these organizations are important.

**APAN** Asian Pacific Awareness Network

**Anagha**

Vyas

Director, Digital and Commercial Technologies  
Dublin, Ohio



Being part of **APAN** has strengthened my sense of belonging at Cardinal Health. I moved to Dublin, Ohio, from my hometown of Pune, India, 10 years ago; I have been with Cardinal Health four years. Festivals are a big part of Indian culture, and I enjoy sharing their stories and symbolism, discussing Indian music, theater and art, and tracing the common threads of meaning and cultural influences. There is great diversity within the Asian American Pacific Islander (AAPI) community, and as a member of APAN, I seek to share and learn the nuances and subtleties of different AAPI groups.

It's great to have a supportive community of colleagues who understand the unique challenges and joys of being Asian American. What I enjoy most is having the opportunity to make a meaningful impact. By volunteering my time and skills, I can help shape the direction of the group and advocate for issues that matter to us.

**PROUD**

**Rebecca**

O'Linn

Senior Analyst, Data Management and Governance  
Dublin, Ohio



When I started working at Cardinal Health nine years ago, I wasn't out to anyone except my closest friends and partners. I felt weighed down hiding who I was. But others at Cardinal Health chose to be their authentic selves and I felt their vulnerability and strength. I saw how Cardinal Health supported them. I saw them succeed.

Today, I can be my authentic self and support others. Living authentically allows you to heal and become joyful within your own skin.

Belonging to **PROUD** allows me to see how interconnected folks really are. There are LGBTQ+ members throughout the world who work at Cardinal Health because they know it is a safe and brave space. I know I can go anywhere within Cardinal Health and be treated the same way.

**¡HOLA!**

**Enrique**

Sanabria

Regional Director of Sales, Laboratory Products and Services  
Houston, Texas



I'm part of **¡HOLA!** because the ERG gives me the opportunity to educate others about the significant contributions Hispanics have made and will continue to make, and to highlight what it means to be a Hispanic in today's world. Belonging to ¡HOLA! helps members bring their true selves to work and gives us a seat at the table. It also allows us to learn from each other about the many different Hispanic languages, foods and cultures.

Through ¡HOLA!, colleagues and I volunteer with the Houston Food Bank, the Star of Hope Mission and Avance, a nonprofit organization that helps ensure school readiness for young children and opportunities for parents to build social and economic capital. Any activity we participate in that betters our community is meaningful.

My involvement has helped me understand other underrepresented groups. As we learn from and respect each other, we further our common goal of equity.

**DAN** Disability Awareness Network

**Jesse**

Throgmorton

Director, Medical Chargebacks, Global Finance Shared Services  
Columbus, Ohio



I joined **DAN** because I have been an ally and advocate for people who have disabilities since I was a child. In first grade, I had classmates who were Deaf; I was able to learn sign language to communicate with them. One of my good friends has autism, and my husband has multiple hidden autoimmune diseases. Advocating for others and helping them thrive brings me joy.

You don't know what someone is going through until you ask, and your own shared experiences may aid in building a connection or showing another they are not alone. Being a part of DAN allows me to learn about others and continue to spread awareness and compassion.

**CULTURE AND INCLUSION**

**BOLD** Black and African American Network

**Kendra Strother**

U.S. Product Marketing Director  
Dublin, Ohio



I joined **BOLD** to be part of a community that offered the support I needed to thrive in a corporate environment. **BOLD** affords me the opportunity to engage on a deeper level with employees in the Black and African American community who have similar experiences.

We share our stories, discover commonalities and spotlight what makes us unique. We have a connection that fuels us to drive our company's mission forward.

I became co-chair of **BOLD**'s Dublin chapter to expand our reach and maximize our impact on the enterprise and in the community. We work with J. Jireh Ministries and the Mid-Ohio Food Collective to distribute fresh produce to families in an underserved area of Columbus. I love this opportunity, especially when my mom and my four-year-old daughter join me.

When we create environments where employees feel seen, supported and encouraged to grow their careers, we expand internal and external opportunities, and improve business results.

**WIN** Women's Impact Network

**Alice Star**

Senior Manager, Presource  
Canada



As a proud **WIN** member and working mom, I am passionate about raising awareness of the unique experiences of women in the workplace.

In 2024, **WIN** organized a town hall highlighting women leaders at Cardinal Health and among our customers. It was inspiring to learn how these women have navigated their careers. The most important takeaway for me: commit to making the cultural framework more inclusive of women.

With my **WIN** Canada co-chair, I'm launching a book club and supporting a community bookshelf for employees in each of our distribution and office sites, to facilitate meaningful discussions about what it means to support the advancement of women. I am committed to amplifying the ideas and accomplishments of my female colleagues and to advocate for gender inclusion.

**VMA** Veterans and Military Advocates

**Chad Layne**

Manager, Event-Driven Architecture  
Dublin, Ohio



In 2016, I was halfway through my MBA program and on active duty with the Ohio National Guard. My resume and interview skills were highly specialized – appropriate for the Armed Services but not for the corporate environment. At a friend's recommendation, I attended Cardinal Health's Veterans Professional Advancement Course (VPAC) to help prepare me to transition into the civilian workforce.

Veterans bring diverse perspectives, skills and values to civilian employers: we have learned teamwork and leadership, discipline, problem-solving, and management of high-stress situations. VPAC taught me to translate my skills appropriately for the corporate environment. I joined Cardinal Health in 2018, and soon got involved with the **VMA**.

The **VMA** supports its members and our communities. Giving back to veterans and to those who advocate for them is an honor and brings great fulfillment to my career.

**MCC** Multi-Cultural Community

**Tanja Gorman**

VP, Global Logistics, GMPD  
Dublin, Ireland



Cardinal Health understands that harnessing employees' unique experiences strengthens engagement and empowers us to better serve our customers and their patients. That is the value of our Multi-cultural communities (**MCCs**).

Mentoring is one initiative of our **MCCs**. For example, the **MCC** for employees in Europe, the Middle East and Africa (EMEA) pairs female employees with male managers to focus on issues of strategic and cultural relevance for women in our workforce. Around the world, **MCCs** also support a wide variety of ERG activities.

Co-leading our global **MCC** allows me to connect with colleagues from multiple countries to learn about businesses that I'm not involved in directly; gain exposure to various styles of leadership; learn from various perspectives; and support initiatives across the enterprise. My journey with the **MCCs** has been nothing short of extraordinary.

**Town hall**

In January 2024, CEO Jason Hollar hosted a town hall for all employees during which he discussed what ESG and culture mean at Cardinal Health and how both help drive our business success. ESG is about how we treat our planet and the natural resources we consume every day; how we treat our people within our company, our supply chain, and the communities where we live and work; and how we build and grow our business. Our focus on a diverse and inclusive culture touches many aspects of ESG and helps us create a workplace where all people are invited to be their authentic selves.

**A few highlights of this town hall:**

**01** **Jessica Mayer**, Chief Legal and Compliance Officer, **Ola Snow**, Chief Human Resources Officer, and **Megan Maltenfort**, VP of ESG, discussed the company's continued focus on ESG and culture.

**02** **Hollar** and an external advisor to Cardinal Health discussed the positive impact of an inclusive workplace culture, as well as the importance of allyship.

**03** **Jessie Cannon**, President of the Cardinal Health Foundation, discussed Equity Rx, a new Cardinal Health Foundation initiative aimed at increasing equitable access to healthcare.

Learn more on [page 37](#).

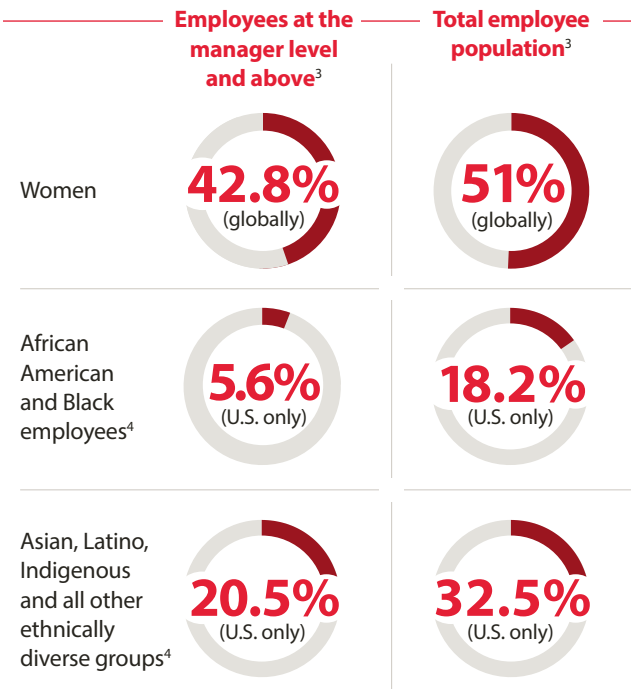
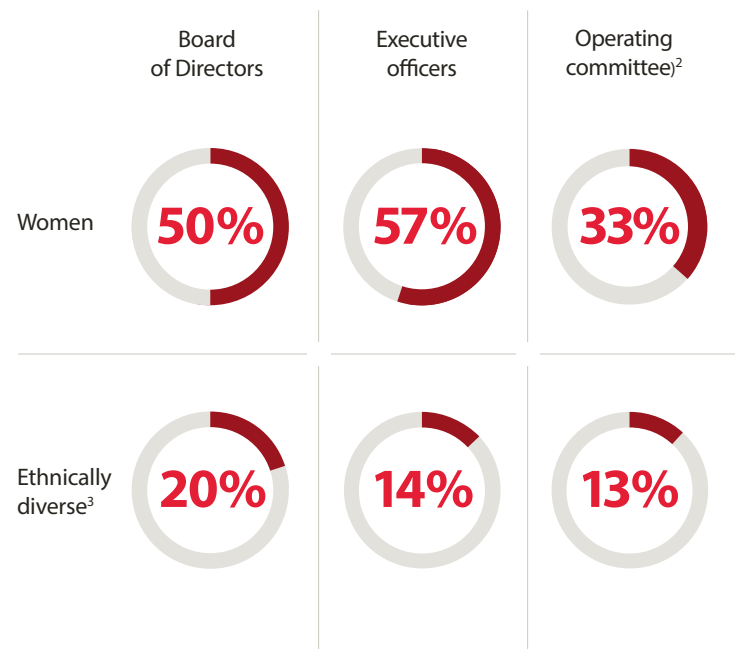
**CULTURE AND INCLUSION**

## Our team

We strive to foster a workplace where every employee can make meaningful contributions at work, regardless of their background. This matters to business success because when everyone is contributing, the choices, decisions and policies we make as a company are stronger and more innovative, and better reflect the customers and communities we serve.

### Current highlights

#### Leadership



<sup>2</sup> As of the publication of this report, Cardinal Health's operating committee comprises our CEO, his direct reports, business presidents, and other business and functional leaders, representing a total of 15 executives.

<sup>3</sup> Representation of employees is calculated based on data pulled from our HR system of record in July 2024 for the population of employees as of June 30, 2024 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.

<sup>4</sup> 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 nonwhite employees.

## EEO-1 survey data

Below is 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 29, 2023. (The EEOC mandates the use of specific job categories that differ from our workplace 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	1	1	3	2	2	0	0	0	0	15	29	0	2	56
First/mid-level officials and managers	154	218	173	226	157	215	6	10	2	8	1,372	1,660	37	50	4,288
Professionals	432	474	494	269	298	255	16	11	6	8	2,552	2,146	93	80	7,134
Technicians	39	91	159	156	180	157	10	13	7	7	437	456	26	25	1,763
Sales workers	14	20	35	39	40	29	4	1	3	2	502	537	12	16	1,254
Administrative support workers	60	18	597	94	233	57	17	4	8	0	913	192	58	10	2,261
Craft workers	0	0	14	46	2	31	0	1	0	0	9	121	0	3	227
Operatives	492	727	1,070	2,157	1,542	1,882	37	44	51	69	1,094	2,499	93	171	11,928
Laborers and helpers	25	29	63	23	257	78	3	0	0	0	61	40	2	3	584
Service workers	0	1	0	16	3	5	0	0	0	0	1	30	0	2	58
<b>Total</b>	<b>1,217</b>	<b>1,579</b>	<b>2,606</b>	<b>3,029</b>	<b>2,714</b>	<b>2,711</b>	<b>93</b>	<b>84</b>	<b>77</b>	<b>94</b>	<b>6,956</b>	<b>7,710</b>	<b>321</b>	<b>362</b>	<b>29,553</b>
<b>Previous report total</b>	1,117	1,495	2,622	2,717	2,523	2,536	83	79	77	105	7,061	7,862	290	313	28,880

(F) Female, (M) Male

# Employee well-being

## Supporting employee mental well-being



In fiscal 2024, Cardinal Health continued its focus on supporting the mental well-being of all employees. We took a comprehensive assessment to help us find ways to further strengthen our approach to mental well-being in the workplace and to learn from others who are invested in improving mental health. Our emphasis on mental well-being and our work to build a culture where employees know it's okay to not be okay, led to us receiving the Business Group on Health's Excellence in Mental Well-being recognition.

### New required course



**In fiscal 2024, Cardinal Health designed a course intended to strengthen our workplace culture, supporting an environment where employees feel safe talking about their mental well-being.**

The course was rolled out late in calendar year 2024, and is required for all bonus-eligible employees (those at the manager level and above).

The course teaches employees to recognize the signs of mental health distress – in themselves and in others – and to respond to mental health concerns with empathy. It includes an activity where the learner explores strategies on starting the conversation about mental health with their colleagues, an activity to practice responding with empathy when they notice or when a colleague expresses a mental health concern, and an exploration of Cardinal Health resources available to employees, and how the resources can be leveraged in various situations.

### Mental health town hall

**In fiscal 2024, Cardinal Health hosted its first mental health town hall.** The town hall highlighted the resources that employees can access for mental health issues. Four Cardinal Health employees shared their personal experiences with mental health. CHRO Ola Snow shared remarks about the evolution of mental well-being support at Cardinal Health, and spoke about the connection between employee mental health and business success.

### Mental health training



**All U.S. employees have access to Mental Health First Aid (MHFA) training to learn to identify and support anyone experiencing a mental health issue and connect them with appropriate care.** In fiscal 2024,

we made MHFA training available in Spanish for the first time and trained more than 80 employees in Puerto Rico.

Throughout the fiscal year, some of these MHFA-certified employees facilitated mental health conversations, which are designed to give other employees the opportunity to share their lived mental health experiences.

We also provide quarterly mental health trainings for leaders across the enterprise, which are designed to help create psychologically safe spaces where employees can talk openly about mental well-being.

We also make suicide prevention training, called Question. Persuade. Refer. (QPR) available to all employees. QPR training is designed to help employees recognize the warning signs when someone has suicidal thoughts. QPR teaches how to offer hope and how to direct those suffering to the appropriate help and care.

Additionally, for several years, Cardinal Health has made free subscriptions to Headspace, a mindfulness and mental health app with guided meditations, mental health coaching and more, available to all employees globally. **In fiscal 2024, free access to this mindfulness and meditation app was extended to five family members and friends for each employee.**

### A new employee assistance provider



**Also in fiscal 2024, Cardinal Health established a relationship with a new employee assistance program (EAP) provider – SupportLinc – to better support employees' mental health. This new EAP became available to employees on January 1, 2025.**

Its user experience ensures that employees and their family members receive the care they need when they need it. The EAP matches people with providers who practice evidence-based treatment, align with their diversity preferences, have verified availability and participate in their benefit plan network. Through the EAP, licensed clinicians provide personalized support and guidance to the most appropriate care, whether within the EAP itself, another Cardinal Health-sponsored benefit or health plan, or community resources. The EAP allows the employee (and employee's family members) the ability to choose a provider and discipline they're most comfortable with.

The new vendor supports our Benefits team in focusing on employee engagement and improved access to mental health support, and to create a positive impact on employees' mental health and well-being. The EAP provides faster responses from licensed clinicians and a shorter wait for in-person or virtual counseling and coaching sessions.

By providing a culturally competent intake and provider mapping process, the EAP supports increased access to care for underserved and vulnerable populations, including veterans, people of color, and members of the LGBTQ+ community.

**8.6%**

**of U.S. employees** used our EAP in fiscal 2024


**2.9%**

**of employees** outside the U.S. used the EAP



**EMPLOYEE WELL-BEING**

## Supporting financial well-being

 In fiscal 2024, we rolled out earned wage access, which allows employees to access a portion of the money they've earned prior to pay day via a digital pay app. The app also allows employees to set up a savings account through direct deposit, and set savings goals.

**19%**

**About 19% of our U.S.-based employees have enrolled in earned wage access**

About 19% of our U.S.-based employees have enrolled in earned wage access; of those, 7.5% have established savings accounts through this new benefit. Cardinal Health also offers a robust partnership with BCU, a credit union that offers employees convenient access to financial services. These include access to wealth advisors, free goal consulting, and Life.Money.You., a podcast that focuses on building better money habits through regular financial check-ups, education and credit score monitoring. During May's Mental Health Awareness Month, a Life.Money.You. episode featured Cardinal Health's MindMatters' professional, who discussed how reducing financial stress can benefit mental health.

**7.5%**

**Of that, 7.5% have established savings accounts through this new benefit.**



















BCU also worked with two of our employee resource groups, DAN and WIN, to deliver an informational session on caring for children with special needs. The session was presented by BCU's senior wealth advisor and a clinical behavioral health specialist. They spoke about the impact of caring for children with special needs on the personal and professional lives of the parents and on the lives of siblings. They emphasized the importance of building a strong support network for the family, and highlighted the benefits of financial planning and estate planning.

In partnership with Principal, our 401(k) administrator, and the human resources business partners in our Global Medical Products and Distribution (GMPD) segment, Cardinal Health offers onsite 401(k) education at all GMPD locations.

# Wages and benefits

## Benefits overview

Our benefits support the mental, physical and financial well-being of our employees and their families so they can be at their best, whether at work, at home, or in their communities. Our employee benefits reflect our values and help create a workplace culture where everyone is invited to bring their authentic selves to work. Here's a brief look at the benefits available to U.S. employees.

 <b>401(k) savings plan/deferred compensation plan</b>	 <b>Flexible spending accounts</b>	 <b>Short- and long-term disability coverage</b>	 <b>Life insurance/accidental death and dismemberment insurance</b>	 <b>Home, auto and pet insurance</b>	 <b>Adoption and surrogacy assistance</b>	 <b>Business travel insurance</b>	 <b>Domestic partner benefits</b>	 <b>Mental well-being programs</b>
 <b>Paid time off</b>	 <b>Paid parental leave</b>	 <b>Bereavement leave for miscarriage</b>	 <b>Extended bereavement leave for the loss of a spouse or child</b>	 <b>Tobacco cessation support</b> <small>(nicotine replacement therapy and coaching)</small>	 <b>Tuition reimbursement</b>	 <b>Virtual behavioral health/urgent care/primary care/onsite care</b>	 <b>SupportLinc employee assistance program (EAP*)</b>	 <b>Physical and financial well-being programs</b>

## Offering a more affordable health plan



**In fiscal 2024, Cardinal Health offered, for the second year, a no-deductible plan that also provides pricing for medical services before members access a healthcare provider.** By providing cost information upfront, this plan allows its members to see options on where they can go to seek medical care, and how much each option will cost.

With this plan, employees can easily see where they can go and how much a visit or treatment will cost. Members can compare prices for sick visits at a doctor's office, a retail clinic or online.

There are no deductibles or co-insurance: members pay only the premium and co-pay, which can save the insured money over time. (Preventive care has no co-pay.)



\* Cardinal Health selected a new provider of its employee assistance program in fiscal 2024, with a greater level of expertise in supporting employees' mental well-being. The new EAP became available to employees at the beginning of calendar year 2025. As in the past, regardless of benefit enrollment, all employees and their household members have access to the EAP to support mental well-being and other needs.



WAGES AND BENEFITS

## Pay equity

Every year, Cardinal Health conducts a pay equity study to ensure we are making progress towards achieving equal pay for all U.S. employees who are performing substantially similar work, regardless of gender or ethnicity. Some of the attributes the study takes into consideration 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 99¢<sup>5</sup>

We are committed to continuously assessing our pay practices and making adjustments to ensure we equitably compensate our employees. An internal pay equity committee guides ongoing analysis and benchmarking, in regular consultation with an independent third party, to help inform our salary investments and compensation practices.

For every dollar non-minority employees are paid, **minority employees** at Cardinal Health are paid 99¢<sup>6</sup>



We conduct annual audits that identify potential pay gaps, then make appropriate salary adjustments. Annually, we administer merit increases based on both performance and salary within the pay range, then make promotional salary increases based on market competitiveness and internal equity.

## Pay transparency



**To further our journey toward pay equity, as of January 2024, Cardinal Health includes hiring salary ranges on all internal and external job postings in the U.S., even in states where the law doesn't require such transparency.** We've also continued conversations with leaders around the globe to remain aware of and engaged in the right ways to promote pay transparency and pay equity internationally.

A variety of research says that pay transparency can increase employees' trust in their company, job satisfaction and job performance.<sup>7</sup> To ensure that people leaders, the talent acquisition team, and HR business partners were equipped for salary conversations with both existing employees and job candidates, the Benefits team worked with our Learning and Development team to create and implement required training, including a series of vignettes, videos and an online course.

<sup>5</sup> Cardinal Health's gender pay equity metric is calculated using U.S. permanent employee compensation as of July 2024. 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>6</sup> Cardinal Health's minority pay equity metric is calculated using U.S. permanent employee compensation as of July 2024. 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.

<sup>7</sup> The Society for Human Resource Management (SHRM) press release, SHRM website: <https://www.shrm.org/about/press-room/new-shrm-research-shows-pay-transparency-makes-organizations-competitive-leads-to-increase-qualified-applicants>. Published March 14, 2023.



# Workplace health and safety



Our Environment, Health, and Safety (EHS) team launched its Focus Five program in fiscal 2020, and has broadened the program in subsequent fiscal years to improve employee safety in facilities with identified opportunities to improve.

To expand the program across the enterprise, the team incorporated key elements into a new program called the **Business Unit Safety Improvement Plan**. The program is applicable at all distribution operations across the Pharmaceutical and Specialty Solutions, GMPD, and at-Home Solutions businesses. The Safety Improvement Plan focuses on three key areas: leadership, employee engagement, and risk reduction.

The program features a Leader Engagement Scorecard that measures proactive activities designed to improve employee safety at the supervisor, manager, and operations director levels. The Leader Engagement Scorecard output is used as the annual safety performance goal for operations supervisors.

All sites report quarterly safety performance to their VP of Operations and to the VP of EHS. This new program has been driving both accountability at the leader level and greater employee engagement across distribution operations,

and in fiscal 2024, our distribution businesses realized 124 fewer recordable injuries than in fiscal 2023 – or a 29% reduction.

**29%** ↓

## One Environment, Health and Safety Management System



Early in fiscal 2024, the EHS team began implementing a single **EHS Management System (EHSMS)** across all distribution centers (DCs) and manufacturing sites. Previously, we used one EHSMS for our 18 ISO-certified manufacturing sites and another system for all other facilities; the single EHSMS has allowed us to standardize and use one set of programs and tools for all distribution centers and manufacturing sites.

One EHSMS is aligned with ISO standards 14001 (environmental management systems) and 45001 (occupational health and safety management systems). Our new system was built to reflect seven common elements of those ISO standards, all of which help Cardinal Health manage EHS risks and improve our performance.

**These elements include:**

- 01 Context of the operation
- 02 Leadership and employee engagement
- 03 Planning
- 04 Support
- 05 Operation
- 06 Performance evaluation
- 07 Improvement

The EHS team partnered with our Learning and Development team to create online training programs on the new EHSMS for site leaders and EHS professionals. They developed eight training sessions – one for each of the seven elements listed above, and a final training focused on conducting annual management reviews.

The team also developed an online portal with key information, including steps, tools and background materials to provide guidance in implementing the EHSMS. All site leaders were required to sign off on the EHSMS deployment once training was completed.

By the end of fiscal 2024, the team had completed deployment of the single EHSMS across all distribution centers and manufacturing sites.

**WORKPLACE HEALTH AND SAFETY**

## Improving forklift safety



Throughout fiscal 2024, the EHS team partnered with operations to develop a multi-year plan to implement a forklift safety solution. The solution includes hardware and software that provides intelligence about our forklifts and gives actionable insights about access, training, and maintenance via a web-based portal.

The solution provides access control of the vehicles: only those who are appropriately trained and have an access badge or code can operate a forklift. There is also an electronic safety checklist, which must be completed by operators and saved in the portal to meet regulatory requirements. In addition, a forklift involved in an impact automatically stops until a supervisor investigates the impact and verifies that the forklift can be returned to operation. Program data help determine whether operators require further training or changes are needed to layouts in the warehouse.

**By the end of fiscal 2024, the forklift solution had been deployed at two Ohio operations and three other facilities, one each in California, New York and Alabama. Deployment of the forklift safety solution continues in fiscal 2025.**

## A safety transformation



**Donald Thomas became Director of Operations at our medical products DC in Houston** early in 2020, after spending several years as site manager in our Hammond, Louisiana, DC. He was recruited to the Houston facility based on his success in driving safety improvements.

“Houston is a much bigger facility, with about four times the number of employees that Hammond has,” he said. “But regardless of size, the services the medical DCs provide are identical. It wasn’t a stretch to bring the same safety practices we’d used in Hammond to Houston.”

“It all starts with basic steps, he said. “I always say the big things are going to take care of themselves, but you’re going to struggle without the fundamentals. You get leadership buy-in on the changes you want to make, then you model the behaviors you want to see from the team. The first thing we did was to clean and organize the facility, so we could more easily see what safety challenges we had. And every time I walked the floor if I saw an issue, even if it was just a piece of trash on the floor, I took care of it. We ask every employee to do the same.”

He created a safety pledge for every employee to sign. “The pledge commits Cardinal Health to providing a clean and safe working environment; in turn, employees commit to modeling safe behaviors, and to speaking up when they see a process or behavior that could be improved. From the beginning, we talked about that pledge in our huddles, and included it in new employee onboarding. Every employee has it affixed to the front of their locker, so they see it every day. And every huddle begins with talk about safety.”

Thomas said that lots of small actions resulted in big changes. “We implemented ergonomics improvements, providing pallets that are elevated to about waist level, so employees don’t have to bend repeatedly all the way to the ground;

that has reduced back strain. We make sure that people have access to plenty of reach sticks and step stools to help them more easily pick products stored on high racks. We have plenty of gloves for employees to wear when they’re handling wood pallets. Employees who work on the floor alongside large machinery wear flashing safety lights so drivers can more easily see them.”

Leadership is also making improvements to the building, creating a better working environment, Thomas said. “We want everyone to have pride in this facility, and that means we need to show that we’re working to make it a pride-worthy place.” Recent improvements include a new roof and an expanded parking area with more lighting for safety.

### Connecting with employees is also key.

I spend at least 10% of my time on the floor, talking with employees. It’s so important. We talk about much more than safety concerns. We talk about employees’ personal lives and what’s important to them. When employees know you care about them, they’re engaged, and when they’re engaged, they step up.

**Donald Thomas**  
Director of Operations, Houston, Texas

Thomas’ leadership is paying large dividends: As of June 30, 2024, the site had more than 500 straight days without a single recordable incident. In addition, voluntary turnover at the facility decreased considerably.

**The Houston facility had 500+ days in a row**

without a single recordable incident





# Creating value for our customers and communities

In this section:

- 30** Product quality and patient safety
- 32** Responsible use of prescription medications
- 33** Supply chain resiliency
- 37** Community engagement





**In providing products and solutions that improve the lives of people every day, we focus on product quality and patient safety as well as strengthening the resiliency of our supply chain. We also help our customers provide equitable access to care, and advocate for both our customers and the patients in their care.**

**Additionally, we remain committed to strengthening our communities. Our philanthropic dollars support Equity Rx, an exciting new program that is increasing access to medications across the country. We also fund additional programs that help increase health equity in Central Ohio, home to our headquarters. Year-round, our employees are engaged in supporting our communities through fundraising, board service, volunteerism and more.**



# Product quality and patient safety



Our Quality and Regulatory Affairs (QRA) teams, which exist to ensure the quality, safety and integrity of our products, and help ensure we meet applicable global regulations and standards, continued the deployment of an enterprise-wide electronic quality management system (eQMS).

This is a transformational project that centralizes and harmonizes quality-related processes (including document management, internal audit, supplier audit and response, complaints, risk management and lab investigations), analytics and data insights.

Delivering on our commitment to product quality, safety, and integrity is central to our customer promise. Our new eQMS is an enterprise business solution that strengthens the overall quality management system, and gives business partners more time to focus on their customers.

The eQMS will drive efficiency through a single system of record and standardized digital global processes and will help provide consistent communication channels with suppliers, standardized metrics, dashboards and reporting, and enterprise-wide visibility to quality information.

When fully implemented by the end of fiscal 2026, the eQMS will be a one-stop shop for all quality-related activities including deviations, internal and external audits, complaints, lab investigations, change controls, corrective and preventive actions (CAPAs), quality risk management, and proactive management initiatives. Through this new system, we'll gain complete visibility into quality processes, improved efficiency in managing compliance, and closer alignment with partners across the organization.

## Monitoring product quality

Our Quality Begins with Me program, which launched in fiscal 2020 and is now in place at all Cardinal Health medical manufacturing facilities around the globe, has four goals:

- 01 Promote a blame-free culture to drive the right behaviors**
- 02 Empower employees to promote operational excellence**
- 03 Create a singular binding focus on quality and compliance improvements**
- 04 Drive flawless execution to get things right the first time, every time**

This initiative, as well as other cross-functional efforts to implement proactive, robust quality control, help drive continuous improvements in product quality across the organization.

We have systems and processes to continuously monitor and address instances when manufactured or supplied products may not meet quality or safety standards. These include investigations and increases in complaints, non-conforming products and other quality issues. Patient safety and product performance risks are at the forefront if a potential issue is identified with a product distributed in the field. We conduct a rigorous investigation, which may include convening a multi-functional board to make health risk and evidence-based decisions about the appropriate plan to address the issue on the distributed product. If Cardinal Health decides to initiate a field action, or when a product in our supply chain is subject to a recall initiated by another manufacturer, Cardinal Health identifies impacted product throughout the supply chain, as warranted, based on the level of recall and requirements for the product.

When executing any field action or recall, Cardinal Health works closely with our customers to communicate the action and provide support during execution. We ensure that customer service and sales functions are aware of product quality events so they can provide support through multiple points of contact. Patient and customer needs are always our top priority, and we focus on initiating and executing product field actions in compliance with relevant regulations.

## Nearshoring plastic syringes



Following the U.S. Food and Drug Administration's (FDA's) recent recommendation to transition away from plastic syringes manufactured in China and ongoing tariff considerations, Cardinal Health ramped up domestic production of Monoject plastic syringes at our existing U.S. manufacturing facilities, specifically in Deland, Florida, and Norfolk, Nebraska. Our geographically diverse manufacturing and sourcing network supports our ability to address evolving market demands and ensure our customers have the products they need for their patients.

**PRODUCT QUALITY AND PATIENT SAFETY**

## Preparing for implementation of the Drug Supply Chain Security Act



The Drug Supply Chain Security Act (DSCSA) is designed to protect patient safety and the integrity of the pharmaceutical supply chain.

The law represents a single, federal solution to trace prescription medications. Every trading partner in the supply chain, from manufacturer to distributor to dispenser, must ensure that all required transaction information is provided at every transfer of ownership of these pharmaceuticals.

Though the DSCSA requirements for electronic drug tracing at the package level went into effect on November 27, 2023, the U.S. Food and Drug Administration (FDA) issued a one-year “stabilization period” and then exemptions for product transacted by eligible trading partners, who have successfully completed data connections, but still face challenges exchanging data.

The duration of the exemption varies depending on the eligible trading partners:

- **Manufacturers and repackagers: May 27, 2025**
- **Wholesale distributors: August 27, 2025**
- **Dispensers with 26 or more full-time employees: November 27, 2025 (Small dispensers were previously issued an exemption until November 27, 2026)**

Cardinal Health has implemented interoperable electronic systems as required. We continue to work with our suppliers to receive accurate serialized data with every shipment and to provide complete outbound serialized data to customers while ensuring patients do not face delays in receiving the medicines they need.

**At the highest level, the DSCSA is intended to:**

- 01 Create an efficient, consistent process for verifying and protecting the legitimacy of drug products, at the unit level, as they move throughout the U.S. pharmaceutical supply chain**
- 02 Make it easier to detect and quarantine illegitimate medications, and enhance the process for all pharmaceutical supply chain partners to notify the FDA of illegitimate medications, so they can be removed from the supply chain before reaching patients**
- 03 Confirm authorized trading partners and strengthen distributor and third-party logistics providers (3PL) licensure standards across the U.S.**
- 04 Improve the efficiency of the drug recall process**

As a pharmaceutical distributor, Cardinal Health is required to have systems and processes in place to respond to government requests for verification of any counterfeit, suspect or illegitimate product. That means we have to be able to isolate and investigate any questioned product, and notify trading partners and the FDA of any counterfeit or illegitimate product.

Cardinal Health has collaborated closely with the Healthcare Distribution Alliance (HDA – a national membership organization of pharmaceutical distributors) and other industry trade organizations in readiness activities to be compliant with the DSCSA. We also worked closely with our dispenser customers, including retail independent pharmacies, chain pharmacies, hospital pharmacies, and pharmaceutical manufacturers to help them prepare to meet DSCSA compliance requirements.

We have invested in barcode scanning and labeling systems to record and share serialized data for prescription drug transactions. We have built EPCIS (Electronic Product Code Information Services) connections with our suppliers and our customers, so we can exchange transaction data in a secure, interoperable electronic manner, and we revised our Track and Trace Reporting web portal to provide dispensers access to unit level traceability information.

For 3PL manufacturing clients, we have facilitated key aspects of serialization strategies, including inbound scanning, 2D barcode testing, electronic data storage and data submission, verification of serialized product returns intended for resale, reporting for serialization data, and verification of serialized product throughout the supply chain.





# Responsible use of prescription medications



At Cardinal Health, we operate an uncompromising system to identify and report suspicious orders of controlled substances and maintain effective controls against diversion.

Our Controlled Substance Monitoring Program team includes investigators, data analysts, pharmacists, and compliance officers at our pharmaceutical distribution centers, in the field and at our corporate headquarters. We regularly conduct on-site inspections of our pharmacy customers and collect pharmacy customer data. We identify and terminate the distribution of controlled substances to pharmacies that do not meet our rigid Controlled Substance Monitoring Program standards.

As part of the nationwide settlement that resolved most opioid-related lawsuits filed by state and local government entities, Cardinal Health and two other national distributors agreed to injunctive relief terms that apply to our Controlled Substance

Monitoring Program; these injunctive relief terms were effective July 1, 2022. The terms require distributors to conduct consistent practices including the analysis of retail pharmacy customers' ordering and dispensing of controlled substances, and our monitoring for disciplinary or other regulatory actions involving our customers. The terms also require the establishment of a clearinghouse that consolidates data from all three distributors for a period of 10 years. The data is available to the settling distributors and the settling states and territories to use as part of their anti-diversion efforts.

Additionally, the injunctive relief terms require training upon hire and annually thereafter for all employees who work on our Controlled Substance Monitoring Program team, and employees in our distribution centers whose jobs involve direct handling or oversight of the distribution of controlled substances. This training is also required upon hire and every three years thereafter for employees in sales and operations and for senior executives who support our controlled substance/ pharmaceutical distribution business.

**Training is offered online and includes four courses:**

- 01 The duties of Cardinal Health** to maintain effective controls against the potential diversion of controlled substances and to report suspicious orders
- 02 The core functions** of the Controlled Substance Monitoring Program at Cardinal Health
- 03 The responsibilities of Cardinal Health** under the injunctive relief terms
- 04 What employees must do** if they observe or suspect potential diversion of controlled substances or violations of Cardinal Health policy or procedure

A core group of nearly 1,750 employees is required to take this training upon hire and annually; a broader group of several thousand more employees is required to take the training upon hire and every three years. The training is available online for all other employees to take electively at any time.

## Educating employees about the opioid epidemic

Cardinal Health requires all new U.S. employees 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.

## Drug take-back days



Twice a year, the Cardinal Health Foundation sponsors drug take-back events across the country, in partnership with Kroger. These events are designed to encourage everyone to safely, anonymously and easily dispose of expired and unused medications. Foundation support of drug take-back events began in 2016 in partnership with Kroger. In the years since, these events have resulted in the safe disposal of nearly 200,000 pounds of unused or expired medications. Additionally, the Foundation sponsors drug drop-off boxes at Giant Eagle stores.

Nearly

**200K lbs**

**of unused or expired medications safely disposed of since 2016**

# Supply chain resiliency

## Advancing technology within the Global Medical Products and Distribution business



In an Innovation Lab inside an Ohio Valley Distribution Center that supports the Global Medical Products and Distribution (GMPD) segment, Cardinal Health tests the latest warehouse technology solutions for improved employee safety, efficiency, and customer service across the business.

The Innovation Lab team tests technologies that directly support efficiency in operations, as part of the company's warehouse modernization strategy, which integrates new tools to deliver flexible, scalable solutions and enhance operations across the company's entire medical products distribution network. New solutions must help DCs meet tight delivery windows, advance product quality, and most importantly, improve the customer experience.

Important to the overall warehouse modernization strategy is ensuring a future-ready warehouse management system (WMS) by integrating it with a Multi-Agent Orchestration (MAO) platform. The MAO is a software that orchestrates all day-to-day operations involved with products in the DC, from the time products arrive to when they're shipped off to customers.

The MAO must ensure that the right products are picked in the right quantity and unit of measure, and in the right order. The Innovation Lab team is focused on removing the potential for error all along the system.

The Innovation Lab team is also modernizing WMS data storage and shifting to cloud-based servers to mitigate vulnerabilities related to data storage limits, loss, damage, and time-consuming maintenance. This enhances resiliency and scalability and reduces operational and maintenance costs.

In addition, the Innovation Lab team has tested intuitive, user-friendly tablets and handheld devices used in picking and scanning. These offer a graphical user interface on the screens – so that employees can interact with them via icons, rather than text alone. GMPD has rolled out dozens of these new smart devices, with improved user experience for our team.

The Innovation Lab team continues to test new software that can help improve the quality of our customer service – providing greater order visibility and ensuring the right product is delivered to the right place at the right time, every time.

## Building a resilient Consumer Health Logistics Center in Central Ohio



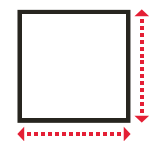
In fiscal 2024, construction began on a new LEED-certified 350,000 square-foot logistics center in Columbus, Ohio, that will serve as a centralized replenishment center for the distribution of over-the-counter consumer health products, to support Cardinal Health's core pharmaceutical business. The facility is expected to be operational in summer of 2025.

The implementation of advanced inventory management systems in the Consumer Health Logistics Center will continue to improve supply chain resiliency, offering customers a broader range of product options.

The innovative technology and solutions powering the Consumer Health Logistics Center will enhance Cardinal Health's agility, speed and efficiency in getting products to customers across our network, replenishing and balancing inventory more frequently, and providing unparalleled supply chain responsiveness for our customers.

The new facility, which will be equipped with LED lighting and a solar-ready roof, will also feature Honeywell Intelligrated® software-enabled automation and operator workflows to optimize inventory efficiency and outbound product flow. The use of automation will enhance the work experience for Cardinal Health employees, and support fluctuations in product demand and labor.

## Expanding our distribution footprint in Canada



Cardinal Health opened a new 163,000 square-foot medical product distribution center in Ontario in fiscal 2024, **increasing our distribution footprint in Canada to more than 1.2 million square feet.**

This is the first facility fully dedicated to Cardinal Health's ValueLink® logistics service, which provides healthcare facilities with streamlined, unit-specific orders. ValueLink is a distribution optimization solution that provides data-driven analytics on customers' actual product usage, so that orders are placed in the unit of measure, picked and delivered in totes and carts for each department or supply room in the customer's facility.

This helps reduce overstock and expired goods and also lowers the amount of space customers must give to storage.

The new Canada facility also offers its ValueLink customers two additional services: cardboard decanting, in which Cardinal Health strips out all cardboard on ValueLink deliveries, and cardboard return, where customers can return cardboard from regular orders (non-ValueLink deliveries). Cardinal Health then recycles the cardboard.

In fiscal 2024, these services enabled the recycling of

**606+ tons** of cardboard

**SUPPLY CHAIN RESILIENCY**

## Helping customers provide equitable access to care

Having equitable access to care means ensuring that health services are available to everyone, regardless of where they live or their socioeconomic status.

When people have access to healthcare, they can build meaningful relationships with healthcare providers, stay healthier, and better manage illnesses or injuries. We know that when we help remove barriers to care and help connect underserved populations to healthcare providers, we help create a healthier tomorrow for everyone – our employees, our customers and our communities. Here are some of the ways that we help our customers increase equitable access to care for the patients they serve.

### Providing patients and caregivers critical tools for care in the home



Hospital-at-home programs provide patients with hospital-level care in their own homes. Patients in hospital-at-home programs have lower death rates, fewer hospital readmissions, and spend less time in skilled nursing facilities, according to the American Hospital Association.<sup>8</sup> Eligible patients can receive hospital-level care in the home for several acute illnesses, including pneumonia, diabetes complications, cellulitis or heart failure. Eligibility varies by health system, but common criteria may include stable vital signs and geographic proximity to a hospital.

Hospital-at-home programs may help increase access to care, particularly in rural America, 80% of which is medically underserved, according to the National Institute for Health Care Management (NIHCM) Foundation.<sup>9</sup>

Cardinal Health's at-Home Solutions business supports hospital-at-home programs through its Velocare division, which delivers and maintains supplies and installs the technology needed for such programs.

At the end of fiscal 2024, Velocare was serving hospital-at-home programs for **14 health systems and hospitals** across the U.S., including in Portland, Boston, Detroit, Atlanta and Los Angeles.

Velocare can provide a wide range of medical supplies and solutions, using the at-Home Solutions business' nearly 50,000 available product offerings and Cardinal Health's robust distribution center network.

When a hospital determines that a patient will receive care in the home, the hospital dispatches a Velocare technician who arrives at the patient's home within two hours and with all the items in a typical hospital room, including monitoring technology, oxygen systems, IV equipment, and medically approved meals. The technician visits the home throughout a patient's hospital-at-home stay to check on technology, deliver new products, meals or supplies based on their needs, and help to ensure appropriate disposal of medical waste. When the patient is discharged, the technician returns to the home to remove all equipment and waste.

### Sonexus™ Access and Patient Support

Specialty medications are used to treat rare, complex and chronic conditions, such as cancer, multiple sclerosis and rheumatoid arthritis. For many patients, they hold the promise of better health outcomes – often, they are the only options patients have. However, patients who need specialty medications face multiple barriers, and sometimes, they forego or can't complete a prescribed therapy because of complicated qualification processes, high costs, or uncertainty about their medications – resulting in poorer health outcomes. That's where Sonexus™ Access and Patient Support comes in: The business is dedicated to helping patients access their prescribed specialty medications as quickly as possible, partnering with biopharmaceutical companies to do so. The Sonexus team educates patients on taking these prescribed medications properly and helps them to stay adherent.

20% of the patients Sonexus supports are underinsured or uninsured; for them, and for those waiting on insurance to process before they can begin a time-sensitive treatment, the business offers patient assistance programs (PAPs).

**In fiscal 2024, Sonexus™ delivered \$6B+ in free specialty medications to patients.**

### Cardinal Health Community Health Center Pharmacy Services



Cardinal Health manages the pharmacies located within 70 Federally Qualified Health Centers (FQHCs) across the country. These are federally-funded nonprofit health centers that serve medically-underserved populations, and provide primary care and pediatric care services, regardless of ability to pay. Through onsite, Cardinal Health managed pharmacies, FQHCs also offer medications through the 340B Drug Pricing Program, which requires that pharmaceutical manufacturers who participate in Medicaid sell outpatient drugs at discounted prices to healthcare organizations that serve uninsured and low-income patients.

**This means that patients can get needed medications for free or at substantially discounted prices.**

What's more, FQHCs can use the savings from discounted medications to expand the services they offer patients.



<sup>8</sup> Providers Betting Big on Future of Hospital at Home. American Hospital Association website, April 9, 2024, <https://www.aha.org/aha-center-health-innovation-market-scan/2024-04-09-providers-betting-big-future-hospital-home>, (accessed June 18, 2024).

<sup>9</sup> Rural Health: Addressing Barriers to Care, October 25, 2023. NIHCM website: <https://nihcm.org/publications/rural-health-addressing-barriers-to-care>, (accessed October 4, 2024).

**SUPPLY CHAIN RESILIENCY**

## Government relations: advocating for the future of healthcare



Throughout fiscal 2024, the Cardinal Health Government Relations team continued to increase executive engagement with policymakers in Washington, D.C., and in Ohio. With a focus on relationship building, the Government Relations team is able to help lawmakers better understand key legislative issues and their impact on our employees and the healthcare industry.

**Fiscal 2024 highlights include:**

**01**

**Supporting the Ohio business community**

CEO Jason Hollar visited Washington, D.C., to meet with U.S. House of Representatives from the Ohio delegation. During his visit, he spoke with members of Congress on Cardinal Health's impact in the state of Ohio and other key issues important to the business.

**02**

**Mitigating the risk of drug shortages**

Craig Cowman, Executive Vice President, Biopharma Solutions and Strategic Sourcing, and members of his leadership team joined Government Relations in Washington, D.C., to meet with policymakers and their staff about ongoing drug shortages, which are a result of pricing, increased demand, and supply chain issues. They explained Cardinal Health's role as a pharmaceutical distributor and the challenges that shortages create for our customers, and Cardinal Health's role in mitigating shortages.

**03**

**Promoting women in public office and government relations**

Cardinal Health leaders joined women members of Congress for a conversation about supporting women in higher office and as government relations professionals. Cardinal Health leaders in attendance included Debbie Weitzman, CEO of Cardinal Health's Pharmaceutical and Specialty Solutions segment, Michelle Greene, Chief Information Officer, and Jessica Mayer, Chief Legal and Compliance Officer.

**04**

**Supporting allyship as a supply chain leader**

Steve Mason, CEO of our Global Medical Products and Distribution (GMPD) segment; CHRO Ola Snow; and Pete Bennett, SVP, Global Planning and Deployment, Global Operations and Supply Chain, met with members of Congress to discuss allyship within our workforce and Cardinal Health's mental health initiatives. While in Washington, D.C., the leaders also met with legislators on Capitol Hill to discuss issues important to the medical product supply chain and the critical role distributors play to deliver essential care and services.

**05**

**Advocating for Cardinal Health business**

Aaron Alt, Chief Financial Officer, met with Speaker of the U.S. House of Representatives Mike Johnson (R-LA) and other members of Congress to discuss legislative issues important to the business.

**06**

**Supporting the work of the Congressional Digital Health Caucus**

Michelle Greene and Jessica Mayer met with the co-chairs of the Congressional Digital Health Caucus, Congressman Troy Balderson (R-OH), and Congresswoman Robin Kelly (D-IL), to engage around the Caucus' platform. This caucus aims to inform policymakers of the rapid advancements in digital health innovation, highlighting the potential impacts on patients and the healthcare system, and ensuring that all Americans benefit from the transformative power of digital health tools. The discussion allowed Cardinal Health to share our priorities and initiatives, and discuss how we can support the work of the Congressional Digital Health Caucus.





**GOVERNMENT RELATIONS: ADVOCATING FOR THE FUTURE OF HEALTHCARE**

**Advocating for customers**

The Government Relations team continued its work to advocate for customers and their patients, both educating our customers about advocating for themselves, and facilitating customers’ advocacy.

**Retail Business Conference**

Congressman Buddy Carter (R-GA) joined the Government Relations team at the Retail Business Conference (RBC), which supports Cardinal Health’s independent pharmacy customers. The opportunity allowed customers to hear first-hand legislative updates on key issues from Congressman Carter, one of the only pharmacists in Congress.

**Retail Independent Advisory Board and Hospital Advisory Board**

Debbie Weitzman, CEO of Cardinal Health’s Pharmaceutical and Specialty Solutions Segment, and Brad Cochran, EVP of Pharmaceutical and Specialty Distribution, met with lawmakers and their aides to discuss the critical role that retail independent pharmacies fill in their communities, and the many ways that we support these pharmacies.

**Public policy priorities for customers and the business**

In fiscal 2024, we focused advocacy on a variety of topics at the federal and state levels.

**Patient access to quality and affordable healthcare**

Cardinal Health advocates for policies that promote improved payment and reimbursement models, patient adherence, improved outcomes, and quality of services. Cardinal Health also supports policies that promote increased access to and equity in all aspects of healthcare delivery.

**Drug safety and drug shortages**

Cardinal Health provides substantive background and education to policymakers on the steps wholesale distributors take to alleviate drug shortages when they occur and implications for provisions that could unintentionally exacerbate shortages. We also support efforts that decrease the likelihood of counterfeit or adulterated drugs entering the United States.

**Pandemics and public health emergencies**

Cardinal Health advocates for the reauthorization of the Pandemic All-Hazards Preparedness Act (PAHPA) and for policies that will strengthen the healthcare supply chain. PAHPA authorizes multiple programs and authorities within the Department of Health and Human Services (HHS) to focus on public health emergency preparedness and response. Congress has temporarily extended several provisions until December 31, 2024.

**Supply chain**

Cardinal Health supports a resilient supply chain. We advocate against tariffs and taxes on medical products that place an undue burden on the healthcare supply chain. We educate policymakers on the importance of a diversified supply chain. We also support policies that strengthen a robust and resilient global supply chain; we support private-public partnerships and work to limit medical product supply chain disruptions related to regulatory changes affecting sterilization.

**Provider services**

Cardinal Health advocates for policies that recognize the important role that providers play in the healthcare delivery system, including legislation that supports pharmacist provider status and fair fee reimbursement and adequate reimbursement to physicians for Medicare services. Cardinal Health supports policies enhancing the ability of community practices and independent pharmacists to provide services, including the use of technology to manage pharmacy operations and improve pharmacy care services.

# Community engagement

At Cardinal Health, the focus of our philanthropy and support of our communities is on improving access to medication and care as well as supporting social needs to ensure all people have the opportunity to thrive.

## Access to medications

### Equity Rx, the Foundation’s signature program, expands access to medication for those in need

Millions of people have lost their Medicaid coverage as the continuous enrollment provision, established during the COVID-19 pandemic, has ended. According to Kaiser Family Foundation, as of June 2024, more than 25 million people had become disenrolled from Medicaid.<sup>10</sup> Losing access to care is causing significant challenges for many, particularly for those who need prescription medications.

Early in fiscal 2024, the Cardinal Health Foundation created and piloted an initiative called **Equity Rx** in Ohio to help meet this need. The Foundation partnered with the Charitable Health Network (CHN), the membership organization for Ohio’s charitable healthcare organizations; CHN then established an Equity Rx fund to support free and charitable healthcare providers in increasing access to medications for those in need.

Many charitable clinics do not have consistent access to medication for patients. To address this, the Equity Rx pilot worked with an existing charitable pharmacy in southwest Ohio to expand access to other clinics in the region.

That pharmacy, St. Vincent de Paul Charitable Pharmacy, fills prescriptions at no charge, supporting local patients in-person for free at the pharmacy and delivering medications directly to free clinics in the region for on-site dispensing to patients during their visits with primary care physicians. CHN oversees the coordination between St. Vincent de Paul Charitable Pharmacy and the free clinic partners; the organization is testing a model in which charitable pharmacists become integrated into the free clinic care team to improve medication access, adherence, and health outcomes.

**By the end of fiscal 2024, the Equity Rx pilot had resulted in:**

 **22K+ prescriptions filled** representing **\$2.6 million** in retail value

 **355 patients** received comprehensive medication reviews

 **~\$700K** in healthcare costs avoided

Late in fiscal 2024, the Foundation expanded Equity Rx, partnering with the National Association of Free and Charitable Clinics and Pharmacies (NAFC), which represents 1,400 safety-net healthcare organizations that provide a range of health services to individuals who are uninsured, underinsured and/or have limited or no access to primary, specialty or prescription healthcare.

By the end of calendar year 2024, with funding from the Cardinal Health Foundation, the NAFC had provided grants of up to \$45,000, as well as related support, to 10 free and charitable clinics and pharmacies across the country. These Equity Rx grants will increase access to needed medications and care for vulnerable populations. The clinics and pharmacies that receive grant funding will help improve access to medication through training, workforce development, health literacy tools, the creation of screening policies, staff training, communications, and other efforts.



<sup>10</sup> Jennifer Tolbert and Bradley Corallo, An Examination of Medicaid Renewal Outcomes and Enrollment Changes at the End of the Unwinding, published September 18, 2024, <https://www.kff.org/medicaid/issue-brief/an-examination-of-medicare-renewal-outcomes-and-enrollment-changes-at-the-end-of-the-unwinding/> (accessed October 25, 2024).



COMMUNITY ENGAGEMENT

## Equity Rx in action



“**Serving people who are typically underserved is something I’ve cared about my entire life.** I grew up in poverty in a rural Appalachian community; my family and so many neighbors simply didn’t have access to what we needed. I know first-hand what impact programs like Equity Rx can have.

**Rusty Curington, PharmD**

Vice President of Pharmacy at St. Vincent de Paul Charitable Pharmacy (SVDP), Cincinnati



The Charitable Healthcare Network of Ohio selected Curington’s pharmacy as the pilot pharmacy for Equity Rx based on the strong relationships that he and SVDP have with other free clinics in southwest Ohio. He and his staff fill prescriptions at no charge for free clinic patients. Since beginning the Equity Rx program early in fiscal 2024, SVDP has established partnerships with two additional free clinics outside their typical service area, innovating a regional prescription delivery program.

**“Rusty creates innovative solutions that stretch resources, build collaborations and improve the overall health and well-being of his community,” said Jessie Cannon, President of the Cardinal Health Foundation. “He’s a wonderful advocate for the patients he serves, and proves, again and again, the impact of increasing equitable access to care.”**

Curington established simple criteria for Equity Rx patients: They must participate in a comprehensive medication review with a staff pharmacist every six months and engage with regular follow-up phone calls.

“The phone calls help the patients stay on their medication: They give us an opportunity to make sure patients know why and how they’re taking their medications, and answer any questions or address any concerns they may have,” Curington said. “During our meeting each six months, we review all the patient’s medications and again, answer any questions, and, with the patient, create a care plan that helps us manage their health over the next six months. These include plans for improving their diets and other lifestyle changes intended to address their overall health, because if we can help patients get healthier, we can help them avoid emergency rooms as well as medical debt. We might even be able to get them off some of their medications.”

Now well into year two of a two-year grant from the Foundation, Curington and his staff are building a model that he hopes can be replicated. “What’s happening here in Cincinnati and Dayton is incredible,” he said. “This program is improving the health and well-being of people who otherwise wouldn’t have access to healthcare. And that needs to happen all across the country.”

COMMUNITY ENGAGEMENT

## Access to mental health services

Just as we work to make mental health services accessible to our employees, we also work to help meet the mental health needs in our communities, particularly for children.

### Zero Suicide Toolkit for children’s hospitals



**In the years leading up to the COVID-19 pandemic, young people experienced a significant increase in mental health issues, including persistent feelings of sadness and hopelessness and suicidal thoughts and behaviors, according to the Centers for Disease Control and Prevention (CDC).<sup>11</sup>**

The pandemic increased these issues, and led to the U.S. Surgeon General to issue an advisory about the mental health crisis among youth in this country.<sup>12</sup>

Since the start of the pandemic, the Cardinal Health Foundation has supported suicide prevention efforts, partnering with Zero Suicide Institute at the nonprofit Education Development Center (EDC) to implement its framework in hospitals to create systemwide transformation to prevent suicide deaths. The Foundation has focused exclusively on suicide prevention in children’s hospitals since 2022, working through its long-term partner, the Children’s Hospital Association, to create its **Preventing Suicide: A Cardinal Health Foundation National Collaborative**.

**39** children’s hospitals across the U.S. have adopted the Zero Suicide framework, thanks to the collaborative.

Pediatric suicide presents particular challenges due to developmental considerations, communication barriers, limited access to mental health resources, and other factors; therefore, integrating suicide prevention efforts into pediatric healthcare requires a tailored approach. In May 2024, Zero Suicide Institute, supported by the Cardinal Health Foundation, created an adaptation of its toolkit specifically for children’s hospitals. Called the **Zero Suicide Toolkit for Children’s Hospitals**,<sup>13</sup> it is built from the work of the collaborative, and will help sustain and expand the work beyond the collaborative. The toolkit represents a significant step forward in pediatric suicide prevention.

<sup>11</sup> Youth Risk Behavior Surveillance System, Centers for Disease Control and Prevention website: <https://www.cdc.gov/yrbbs/dstr/index.html>, (accessed August 2, 2024).

<sup>12</sup> Protecting Youth Mental Health, U.S. Surgeon General Viveck Murthy, U.S. Department of Health and Human Services website: <https://www.hhs.gov/sites/default/files/surgeon-general-youth-mental-health-advisory.pdf>, (accessed August 2, 2024).

### Key components of the toolkit include:

- 01 Developmentally appropriate, evidence-based screening tools tailored to pediatric populations, considering developmental stages and communication barriers
- 02 Specialized training and education modules on suicide risk assessment, intervention techniques, and postvention<sup>14</sup> strategies for children and adolescents
- 03 Family-centered care guidelines on engaging parents and caregivers in suicide prevention efforts and supporting families in crisis
- 04 Guidance for integrating suicide prevention practices with pediatric care, including primary care, emergency departments and specialty clinics

### By leveraging the resources provided in the Zero Suicide Toolkit and the adapted Toolkit for Children’s Hospitals, children’s hospitals can:

- **Identify and intervene** with at-risk children and adolescents at an earlier stage, potentially preventing suicide attempts and deaths by suicide.
- **Enhance collaboration and communication** among healthcare providers, mental health specialists, schools and community resources.
- **Reduce stigma surrounding mental health issues and suicide** and promote a culture of openness and support within pediatric healthcare settings.
- **Improve patient outcomes and satisfaction** by providing comprehensive, family-centered care that addresses the unique needs of pediatric populations.

<sup>13</sup> Zero Suicide Toolkit for Children’s Hospitals, Zero Suicide Institute website: <https://zerosuicide.edc.org/toolkit/toolkit-adaptations/children>, (accessed June 14, 2024).

<sup>14</sup> Postvention is a collection of best-practice actions after a suicide, to help those exposed heal and to prevent suicide among high-risk individuals who have been exposed to suicide.



COMMUNITY ENGAGEMENT

**Advancing mental well-being through The Ohio State University**



Everyone faces adversity at various times in their lives; some people deal with it seemingly easily; others struggle to move beyond the adversity. Resiliency is the ability that we're born with and that we can learn, to adapt and grow from negative experiences.

Resiliency is key to mental well-being and helps us do well in life, with family and friends, and at work. Current understanding of resiliency is limited; gaining deeper insights could be crucial for addressing mental health issues and improving treatment options. That is why we're proud to invest in an initiative called **SOAR – the State of Ohio Adversity and Resilience**, at The Ohio State University, a leading global research center in our hometown. **This initiative seeks to understand why some people are more resilient – and more resistant to mental health issues and substance misuse than others.**

OSU's Department of Psychiatry and Behavioral Health and the Ohio State Wexner Medical Center are leading SOAR, which includes a series of studies to better understand the biological, psychological and social factors underlying mental health and substance misuse issues. The results of this research will help guide new strategies for prevention, recovery and resilience.

Cardinal Health's investment will support those strategies and turn the learnings from SOAR into practical solutions that can be used to build resilience in Ohioans and among people around the globe, to help protect them from the worst impacts of mental health issues and substance misuse.

**Supporting the mental well-being of frontline healthcare workers**



Frontline healthcare workers are more at risk of mental health issues than the general population, because of long hours and exposure to infectious diseases, according to the CDC.<sup>15</sup> The pandemic presented many more challenges for them.

That's why, in fiscal 2024, for the second year in a row, **Cardinal Health funded a program to support the mental well-being of nurses and other frontline healthcare workers.** The program helps these healthcare workers better understand how to care for their own mental health, so that they're able to continue to provide the best care for their patients.

The program featured a day-long, in-person training created by the Center for Mindful Self Compassion (CMSC) specifically for healthcare workers in Central Ohio. Nursing leaders from four of the largest health systems in the area participated to learn how to practice mindfulness and compassion – for themselves, their nursing teams, their patients and their colleagues. The course was led by CMSC-certified instructors (medical doctors or other healthcare professionals with the necessary physician education experience). Participants were awarded continuing education credits at course completion.

Providing support close to home

In Central Ohio, home to our headquarters, the Foundation works to support a community where everyone has the opportunity to thrive

**Medication access**

We support the Nationwide Children's Hospital school health program, providing medication access at school for children with type 1 diabetes and/or sickle cell disease.



**Homelessness prevention**

We provide continued support to the Community Shelter Board and its efforts to prevent homelessness.



Advancing equity in central Ohio

**Education**

We continue to support free post-secondary education at Columbus State Community College for all graduates of the Columbus City School District through Columbus Promise. This initiative is a public-private partnership launched by the City of Columbus, Columbus City Schools, Columbus State Community College and the nonprofit I Know I Can.



**Hunger prevention**

We provide ongoing support to the Mid-Ohio Food Collective, helping to fund its mission of ending hunger.



<sup>15</sup> Healthcare workers face a mental health crisis, updated October 24, 2023. Centers for Disease Control and Prevention website: <https://www.cdc.gov/vitalsigns/health-worker-mental-health/index.html>, (accessed October 4, 2024).

COMMUNITY ENGAGEMENT

## Volunteerism: Strengthening communities around the globe

Cardinal Health empowers employees around the globe to give back to the causes that mean the most to them. As a result, our employees play a significant role in strengthening their communities, helping to address social, economic and environmental issues, and supporting children, the elderly, and people with disabilities.

**Hundreds of employees participate in two signature events, Pelotonia and the American Heart Walk:**

### American Heart Walk

Employees across the U.S. support the American Heart Association (AHA) through local Heart Walks, the Heart Ball and STEM Goes Red. In fiscal 2024, 1,200 employees, friends and family members came together under one Cardinal Health National Heart Walk Team; Cardinal Health employees and the Foundation donated more than \$344,000 to help fund the AHA's research and education initiatives.

### Pelotonia

Each year, employees, friends and families raised funds to support the innovative cancer research at Arthur G. James Cancer Hospital and Richard J. Solove Research Institute at the Ohio State University. This annual bike-riding, challenge and volunteer event is the first weekend of August.

In fiscal 2024, more than 110 individuals participated on Cardinal Health's behalf in Pelotonia; Cardinal Health employees and the Foundation donated \$329,000.



### Cardinal Health philanthropy and volunteer giving in fiscal 2024

The Cardinal Health Foundation and the company donated

**\$8.5M** to charitable causes

Cardinal Health employees donated an additional

**\$1.1M** to charitable organizations

and collectively gave more than **54K** hours of volunteer service  
(Volunteer hours are based on employee self reporting)

### Cardinal Health donated:

**\$13M+** in product donations

Pharmaceutical and Specialty Solutions segment donations: **\$7.4M**  
Global Medical Products and Distribution segment donations: **\$5.7M**

### Cardinal Health's Volunteer of the Year: Lynette Neldon

“Volunteering allows me to contribute to a cause I’m deeply passionate about, while also making a difference in my community.”

At Cardinal Health, Lynette Neldon is a scientist on our Regulatory Operations team, where she helps ensure the safety, efficacy and quality of the pharmaceuticals we distribute. Outside of work, she volunteers with Multiple Breed Rescue in Grafton, Ohio, a nonprofit organization that helps mistreated dogs. “As a foster caregiver, I provide a safe environment to help mistreated dogs heal, and help prepare them for forever homes,” she said.

Last year, she and her wife fostered a pregnant, emaciated dog who was missing a paw. They named the dog Wendy; soon after she delivered a litter of four, she became very ill. But after a visit to an emergency clinic and a lot of hands-on care, Wendy and her puppies began to thrive. “We ultimately found permanent homes for Wendy and each of her puppies,” Neldon said.





# Operating sustainably and responsibly



In this section:

**44** Energy and climate

**48** Waste management

**49** Efficient transportation and logistics

**51** Product and service innovation

**55** Responsible sourcing



**In fiscal 2024, we made progress toward our science-based climate goals, approved by the Science Based Targets initiative in February 2024, and finalized our climate action plan. We also continued our work to reduce waste and increase transportation efficiency.**

**We brought several new innovative products to market in fiscal 2024, and expanded the portfolio of our reprocessing business, Sustainable Technologies™. We also continued our efforts to improve working conditions in our supply chain, and expanded our supplier due diligence program across the enterprise.**

# Energy and climate

## Approved science-based climate targets



In March 2024, we announced that the Science Based Targets initiative (SBTi)<sup>16</sup> approved our near-term science-based greenhouse gas (GHG) emissions reduction targets. The SBTi is a global body enabling businesses to set ambitious emission reduction targets in line with the latest climate science. Targets are considered science-based<sup>17</sup> if they align with what the latest climate science says is necessary to limit global warming to 1.5°C above pre-industrial levels.

With the SBTi approval, Cardinal Health commits to the following science-based targets:

**01 Reduce absolute Scope 1 and 2 GHG emissions 50% by fiscal 2030 from a fiscal 2019 base year.<sup>18</sup>**

These approved targets are more ambitious than our previous goals announced in September 2021 which focused on reducing Scope 1 and 2 GHG emissions because they now include Scope 3 emissions from our supply chain.

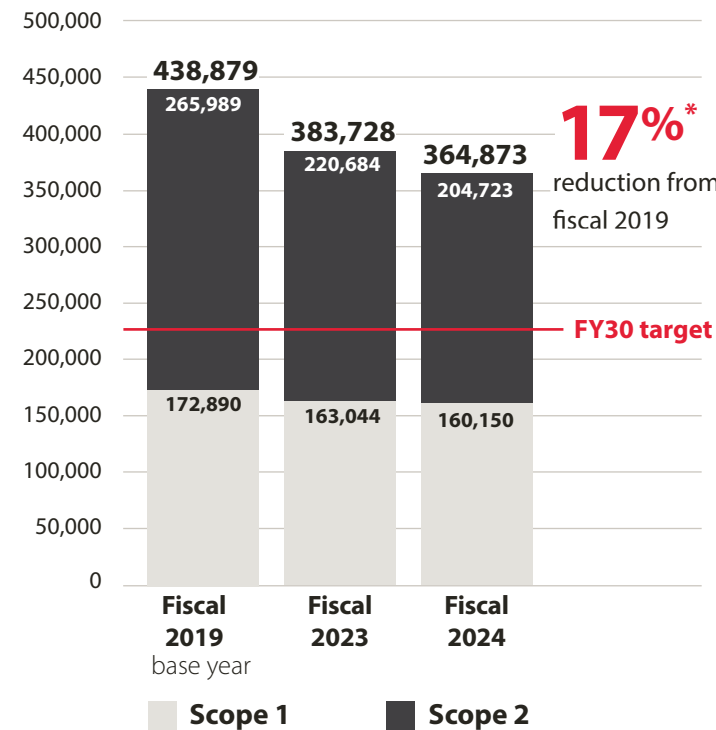
By the end of fiscal 2024, Cardinal Health had reduced its Scope 1 and 2 emissions by 17% from a fiscal 2019 base year. The company continues to invest in energy efficiency opportunities in our distribution and manufacturing sites and is working to expand its use of renewable energy across the enterprise, which we describe in greater detail later in this section of the report.

To address Scope 3 emissions, we completed a supplier maturity assessment and determined that in fiscal 2024, 66% of our top suppliers by spend had set a science-based target. Our supplier engagement strategy takes a segmented approach based on maturity level. For example, for the most mature suppliers who have science-based targets

**02 75% of its suppliers by spend, covering purchased goods and services and upstream transportation and distribution, will have science-based targets by fiscal 2028.**

and disclose annual Scope 1, 2 and 3 emissions, our ESG team will connect with these suppliers to share best practices and to improve the calculation of Scope 3 emissions in our shared supply chain. For the least mature suppliers who do not yet calculate GHG emissions, we plan to build relationships with these suppliers and provide free resources and trainings on how to calculate GHG emissions and set science-based targets. We will be surveying suppliers to gather information on current and future plans related to GHG emissions disclosure, goal setting and climate strategy and we plan to engage with medium and low maturity suppliers regularly to provide continued support. We are also working collaboratively with peers across the healthcare industry through the Healthcare Distribution Alliance (HDA) and the National Academy of Medicine (NAM) to engage shared suppliers collectively, to reduce the burden on suppliers and to eliminate duplication of effort.

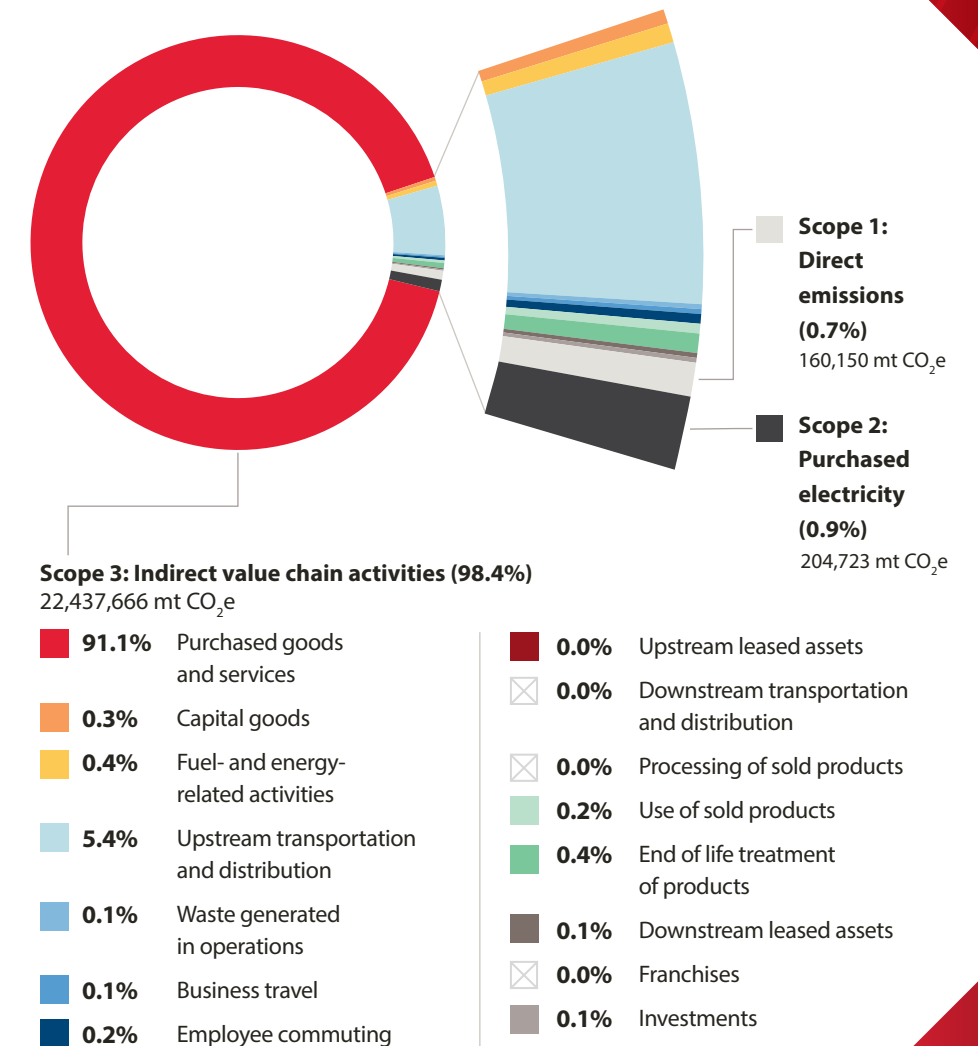
**Scope 1 and 2 greenhouse gas (GHG) emissions**  
Total market-based GHG emissions  
(metric tons CO<sub>2</sub>e)



\* We have restated our fiscal 2019 base year emissions for Scope 1 to include a previously omitted emissions source that was identified during this year's assurance process. This restatement includes the emissions associated with diesel transportation used at a manufacturing site in Juarez, Mexico, and results in a 1% increase to the base year.

We also elected to review our fiscal 2023 base year calculations for Scope 3 as part of our fiscal 2024 assurance process and identified opportunities to improve the precision of our source data and calculations. Details are available in GRI 2-4 of our reporting indices.

**Cardinal Health FY2024 GHG footprint**  
Total: 22,810,545 mt CO<sub>2</sub>e



<sup>16</sup> The SBTi is a collaboration among CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF) and one of the We Mean Business Coalition commitments.

<sup>17</sup> What are science-based targets? Science Based Target Initiative, <https://sciencebasedtargets.org/how-it-works> (accessed October 2, 2024).

<sup>18</sup> The target boundary includes land-related emissions and removals from bioenergy feedstocks.

ENERGY AND CLIMATE

## Climate action plan: achieving our SBTi-approved goals



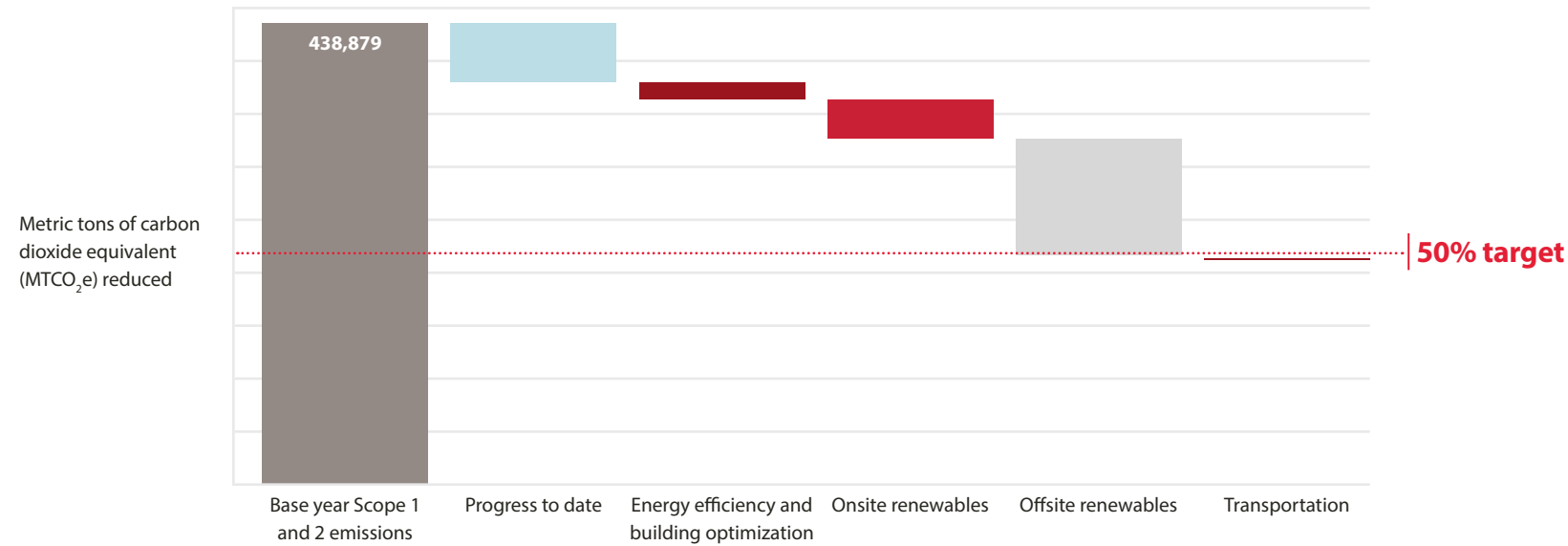
As a signatory of the White House and Health and Human Services Health Sector Climate Pledge, we are dedicated to achieving our GHG emissions goals, in line with others across the healthcare sector. In order to meet these industry-wide goals, we understand that we, and other healthcare organizations, must accelerate decarbonization efforts.

Throughout fiscal 2024, we developed a comprehensive climate action plan to help us achieve our 2030 Scope 1 and 2 goal. This plan involves a number of decarbonization levers, as indicated below, that will be deployed through fiscal 2030 and beyond. Some of these levers have been

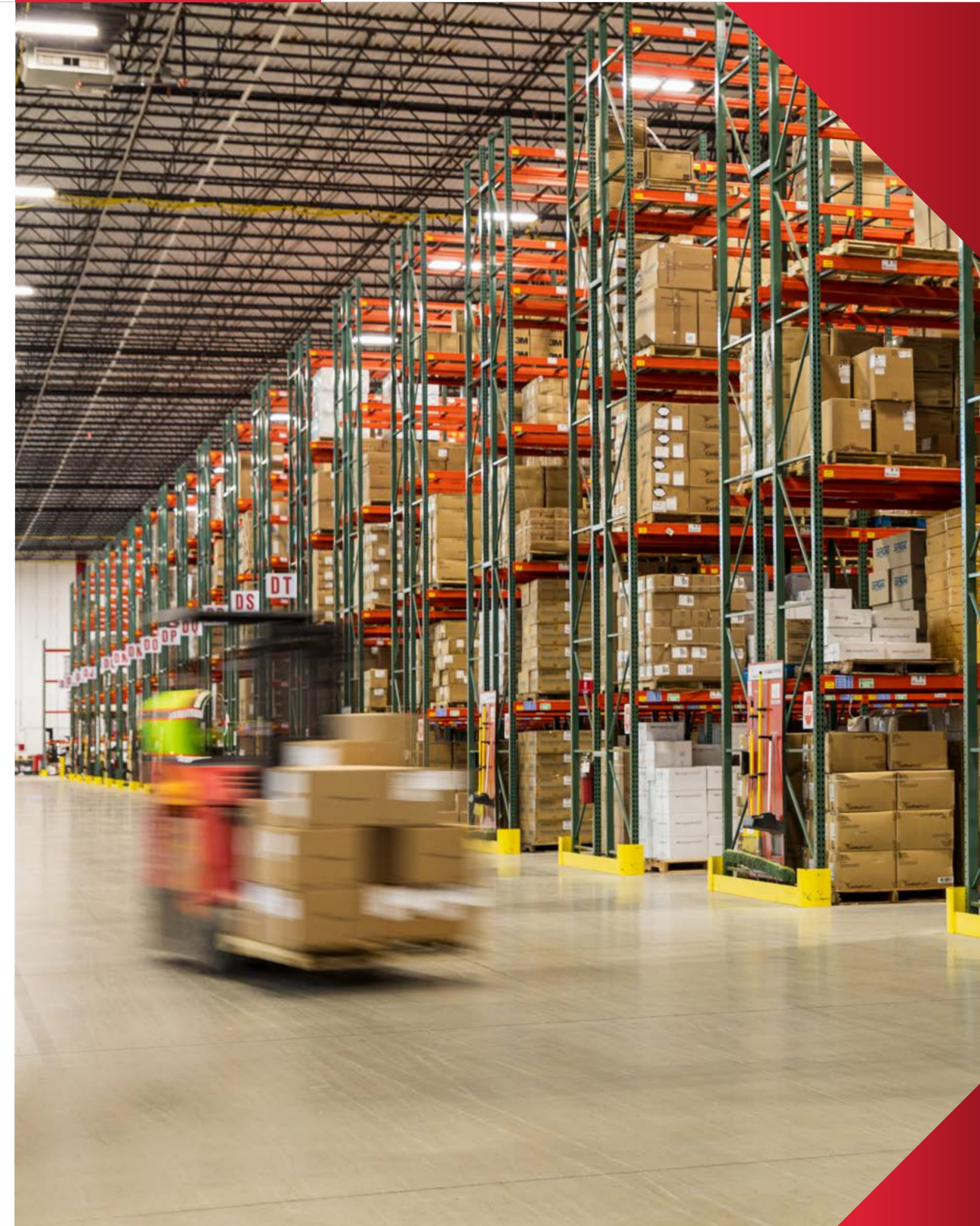
in use for years across the organization and will be strategically expanded, while others will be new for Cardinal Health. Our climate action plan will evolve continually over time, as the business evolves, as market conditions change, and as technology improves.

Our current climate action plan contributes to the decarbonization of our operations through energy efficiency and building optimization, onsite renewable energy, offsite renewable energy, and improved transportation efficiency. Over the next few years specifically, we intend to focus our efforts on improving the energy efficiency of our facilities and significantly expanding the number of onsite solar projects across our portfolio.

### Levers to achieving our 2030 goal



■ This plan is flexible and subject to change.





**ENERGY AND CLIMATE**

## Climate risk assessment

Cardinal Health engaged a third party to conduct a climate risk assessment in fiscal 2024. The goal of the assessment was to evaluate the vulnerability of our enterprise to climate change by identifying the most important risks and opportunities throughout our value chain, and quantifying the potential cost of these climate-related impacts to our different business segments.

**The assessment evaluated two types of climate risks:**

**01 Physical risks, related to the physical impact of climate change**  
Physical risks can be acute or chronic (from changes in climate patterns, higher temperatures, increased precipitation, etc.).

**02 Transition risks, associated with how a company modifies various activities to reduce greenhouse gas (GHG) emissions.** These transition activities, including policy and legal changes, changes in technology, and market changes, come with costs, which can expose the company to financial risks.

**Throughout the six-month climate risk assessment, we:**

Evaluated our exposure to the most relevant climate-related risks and opportunities across multiple time horizons and climate scenarios set forth by the Intergovernmental Panel on Climate Change (IPCC).

Quantified the potential financial and operational cost impacts for each of our business segments and select supply chain partners, as well as the cost of inaction.

Prepared for the interoperability of disclosures between the forthcoming requirements from California's Climate-Related Financial Risk Act, the European Union's Corporate Sustainability Reporting Directive (CSRD), and other climate-related regulations expected in the future.



**In the latter half of calendar year 2024, we began incorporating the results of this assessment into our climate action plan and our supplier engagement strategy. We plan to report more detail in our Fiscal 2025 ESG Report, to be published in 2026.**

**ENERGY AND CLIMATE**

## Solar power



In fiscal 2024, we completed solar installations at our glove manufacturing facility in Rayong, Thailand, and at our manufacturing site that produces neonatal and intravenous access catheters in Fukuroi, Japan. In Rayong, the solar installation is expected to generate about 3,600,000 kwh/year, equal to the energy consumed by 328 homes in a year; the installation in Fukuroi, shown right, is smaller, and expected to generate nearly 440,000 kwh/year, equal to the energy used by about 40 homes a year.

In addition to completing these projects, Cardinal Health issued a request for proposal (RFP) to solar developers to bid on installing solar panels at 21 of our manufacturing and distribution centers across the U.S. We selected developers at the end of calendar year 2024 for a subset of those sites which had positive economics and the ability to support solar for 15-20 years.

## LED retrofitting initiative expanded

In 2024, we continued an enterprise-wide retrofitting initiative, completing installations of light-emitting diode (LED) lighting at six facilities; since 2017, we have completed LED retrofits at more than 40 facilities. LEDs use only a fraction of the power used by traditional lightbulbs and deliver significant savings in utility costs; they reduce GHG emissions, and typically last much longer than traditional bulbs; they're also much more durable, and can withstand more rugged environments where heavy machinery is used and provide a brighter, safer and more comfortable work environment for our employees.

## Sustainable Technologies™

Cardinal Health's Sustainable Technologies business is a leading provider of single-use device (SUD) collections and reprocessing services in the U.S. Sustainable Technologies reprocesses a variety of single-use devices to reduce healthcare's carbon footprint, drive supply resiliency and create financial value for health systems.

**In fiscal 2024, Sustainable Technologies:**

Collected	Diverted
<b>19.54M</b>	<b>6M lbs</b>
single-use devices	of waste from landfills

Read more about this business on [page 54](#).

Additionally, a recent life cycle assessment (LCA)<sup>19</sup> shows that reprocessed compression sleeves have:

**40%** **lower carbon footprint** compared to single-use sleeves, and **reduce** hospital waste disposal costs by **90%**.

<sup>19</sup> Sabrina Lichtnegger, Markus Meissner, Francesca Paolini, Alex Veloz, Rhodri Saunders, "Comparative Life Cycle Assessment Between Single-Use and Reprocessed IPC Sleeves, Dove Press website, Published December 13, 2023, <https://www.dovepress.com/article/download/88993> (Accessed October 21, 2024).

<sup>20</sup> Reducing healthcare carbon emissions, a primer on measures and actions for healthcare organizations to mitigate climate change. Institutes for Healthcare Improvement website, <https://www.ihl.org/resources/publications/reducing-healthcare-carbon-emissions-primer-measures-and-actions-healthcare> (Accessed October 21, 2024).

## An inaugural member of CHARME: Collective Healthcare Action to Reduce MedTech Emissions

The MedTech (medical device, equipment, service, and distribution) supply chain accounts for 7% of U.S. healthcare greenhouse gas (GHG) emissions.<sup>20</sup> We believe that working together across the supply chain, we can make significant reductions in GHG emissions; we're proud to have joined Kaiser Permanente, the Sustainable Purchasing Leadership Council, Vizient and other industry leaders in a 24-month collaborative launched in April 2024. Called CHARME (Collective Healthcare Action to Reduce MedTech Emissions), the collaborative was created to accelerate GHG emissions reduction in manufacturing, transportation practices and other activities across the U.S. medical device and equipment supply chain.

The framework for CHARME was laid out in a 2023 whitepaper, "Catalyzing Collective Action to Decarbonize Healthcare Roadmap for Health Systems and MedTech Suppliers,"<sup>21</sup> published in 2023 by Kaiser Permanente, Health Care Without Harm and Accenture. The whitepaper identifies **four key decarbonization levers** that can make a meaningful impact:

- 01. Renewable energy**
- 02. Product innovation**
- 03. Product utilization**
- 04. Transportation and logistics**

Work in each of the first three workstreams has begun; each CHARME member company participates in at least one of them to help amplify progress toward emissions reduction goals. We believe that collaborating with other MedTech companies and our healthcare customers will help to make meaningful progress toward sector emission reduction goals.


<sup>21</sup> Catalyzing Collective Action to Decarbonize Healthcare Roadmap for Health Systems and MedTech Suppliers. Published June 2023. Kaiser Permanente website, [https://supplier.kp.org/impacts/pending/wp-content/uploads/sites/2/2023/06/Catalyzing-Collective-Action-to-Decarbonize-Healthcare-FINAL\\_6-7-23.pdf](https://supplier.kp.org/impacts/pending/wp-content/uploads/sites/2/2023/06/Catalyzing-Collective-Action-to-Decarbonize-Healthcare-FINAL_6-7-23.pdf) (accessed June 14, 2024).



# Waste management

## WaveMark™ Solutions: Reducing cost and waste for customers

WaveMark™ Solutions is a digitally automated solution that tracks medical products from the manufacturer to use at the moment of care to provide enterprise visibility and data to effectively manage a clinical supply chain. Because supply expense is the second largest hospital expenditure after labor and personnel costs,<sup>22</sup> WaveMark can be a valuable tool to help reduce costs.

 Expenses are particularly high in operating rooms and procedural rooms where high-cost implants and supplies are routinely used, accounting for 40-60% of hospital supply expenditures.<sup>23</sup> WaveMark™ technology can automatically track, monitor and alert staff to remove recalled and expired products from storage, and alert clinicians to the presence of these unusable products at the point of care. This real-time documentation supports accurate charge capture, gives insight into current inventory availability, and protects patients from the risk of recalled or expired products.

In addition to product expiry, supply waste in operating and procedural rooms also impacts hospital cost performance. Supply waste can include opened and unused supplies, as well as products that are lost or have become obsolete. Studies have quantified wasted supply rates in various types of units, reporting rates up to 20.1% of total surgical supply cost in the operating room.<sup>24</sup>

Reasons for supply waste include incorrect anticipation of the surgeon's needs, aseptic mistakes, wrong choice of supplies, or defective or incomplete supplies. In a survey of surgeons' perspectives on operating room waste, it was estimated that 26% of single-use, sterile supplies were opened and unused at the end of the surgery, with lack of awareness cited as a major barrier to reducing rates.<sup>25</sup>

Hospitals using WaveMark see, on average, a **63% reduction** in product waste in the first year, and an average cost savings of

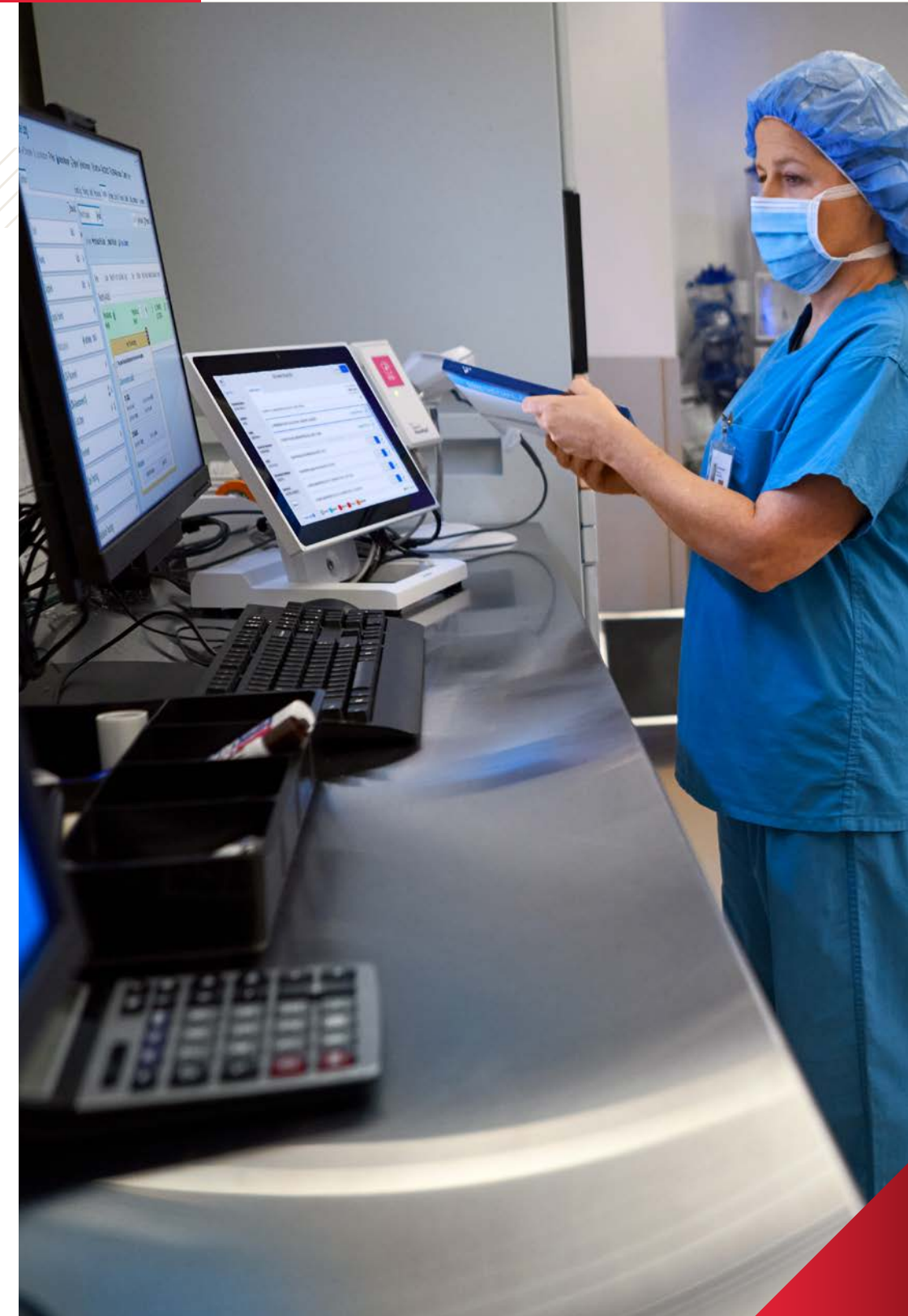
**\$300K+**   
per procedural department.

The waste that is avoided also provides a reduction in Scope 3 GHG emissions generated at the end of life of these products that would be disposed in a landfill or incinerated as regulated medical waste.

With WaveMark, a customer portal provides clinical and supply chain personnel with a dashboard that includes daily alerts and priority actions.

This helps them to identify what products are missing, are out of stock, or expired. The portal also provides analytics on broader trends and insights, allowing leadership to track progress and target areas for additional attention. This clinical supply chain technology has been implemented in more than 3,800 operating rooms, procedural labs, and nursing units across 350 hospitals.

In fiscal 2024, WaveMark launched two new programs. One is OR Smart Pick, which helps identify and collect the right products for procedures. The second is a Procedure Card Optimizer, an advanced analytics module that integrates procedure card optimization and clinical supply chain inventory technology to help customers avoid waste. It triggers ongoing recommendations for streamlining products picked for each procedure.



<sup>22</sup> Moons K, Waeyenbergh G, and Pintelon L. Measuring the logistics performance of internal hospital supply chains- A literature study. Omega, January 2019, <https://www.sciencedirect.com/science/article/abs/pii/S0305048317302438> (accessed November 25, 2024).

<sup>23</sup> Ahmadi E, Masel D, Metcalf A, and Schuller K. Inventory management of surgical supplies and sterile instruments in hospitals: a literature review. Health Systems, July 18, 2018, <https://pubmed.ncbi.nlm.nih.gov/articles/PMC6598505/> (accessed November 25, 2024).

<sup>24</sup> Virginie Chasseigne, Géraldine Leguelinel-Blache, T.L. Nguyen, R. de Tairac, "Assessing the costs of disposable and reusable supplies wasted during surgeries" International Journal of Surgery, February 2018, [https://www.researchgate.net/publication/323093000\\_Assessing\\_the\\_costs\\_of\\_disposable\\_and\\_reusable\\_supplies\\_wasted\\_during\\_surgeries](https://www.researchgate.net/publication/323093000_Assessing_the_costs_of_disposable_and_reusable_supplies_wasted_during_surgeries) (accessed November 5, 2024)

<sup>25</sup> Meyer MJ, Chafitz T, Wang K, et al. Surgeons' perspectives on operating room waste: Multicenter survey. Surgery, January 2022, <https://pubmed.ncbi.nlm.nih.gov/35093247/> (accessed November 25, 2024).

# Efficient transportation and logistics

## Increasing the efficiency of our fleets



Throughout fiscal 2024, transportation teams across the enterprise continued their focus on increasing transportation efficiency. Within our Pharmaceutical Distribution (PD) business, the transportation team invested in an analysis of the entire network early in fiscal 2024, and identified multiple opportunities to increase efficiencies, including reducing dead or empty miles (when trucks make the return trip empty, after their delivery), off-area miles, and changes in routing to reduce miles.

Our National Logistics Center (NLC) in Groveport, Ohio, serves as a single point of delivery for PD's manufacturing partners, then sends product on to our network of forward distribution centers (FDCs) across the country. The NLC identified an opportunity to enhance capacity for west coast shipments: They found they could use standard-sized equipment to make deliveries, instead of the taller, high cube trailers used for deliveries to the rest of the network. In addition, the NLC partnered with the FDCs to reduce delivery days from five a week to three a week.

The NLC uses five different transportation vendors to deliver product: In fiscal 2024, our PD transportation team worked with each vendor to streamline routing and reduce dead mileage by backhauling, which means they make strategic pickup stops along delivery routes and back to keep their trucks as full as possible on their return.

In the fall of 2024, the team launched an initiative to expand improvements to backhauling across the U.S. network, seeking to identify opportunities to fill trucks on shipments returning to the NLC. This ongoing effort aims to continue to reduce empty miles across our network.

Our Global Medical Products and Distribution (GMPD) and Nuclear and Precision Health Solutions (NPHS) businesses have developed an intentional strategy to replace a percentage of their U.S. sales fleet (GMPD) and delivery fleet (NPHS) each year with more efficient vehicles, including hybrid vehicles. They work with their fleet providers to ensure hybrid vehicles are available for allocation to Cardinal Health.

In addition, the GMPD team replaced 78 of its leased delivery vehicles in the U.S., including tractor trailers, transit vans, and other vehicles – or about 15% of its fleet – with more efficient models in fiscal 2024.

**15%** GMPD fleet replaced with more efficient models

## Electric vehicles

In California, Cardinal Health has exceeded the state's Advanced Clean Fleets ZEV Milestones Option. This regulation requires high priority fleets to meet zero-emissions vehicle (ZEV) targets as a percentage of their California fleets. For 2025, the Group 1 Milestone (for box trucks, vans, yard tractors and light-duty package delivery vehicles) target is 10%.

**28.57%** of our box trucks, vans, yard tractors and light-duty package delivery vehicles in California are zero-emission electric vehicles

And the Cardinal Health Canada team added its first electric tractor-trailer (shown here), which is based out of our facility in Dorval, Quebec.





## EFFICIENT TRANSPORTATION AND LOGISTICS

### Delivering products in fewer totes



The supply chain teams in both the Pharmaceutical and Specialty Solutions (PSS) and the Global Medical Products and Distribution (GMPD) segments at Cardinal Health invested effort in reducing the number of totes delivered to our customers. Fewer totes mean less plastic used per order; trucks can be packed more efficiently, and our customers can more efficiently unpack their products.

The project sounds simple: Put more products in each tote. In the PSS business, where product package sizes are more uniform and predictable than medical product packaging, it is a relatively straightforward process. The PSS team made changes within distribution centers, changed the order of picking and packing, consolidated the number of pick zones, and adjusted picking cart configurations, all to pack totes more densely. The results were impressive: 3.1 million fewer totes were used in PSS in fiscal 2024 than in fiscal 2023.

**3.1 M fewer totes** were used in Pharmaceutical and Specialty Solutions in fiscal 2024

Within the GMPD segment, there are thousands of different medical products in varying sizes, weights and shapes, presenting Tetris-like challenges in fitting pieces together. If these products are packed together too densely, their weight can cause totes to break.

The team began with a statistical approach, determining how various products could be packed together in the most efficient, space-saving way. Then they went to employees in the distribution centers to learn what situations caused the most damage to totes. They requested guidance on how the distribution centers' warehouse management system (WMS) could be adjusted to manage different tote fill patterns. They developed a calculation to determine how much buffer – or empty space – each tote required to avoid breakage and began packing more efficiently.

We continue to make further progress on packing products more efficiently, including using mailer bags instead of totes for smaller orders.

# Product and service innovation

## Incorporating sustainability considerations



**Products:** Within our Global Medical Products and Distribution (GMPD) segment, teams developing Cardinal Health™ brand products use an environmentally preferred product design-making framework. This framework includes:

- 01 Reducing the amounts of materials used**
- 02 Using alternative, more sustainable materials or recycled materials**
- 03 More sustainable end of life considerations, including reducing waste; reusing, reprocessing, service and repairing; and recyclability**

This hierarchy guides decision-making where feasible in our goal to develop more environmentally preferable products.

In fiscal 2024, we completed our first comprehensive Lifecycle Assessment (LCA)<sup>26</sup>; (see [page 54](#) for more information). We intend to conduct more LCAs to improve our decision making throughout the lifecycle of our products, and to support our customers in their pursuit of better data to make more informed choices when selecting the most sustainable products.

**Packaging:** We have begun planning to revise our current processes in order to incorporate more sustainability-focused design principles into packaging design for all new products within GMPD. Our current packaging guardrails include optimization for environmentally preferred attributes as much as possible. These considerations include (but are not limited to):

- 01 Reducing the amount of materials used**
- 02 Using more recycled and recyclable materials**
- 03 Choosing responsibly sourced materials**

Our packaging guidelines list Materials of Concern, documented for compliance on new packaging design. The packaging team is working to ensure adequate documentation for all existing packaging material.

By the end of fiscal 2030, we aim to have all corrugate packaging certified and labeled by one of the following: Forest Stewardship Council (FSC), Sustainable Forestry Initiative (SFI) or the Programme for the Endorsement of Forest Certification (PEFC). By the end of fiscal 2026, we will have specific commitments for using recycled content in our corrugate, and reduction plans for targeted items based on end of fiscal year 2024 data.



<sup>26</sup> Risk Management and Healthcare Policy, Sabrina Lichtnegger et al, published December 13, 2023, Comparative Life Cycle Assessment Between Single-Use and Reprocessed IPC Sleeves, <https://www.dovepress.com/article/download/88993>.



PRODUCT AND SERVICE INNOVATION

## Reducing packaging materials for medical products



In designing packages for Cardinal Health™ brand medical products, our packaging engineers within our Global Medical Products and Distribution (GMPD) business are focused on ensuring that medical devices are delivered to the point of use in a safe and effective manner in compliance with all international standards. In addition to meeting requirements and expectations of the customer, we are also working to improve the sustainability of our packaging by reducing the use of materials, increasing the use of recyclable packaging materials, and diverting waste from landfill. The results are tracked through a sustainability tracker that categorizes projects based on the specific strategy used to reduce environmental impact, including component elimination, material changes, or smaller packaging.

In fiscal 2024, the Packaging Engineering team implemented multiple sustainable packaging projects, which collectively are expected to eliminate more than **718,700 pounds** of packaging materials by the end of fiscal 2025.

**The four projects responsible for the packaging reduction are:**

- 01** Optimizing the packaging configuration to remove corrugate packaging and reduce overall dimensions for reprocessed Kendall DL™ Electrocardiogram lead wires through our Sustainable Technologies business. This new packaging is expected to result in a reduction of nearly **77,000 pounds** of waste per year.
- 02** Validating a thinner but sturdy paper for Protexis™ surgical glove inner wallets, which is expected to reduce packaging waste by nearly **420,000 pounds** per year.
- 03** Reducing unnecessary layers of corrugate by moving from a double wall case to a single wall case for Medi-Vac™ Flex Advantage™ Single Use Liners. This project will reduce corrugate waste by about **205,000 pounds** per year.
- 04** Removing a piece of chipboard pad in the cases of each Kendall SCD™ compression sleeve through the Sustainable Technologies business. This change is expected to result in a reduction of more than **16,700 pounds** of cardboard per year.

Additionally, the Packaging Engineering team is replacing a non-recyclable sterile barrier packaging for Protexis™ PI Blue surgical gloves with recyclable material which will result in 119,000 pounds of material per year that can be recycled.

**LEFT:** In our packaging technology center lab, packages are tested on a vibration table that mimics the vibrations of over-the-road trucking, to ensure the packing can withstand the trip from DCs to the customer



**PRODUCT AND SERVICE INNOVATION**

## Bringing innovative new products and services to market

Fiscal 2024 saw the development of new, environmentally preferable products and services at Cardinal Health.

### Biodegradable exam gloves



In fiscal 2024, we developed our first biodegradable product: Our new FLEXAL™ Biodegradable exam gloves, launched late in calendar year 2024, are tested for use with fentanyl and 23 other chemotherapy drugs<sup>27</sup> and tested for ASTM F1342 puncture resistance (a standard established by ASTM International, an organization that develops and publishes voluntary consensus technical international standards for a wide range of materials, products, systems and services). The gloves' packaging supports responsible forestry with a Forest Stewardship Council (FSC) Mixed certification, which means they're made with a mix of materials from FSC-certified forests, recycled sources and/or FSC controlled wood.

During the manufacturing process, an organic additive is introduced to the gloves, a crucial step that differentiates a biodegradable glove from a standard nitrile glove. Once the glove is discarded and in a landfill, the organic additive attracts microbes, which go to the gloves and consume the additive, while sending out chemical signals to other microbes to colonize on the gloves. As this happens, they excrete an enzyme that eats away at the nitrile gloves. The gloves will decompose by 39% in the first 320 days in landfill, and by 75% within 776 days. Biodegradable product testing is based on ASTM D5526, an anaerobic biodegradation test used to determine anaerobic biodegradation of plastic materials under accelerated landfill conditions.

**The gloves will decompose by**  
**75%**  
**within 776 days**  
**in landfill**

### Kendall SCD SmartFlow™ Compression System



This new generation compression product was developed in fiscal 2024 and launched late in calendar year 2024 in the U.S. and Japan. It is designed to help prevent venous thromboembolism (VTE), or blood clots in the veins. Its proprietary vascular refill detection (VRD) delivers customized intermittent pneumatic compression (IPC) therapy; its redesigned Kendall SCD SmartFlow™ Therapy Tracker leverages Patient Sensing™ Technology to show true therapy time. Compared to previous generations, this has a pump that is both smaller and quieter. The new product also has the indication to treat pain and swelling, common and sometimes debilitating symptoms for patients with insufficient blood flow.

- **Responsible packaging:** The corrugate packaging used for the product is recyclable and contains **at least 75% recycled content**. Inner packaging eliminates an airbag and one polybag for the tubing from the original's packaging, and uses about 100 grams less plastic than the previous product.
- **End-of-life management:** In the U.S., Cardinal Health will collect the new Compression System's predecessor product, and will **recycle 93% of the take-back shipment**. The controller and corrugate packaging will be fully recycled, and the tubing will go to landfill. It's estimated that this end-of-life program for the predecessor product will **divert 247,000 pounds of waste from the landfill each year until conversions to the new product are complete**.

<sup>27</sup> WARNING: The new FLEXAL Biodegradable exam gloves cannot be used with Carmustine or Thiotepa.

PRODUCT AND SERVICE INNOVATION

**19.5M+**

single-use devices collected in fiscal 2024

**6M**

pounds of waste diverted from landfills in fiscal 2024

**120**

metric tons of customer carbon emissions avoided<sup>28</sup>

Avoided emissions were estimated using the GHG Protocol's guidance for Scope 3, Category 5 - Waste from Operations, which specifies a factor of 40kg CO<sub>2</sub>e per ton of waste sent to landfill.

**Sustainable Technologies™**



Sustainable Technologies™, a Cardinal Health business, extends the life of single-use medical devices through FDA-regulated reprocessing. Our program drives supply resiliency and financial value while making it simple for clinical teams to contribute to their organization's sustainability goals.

In May 2024, Sustainable Technologies took a significant step toward strengthening its reprocessing portfolio and its ability to drive cost savings for customers, entering into an agreement with Innovative Health, a specialty reprocessing company and leader in cardiology device reprocessing. With this agreement, Sustainable Technologies customers have the option of enrolling in the Innovative Health program, which includes access to reprocessed electrophysiology (EP) and cardiology devices.

For the customer, Sustainable Technologies will manage the combined and expanded reprocessing program, while Innovative Health will work directly with EP and catheter labs on the clinical integration process, device collections and overall program management. Innovative Health has built the industry's strongest portfolio in electrophysiology reprocessing, and offers it through a proven service model that provides significant savings for the hospital.

A lifecycle analysis (LCA) by Fraunhofer Institute for Environmental, Safety, and Energy Technology<sup>29</sup> confirms that the environmental impact of using a reprocessed EP catheter reduces about 50% of the environmental impact of using a new one.

Using reprocessed SUDs in ablation procedures can dramatically reduce the costs of catheter ablation, especially in AFib procedures, where the most expensive devices are used.

**In total, using reprocessed SUDs in an AFib procedure reduces per-procedure costs by almost 30% (more than \$3,000), while in other AFib procedures, the cost reduction is 7% (or approximately \$350).<sup>30</sup>**

In addition, Cardinal Health announced in fiscal 2024 that the Sustainable Technologies business will expand into Australia, with a state-of-the-art reprocessing facility. The new Sustainable Technologies facility – the first outside the U.S. – will help meet the growing demand for reprocessed medical devices in Australia, and will create new jobs. We expect the Australia facility to be fully operational by fiscal 2026.

<sup>28</sup> Avoided emissions were estimated using the GHG Protocol's guidance for Scope 3, Category 5 - Waste from Operations, which specifies a factor of 40kg CO<sub>2</sub>e per ton of waste sent to landfill.

<sup>29</sup> Anna Schulte, Daniel Maga, Nils Thonemann, Combining life cycle assessment and circularity assessment to analyze environmental impacts of the medical remanufacturing of electrophysiology catheters. Sustainability, January 17, 2021. MDPI website: <https://www.mdpi.com/2071-1050/13/2/898>, (accessed October 25, 2024).

<sup>30</sup> EP Single Use Device Reprocessing by the Numbers, October 2014, Innovative Health website: [https://innovative-health.com/wp-content/uploads/2014/10/EP-Single-Use-Device-Reprocessing-by-the-Numbers\\_ART0139-Rev.-1.pdf](https://innovative-health.com/wp-content/uploads/2014/10/EP-Single-Use-Device-Reprocessing-by-the-Numbers_ART0139-Rev.-1.pdf), (accessed October 25, 2024).



# Responsible sourcing



At Cardinal Health, we seek to work with suppliers around the world who share our core values and our commitment to strong environmental, social and governance practices. By engaging and collaborating with our suppliers on these responsible sourcing practices, we believe we can achieve positive social and environmental impacts within our shared supply chain.

## All suppliers are expected to comply with various policies, including our:

**Vendor Code of Conduct and Standards for Suppliers**, which set forth the obligation of all vendors and suppliers that do business with Cardinal Health; they are reviewed and updated regularly.

**Global Human Rights and Labor Standards policy**, which establishes requirements for global conduct related to human rights and labor standards. This policy is informed by internationally-recognized frameworks setting forth human rights and labor standards to continue to enhance our management of these issues in our operations and supply chain.

**Conflict Minerals policy**, which establishes Cardinal Health's requirements for raw material, component, or contract manufacturing suppliers providing goods that contain tin, tantalum, tungsten and/or gold. This policy was revised and enhanced in fiscal 2024.

## Enhancing supplier due diligence to assess ESG performance

In fiscal 2024, the ESG team expanded the scope of its supplier due diligence efforts across the enterprise, conducting an inherent risk assessment of approximately 600 supplier facilities around the globe to determine the focus of their work. (Previously, the scope of this work included suppliers of Cardinal Health-branded products only.) The team engaged EcoVadis, a trusted provider of business sustainability ratings, to survey suppliers across the enterprise. As a result, we received comprehensive and standardized information on Cardinal Health suppliers; our suppliers received easy-to-use, transferable and actionable scorecards, highlighting environmental, labor and human rights, ethics, and sustainable procurement performance, with recommendations for improvement. In fiscal 2024, 174 of our suppliers had been assessed and had received an EcoVadis scorecard.

The ESG team also engaged LRQA, a leading global assurance provider, to conduct on-site ESG audits of select supplier facilities. These multiday audits assess labor rights, employee health and safety, environmental compliance, business ethics, and management systems at supplier facilities. Auditors tour the facilities, review policies, procedures and records, interview workers, and conduct worker sentiment surveys. Auditors are certified by the Association of Professional Social Compliance Auditors (APSCA), an independent industry association created to ensure the professionalism, consistency, and credibility of auditors and organizations conducting social compliance audits.

**Over the past three years, more than 400 suppliers have been assessed through a survey or on-site ESG audit, covering 45% of supplier spend.**



**RESPONSIBLE SOURCING**

## Remediating supplier risks



ESG assessments identify potential risks within the supply chain. Upon the completion of an assessment, suppliers receive corrective action plans paired with online trainings to drive correction and closure. In instances where a critical risk is indicated, a remediation plan augments the corrective action plan. The ESG team employs a range of tools to support the suppliers through the remediation process, including one-on-one support and factory support services. In fiscal 2024, all suppliers who completed a self-assessment questionnaire (SAQ), and suppliers who completed an audit with findings received a corrective action plan from the ESG team. Our focus is remediation, but in certain circumstances, the business relationship may need to be terminated.

**Such close oversight of suppliers helps ensure that worker issues and other potential risks are addressed and corrected as quickly as possible and that overall environmental and social practices throughout the supply chain are improved over time.**

## Supply chain mapping

In fiscal 2024, we launched a pilot with 13 tier one suppliers (each with more than \$1 million in annual spend) to map the origins of cotton, viscose and PVC. This exercise identified the suppliers of suppliers, their suppliers, and so on, back to the source of the original raw materials. Cotton, viscose and PVC were selected because all have been identified, through regulatory and media sources, as priority categories for human rights risks. By the end of fiscal 2024, we had completed supply chain mapping for nine tier one suppliers (those who supply products directly to Cardinal Health), and discovered 65 sub-tier suppliers among them. In addition, we were able to complete supply chain mapping of three tier one suppliers all the way back to the source of raw materials.

As supply chain mapping continues and product tracing begins in fiscal 2025, results are fed into a digital platform that shows the origin of the raw materials, and exactly where and how they travel through the supply chain. This process enhances visibility, helps us to identify and mitigate potential risks, and helps ensure compliance with regulatory requirements and industry best practices.

Additionally, we have been increasing supplier engagement and traceability in our rubber supply chain, in order to mitigate deforestation risks and protect biodiversity in relevant sourcing regions.

## RESPONSIBLE SOURCING

## Responsible Glove Alliance: expanding support for members



Cardinal Health is a founding member of the Responsible Glove Alliance (RGA), launched in March 2022 as a collaborative initiative of the Responsible Business Alliance (RBA). The RGA works to prevent, identify and remediate conditions that contribute to forced labor in the gloves industry.

Membership is open to all glove manufacturers and all companies that purchase gloves. They must apply significant due diligence to their supply chains, and are vetted before being admitted. In fiscal 2024, the RGA admitted two more companies, bringing the total membership to nine.

As a result of its work with the RGA, Cardinal Health was invited to participate in a meeting of the RBA in February 2024, with others representing the private sector, governments and other entities from the U.S., Japan, Canada, Thailand and other countries.

**The focus was on preventing forced labor in global supply chains; together, participants created five- and 10-year action plans to address risks, with tactics including improving digital traceability of human rights violations, aligning labor protections for both migrant and non-migrant workers and creating sustainable responsible recruitment models.**





# Governance, ethics and compliance



In this section:

**60** Corporate governance

**61** Data privacy and security

**63** Business ethics and compliance

**68** About this report and  
cautionary statement



**Strong corporate governance, data privacy and security, and business ethics and compliance are foundational to Cardinal Health; they create an environment of trust and accountability.**

**They guide our work and drive our business growth, empowering us to deliver the products and solutions that improve people's lives every day.**

# Corporate governance

## Board of Directors<sup>31</sup>

The Board of Directors oversees the conduct of our businesses and management’s efforts to establish and maintain high standards of legal and ethical conduct; management’s accounting, financial reporting and controls; risk management policies and practices; and our ESG strategy, goal setting, performance, and disclosures, among other responsibilities.



**Robert W. Azelby**  
Former President and Chief Executive Officer of Eliem Therapeutics Inc.  
Committees: Audit, Risk Oversight



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



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



**David C. Evans**  
Former Executive Vice President and Chief Financial Officer of The Scotts Miracle-Gro Company and former Executive Vice President and Chief Financial Officer of Battelle Memorial Institute  
Committees: Audit, Risk Oversight



**Patricia A. Hemingway Hall**  
Former 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.



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



**Gregory B. Kenny**  
Independent Chairman of the Board  
Former President and Chief Executive Officer of General Cable Corporation  
Committees: Governance and Sustainability, Human Resources and Compensation



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



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

## Board of Directors diversity

The diverse representation on our Board of Directors helps ensure that our company benefits from their diverse perspectives and experiences.



women



ethnically diverse<sup>32</sup>

Average tenure on Board:  
**6 years**

<sup>31</sup> Current Board members as of the publication of this Report. All Board members, with the exception of Cardinal Health CEO Jason Hollar, are independent.

<sup>32</sup> Ethnically diverse Directors are all those who identify as a non-white race/ethnicity.

# Data privacy and security



Privacy remains a key priority at Cardinal Health: Our Enterprise Privacy Office (EPO) exists to strengthen and centralize the company’s global privacy program. The EPO keeps leaders and employees at all levels current on the continually changing privacy regulatory landscape, on industry-leading practices, and on emerging areas of privacy risk. The EPO also addresses existing risks and enables the use of personal data for business growth and innovation in a compliant manner.

**The EPO partners with Cardinal Health’s information Security team to protect the personal information we collect from our customers, patients, employees, suppliers, and other business partners.**

The EPO works to build connectivity and expertise with key stakeholders across the enterprise. The team holds an Annual Privacy Summit to discuss key privacy topics and share knowledge with Security and Privacy Officers from across the enterprise, as well as marketing teams, indirect procurement, human resources, and other business teams.

Some of this year’s summit topics included regulatory risks associated with the use of biometric data (the use of unique physical characteristics, like fingerprints, increasingly used for authentication and identification); permitted uses of personal information; emerging global privacy laws; marketing to individuals and entities; and the intersection of privacy and Generative Artificial Intelligence (GenAI).

The EPO continues to enhance the use of an online platform that stores privacy incidents in one place and helps simplify all stages of incident management, including reporting, investigation and assessment, remediation and notification, and analysis and benchmarking.

## Cybersecurity risk management



We identify, assess and manage risks related to cybersecurity through documented policies, standards and procedures as part of our overall approach to cybersecurity – a critical component of our wider enterprise risk management program. Our approach to detection, mitigation,

remediation and prevention of cybersecurity risks uses a range of measures including, among other elements: benchmarking to generally accepted industry standards and frameworks, such as the National Institute of Standards and Technology cybersecurity framework; maintenance of cybersecurity incident response, disaster recovery, and business continuity plans; use of tabletop exercises to promote awareness and improve internal processes; periodic penetration testing; a dedicated staff of cybersecurity professionals; and implementation of security measures and policies intended to identify as well as assist in containing and remediating cybersecurity risks. We also maintain a formal employee cybersecurity training requirement that includes training on social engineering, as well as several other topics.

We use third parties to assist with and assess the effectiveness of our cybersecurity practices. We identify and assess third party risks associated with suppliers and service providers across a range of areas, including cybersecurity, through a third-party risk management process that incorporates, among other features, the use of risk assessments and, where appropriate, contractual requirements around evaluations, security, technology, service levels, and other terms.

**In the event of a cybersecurity incident, members of the Security team alert our Chief Information Security Officer (CISO), who in turn alerts appropriate management teams, and legal and finance teams, so they can assess the materiality of the event and fulfill any reporting requirements. If warranted, our senior management team will notify the Board’s Audit Committee, or the full Board of Directors, as appropriate.**





DATA PRIVACY AND SECURITY

## Governance



Our Chief Information Security Officer (CISO) leads our approach to assessing and managing cybersecurity-related risks, in coordination with our Chief Information Officer (CIO) to whom the CISO reports.

As part of management’s oversight of our cybersecurity program, we maintain an IT risk governance process that includes multiple levels of escalation from our IT Risk Advisory Board, which includes the CISO and IT functional area leaders (and meets monthly), to an executive-level committee to address cybersecurity risks at an enterprise level.

While the company’s Board of Directors oversees our overall risk management process, the Board has delegated certain responsibilities to committees of the Board. The Audit Committee of the Board has primary responsibility for discussing with management our cybersecurity and other major information technology risk exposures.

The Audit Committee receives quarterly updates from the CIO and CISO on these risks and the Board receives an annual cybersecurity update. These updates focus on, among other things, the threat environment and the risks our businesses face; the state of, priorities of, and investments in our information protection program; the availability of cyber insurance; and relevant cybersecurity operational metrics.

In coordination with the Audit Committee, the Board’s Risk Oversight Committee monitors Cardinal Health’s compliance with applicable legal and regulatory requirements, including with respect to data privacy and security.

## Employee cybersecurity training

The Information Security team, part of our enterprise IT organization, monitors our network and PCs for suspicious activity, and designs processes and systems to ensure that we have the best possible defense and standards to protect data. The Information Security Awareness team also focuses on providing education so that every employee knows how to keep data secure.

Each year, the Information Security Awareness team hosts a series of educational events throughout October’s Cybersecurity Awareness Month. In fiscal 2024, they hosted sessions in the U.S., in India and in Latin America.



**To help further their reach and impact, the team has appointed nearly 80 employees across Cardinal Health to act as volunteer Security Ambassadors who help educate their peers about cybersecurity.**

These ambassadors help raise awareness about the Information Security team, the importance of phishing training and cybersecurity best practices. These Ambassadors are Cardinal Health employees from across the globe who hold trainings, publish articles, and provide information security tips to their teams in their local languages.

Additionally, the Information Security Awareness team hosts an annual Ninja Speaker Series, open to all employees, featuring industry experts presenting on a variety of relevant topics. In fiscal 2024, topics included cybersecurity best practices, the impact of cybersecurity globally and the evolving role of Information Security teams.



# Business ethics and compliance



At Cardinal Health, our culture reinforces our value of integrity: Employees hold themselves to the highest ethical standards so our customers, suppliers, shareholders and fellow employees can trust us to do the right thing.

Our ethics and compliance program is aligned with our company values and it helps ensure that we comply with all applicable laws and regulations as we conduct our business. The program and our Ethics and Compliance team are led by a senior vice president who reports directly to our Chief Legal and Compliance Officer. The Ethics and Compliance team partners closely with business leaders across the enterprise to implement our ethics and compliance program and foster a culture of compliance. Each year, throughout the year, we evaluate and modify our compliance program, as appropriate, to meet changing regulatory expectations.

The work of the Ethics and Compliance team is overseen by a Compliance Committee, which includes our executive leadership team (our CEO and his direct reports). Chaired by our Chief Legal and Compliance Officer, the Compliance Committee provides guidance 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's Risk Oversight Committee oversees the ethics and compliance program, among other responsibilities. This committee monitors risks associated with Cardinal Health'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 Board's Audit Committee).



**BUSINESS ETHICS AND COMPLIANCE**

## Standards of Business Conduct

The Cardinal Health **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. Employees are directed to use the Standards of Business Conduct as a navigation tool to guide daily decisions and to include consideration of ethics, values, policies, and laws in the work that they do every day.

**Our Standards of Business Conduct are the foundation for responsible work and integrity. They are authorized and supported by the Cardinal Health Board of Directors and senior leadership, and available in 14 languages.**

They are distributed internally to every employee and are posted on the Cardinal Health website and intranet. View them [here](#). As part of our global compliance training program, employees are expected to complete training on the Standards of Business Conduct upon hire and thereafter on an annual basis. In fiscal 2024, Standards of Business Conduct training was deployed to all exempt and non-exempt employees through our web-based training platform. For those employees who do not have access to Cardinal Health’s web-based training platform, the Ethics and Compliance team works to deploy the training in a method that best supports their learning environment, through live training or training videos, for example. 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 and awareness

Our global training and awareness program seeks to equip our employees with the information they need to make wise decisions that foster a culture of trust and responsible business conduct. The information is delivered through web-based training programs and compliance-focused communications. Cardinal Health employees receive training upon hire and annually thereafter through our web-based training platform on a core curriculum that addresses applicable risks within our businesses. **In fiscal 2024, 95% of employees completed our Code of Ethics training.** Compliance Business Partners supplement our web-based training with additional virtual or in-person training sessions based on specific areas of risk within those business units. They also help augment compliance engagement and reinforce training topics.



**In fiscal 2024, virtual or in-person training was provided by our Compliance Business Partners to several key departments, including Sales, Finance, Human Resources, Quality, Medical Affairs, Regulatory and Marketing across 30 countries.**

### Compliance Week

In fiscal 2024, the Ethics and Compliance team partnered with Legal, Human Resources, Privacy, Finance, Controlled Substance Monitoring Program, Government Relations, and Quality and Regulatory teams to host a week of activities designed to educate employees around the globe about the role they play in ensuring compliance for the medical and pharmaceutical products that move through our distribution channels to our customers. Activities included a webinar focused on personal accountability in integrity and the financial

In addition, the Ethics and Compliance team increased the number of visits to our global facilities with the intended goal of raising compliance awareness, conducting compliance culture assessments, and fostering relationships with front-line employees. These site visits include training for supervisors and employees and provide opportunities for employees to ask questions, raise concerns and meet one-on-one with Ethics and Compliance representatives.

Communications and messaging about ethics and integrity, including newsletters and articles about compliance topics published on our intranet, help reinforce our culture of encouraging employees to do the right thing. In fiscal 2024, the Ethics and Compliance team conducted a companywide “Compliance Week” event, with multiple written communications and video messages from leadership, focused on inspiring a commitment to compliance and discussions of how compliance enables the business.

benefits of maintaining compliance with all applicable laws; a panel discussion among our international compliance leaders illustrating how they collaborate to ensure we meet industry rules and regulatory requirements around the globe; Government Relations and Global Trade teams shared how compliance guides their work in politics and international shipments respectively, and provided a reminder about managing records and information in compliance with legal, regulatory and business requirements.

**BUSINESS ETHICS AND COMPLIANCE**

## Interactions with customers and healthcare professionals



In conducting Cardinal Health business, we interact with customers, healthcare professionals, and government officials in various ways, including the promotion and sale of products and services. Company policy prohibits any transfers of value to a customer, healthcare professional or government official if even one purpose of the transfer of value is to induce the purchase, use, lease or recommendation of products or services offered by Cardinal Health.

Compliance Business Partners are responsible for training employees on compliance, and for monitoring and overseeing compliance with all interactions with customers and healthcare professionals.

Cardinal Health has adopted the AdvaMed Code of Ethics on Interactions with Healthcare Professionals.

All policies relating to interactions with customers and healthcare professionals are designed to align with laws, regulations, and industry guidelines issued by trade associations such as AdvaMed.

In the U.S., we annually report transfers of value made to certain healthcare professionals and organizations as required by law, and these transfers of value are published publicly on the Centers for Medicare and Medicaid Services (CMS) website.

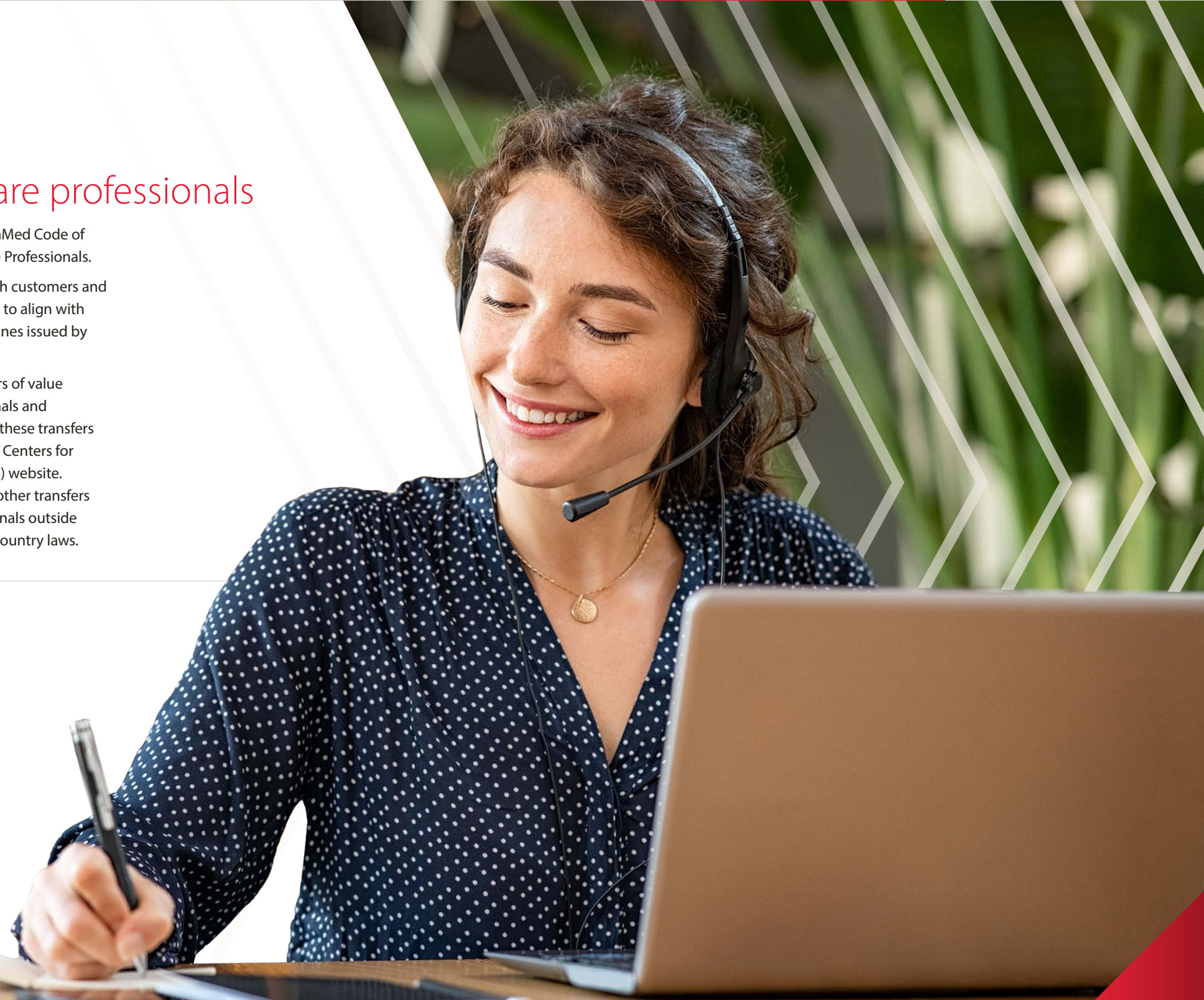
In addition, we report payments and other transfers of value made to healthcare professionals outside of the U.S., as required by applicable country laws.

## Bribery and corruption prevention



As Cardinal Health operates through extended distribution channels and supply chains, we seek to follow the highest ethical and business standards and comply with laws prohibiting bribery and corruption. Cardinal Health's anti-bribery and anti-corruption program helps ensure compliance with the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and other country-specific anti-corruption laws.

Our **Standards of Business Conduct** and Anti-Bribery and Anti-Corruption (ABAC) Policy prohibit bribery or any other means of trying to obtain any improper advantage from government officials or others with decision-making power or influence over any aspect of our business.





**BUSINESS ETHICS AND COMPLIANCE**

## Business Conduct Line

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

Cardinal Health encourages and promotes a “speak-up” culture, free from retaliation. If employees want to raise issues, voice concerns, or are in need of guidance, there are several internal avenues available for them to do so.

In addition to calling the Business Conduct Line, employees and third parties may submit written 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, Ohio 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, Ohio, 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.

All matters escalated through the Business Conduct Line, as well as other reporting channels, are investigated and documented by an Internal Investigations team, staffed by dedicated, experienced individuals with diverse backgrounds in law, procurement, human resources and e-discovery. Cardinal Health’s investigations process includes a review of the misconduct and actions taken to ensure that corrective action is applied and documented consistently.

## The European Union’s Whistleblowing Protection Directive

The European Union Directive on the protection of whistleblowers was enacted in 2019. The purpose of the directive is to create a minimum level of protection in all European union member states to detect and prevent misconduct and breaches of laws and regulations, and to improve law enforcement by establishing effective, confidential and secure reporting channels to effectively protect whistleblowers from retaliation. Its scope was expanded in December 2023 to include private sector companies with more than 50 employees. Though the directive’s requirements vary from country to country, generally, it requires the publication of a dedicated whistleblowing policy; having reporting channels that are safe and easy to access; ensuring that employees know how and where to report; confidentiality protections for whistleblowers; protecting whistleblowers from retaliation and more.

An additional requirement is to have a person based locally who speaks the language and who has been trained. To ensure compliance with the directive, our international compliance team drafted a policy around this topic, and identified, trained and appointed “whistleblower officers” in all countries where Cardinal Health has 50 employees or more.



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

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

BUSINESS ETHICS AND COMPLIANCE

## Third-party compliance risk program



Because Cardinal Health engages third parties in several countries to distribute and sell our products or to provide services to Cardinal Health, we maintain a robust third-party compliance risk management program. This compliance risk management program is focused on mitigating bribery and corruption risks that may arise from interactions with certain third parties, including distributors, wholesalers, sales agents and potentially high-risk vendors.

Prior to engaging any new third-party intermediary, the Ethics and Compliance team performs due diligence to ensure that the third party has not had any ethical issues or been sanctioned in the past for bribery or related matters. Cardinal Health expects our third-party intermediaries to comply with our **Vendor Code of Conduct**, our **Anti-Bribery and Anti-Corruption Guide** for Third Party Sellers working for or on behalf of Cardinal Health and with all applicable anti-bribery and anti-corruption laws. Cardinal Health also has adopted local and regional industry ethical codes and best practices that our third-party intermediaries should follow with respect to their sales and marketing activities.

Cardinal Health requires that the third parties we engage with have the necessary internal processes to help ensure their employees and representatives follow the respective industry standards and prohibit and help prevent bribery and other crimes from occurring within their organization. Third-party intermediaries must train their employees and representatives who directly or indirectly transact

business with us or on our behalf about their responsibilities in avoiding and reporting bribery or other violations of the law or our standards. Cardinal Health's Anti-Bribery and Anti-Corruption Training and Certification Program is provided to third-party intermediaries through an online tool, or in person whenever possible. Third-party intermediaries are expected to complete their training before starting work for or on behalf of Cardinal Health, and refresher training is provided periodically.

To continuously assess the strength and effectiveness of our third-party compliance risk management program, we engage an external vendor to audit certain third-party intermediaries to ensure their adherence to ethical business practices and standards. These audits focus on anti-bribery, anti-corruption, and the regional or local ethical codes (such as those from AdvaMed, MedTech Europe, APACMed, MECOMED and others).

## Risk assessments and monitoring



Cardinal Health believes periodic risk assessments are essential to proactively identify risks, measure the effectiveness of the program, and drive future strategic objectives. The Ethics and Compliance team's risk assessment program comprises internal risk assessments led by members of the Ethics and Compliance team who work day-to-day with Cardinal Health's various businesses and periodic risk assessments conducted by third parties. The Ethics and Compliance team's current internal risk assessment framework includes risk identification through a variety of methods including surveys, interviews, reviews of internal policies and processes, Business Conduct Line reporting, investigations,

internal auditing, and regulatory enforcement trends as well as documentation of risk assessments and implementation of remediation action plans.

In November 2023, the Ethics and Compliance team rolled out their new risk assessment tool. Utilized globally, the risk assessment tool evaluates risk through a standardized questionnaire and scores the inherent risk of activities entered, as well as the residual risk based on policies, procedures, and controls that support the activity entered. This new risk assessment process allows Cardinal Health to approach risk in a standardized, documented way to help define and grow our compliance strategy.



# About this report and cautionary statement

This report provides qualitative and quantitative information regarding performance on our environmental, social and governance (ESG) initiatives and priorities and other related information in fiscal 2024 (July 1, 2023 through June 30, 2024) or for other periods where noted.

When we use the terms such as “Cardinal Health,” “company,” “enterprise,” “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 “material” and other similar terms is intended to reflect our ESG topics previously identified as priority 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 or its importance to shareholders and other stakeholder groups. Topics previously identified as material or priority topics may not be identified or characterized as such in future periods based on the results of further assessments.

This report includes estimates, projections and statements relating to our business plans, objectives and expected results regarding ESG-related priorities 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, to the extent they may be financially material to Cardinal Health, are described in “Risk Factors” in Cardinal Health’s most recent [Form 10-K](#) and other related information 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 (published February 27, 2025) and we undertake no obligation to update or revise any forward-looking statement.

In addition, climate-related science, data and methodologies are rapidly evolving; those underlying our climate-related analysis and strategy remain subject to evolution over time. For example, we believe the methodology of carbon accounting will continue to improve over time, especially as it relates to Scope 3 greenhouse gas (GHG) emissions. As a result of improvements to the quality and completeness of our data and updates to our methodology over time, we may include information in future disclosures that differ from those contained in this report or restate information contained in this report.

We report in accordance with the Global Reporting Initiative (GRI): Universal Standards and Sustainability Accounting Standards Board (SASB) reporting guidelines with respect to certain ESG topics and risks. Given the scope of our core business activities, we report to both the SASB Health Care Distributor and Medical Equipment and Supplies standards. We also report information aligned with the Task Force on Climate-related Financial Disclosures (TCFD) framework. Our GRI Content Index, SASB disclosures and TCFD disclosures are available in our Reporting indices. Additionally, we engaged ERM CVS to provide limited assurance over select environmental and diversity metrics disclosed within this report. Please see our [fiscal 2024 assurance statement](#).

#### California Voluntary Carbon Market Disclosures Act

Some statements made in this report regarding reductions in Cardinal Health’s greenhouse gas emissions may be claims contemplated by Section 44475.2 of the California Health and Safety Code. Fiscal 2024 emissions data has been subject to third-party assurance by ERM CVS, as described in this report and in their [fiscal 2024 assurance statement](#). Also see this report for additional information on how we calculate greenhouse gas emissions. Cardinal Health does not market or sell voluntary carbon offsets or use voluntary carbon offsets in making any covered claims. The information contained in this disclosure is current as of February 27, 2025.



# Reporting indices



In this section:

**70** Global Reporting Initiative (GRI) Index

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

**92** Sustainability Accounting Standards Board (SASB) Index

**104** Basis of reporting

# Global Reporting Initiative (GRI) Index

Cardinal Health has reported in accordance with the GRI Standards for the period of July 1, 2023 through June 30, 2024.

Reference	Metric	Disclosure	Boundary, Assumptions, and Estimations
<b>GRI 2 – General Disclosures 2021<sup>33</sup></b>			
GRI 2-1	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.
GRI 2-2	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 list of majority-owned and consolidated subsidiaries, please refer to Exhibit 21.1 within our <a href="#">Form 10-K</a> .	
GRI 2-3	Reporting period, frequency and contact point	Unless noted otherwise, the enclosed ESG report and supporting indices cover Cardinal Health's fiscal 2024 (July 1, 2023 - June 30, 2024), thereby aligning with our company's financial reporting period. Reporting is completed annually.  Please submit inquiries regarding the information included within this report and supporting indices to: <a href="mailto:ESGinquiries@cardinalhealth.com">ESGinquiries@cardinalhealth.com</a>	
GRI 2-4	Restatements of information	Several re-statements were made in regarding GHG emissions in this report.  Cardinal Health has restated our fiscal 2019 base year emissions for scope 1 to include a previously omitted emissions source that was identified during this year's assurance process. The restatement now includes the emissions associated with diesel transportation utilized at a manufacturing site in Juarez Mexico. This resulted in a 1% increase to the base year.  We also elected to review our fiscal 2023 base year calculations for Scope 3 as part of our fiscal 2024 assurance process and identified opportunities to improve the precision of our source data and calculations. Several categories were restated in fiscal 2023 and can be seen in the Scope 3 table in GRI 305-3.  <ul style="list-style-type: none"> <li>• Category 1 - Purchased Goods &amp; Services: duplications were identified because of a refinement in process controls for spend data consolidation for our top suppliers across the enterprise. Additionally, utilization of updated supplier-specific emissions factors resulted a reduction in emissions</li> <li>• Category 2 – Capital Goods: a refinement in process controls with our capital expenditures team resulted in an increase in emissions</li> <li>• Category 4 – Upstream Transportation &amp; Distribution: duplications were identified because of a refinement in process controls for spend data consolidation for our top suppliers across the enterprise that resulted in a decrease in emissions</li> <li>• Category 5 – Waste from Operations: a refinement in process controls for the collection of waste tonnage resulted in a decrease in emissions</li> <li>• Category 7 – Employee Commuting: an improvement in data completeness resulted in an increase in emissions due to the inclusion of all non-US international employees in calculations</li> <li>• Category 11 – Use of Sold Products: an improvement in controls for product volume resulted in an increase in emissions</li> <li>• Category 12 – End of Life Treatment of Products: an improvement in data accuracy was identified that resulted in a decrease in emissions for the medical segment</li> <li>• Category 15 – Investments: indirect investments were excluded from the calculation in alignment with the Greenhouse Gas Protocol which resulted in a decrease in emissions</li> </ul> <p>These figures were subject to third-party assurance and included in our <a href="#">fiscal 2024 assurance statement</a> from ERM CVS. The assured, restated base year value for Scope 3 will also be resubmitted to SBTi in fiscal 2025.</p>	

<sup>33</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)**

<b>GRI 2-5</b>	External assurance	Cardinal Health engaged an external, third-party assurance provider to verify our Scope 1 GHG emissions, Scope 2 location- and market-based GHG emissions, Scope 3 GHG emissions, water withdrawal, global gender diversity and U.S. racial and ethnic diversity. We have indicated the specific metrics that were assured by placing a double asterisk next to the value (**). Please see our <a href="#">fiscal 2024 assurance statement</a> .	
<b>GRI 2-6</b>	Activities, value chain and other business relationships	Cardinal Health is a distributor of pharmaceuticals and specialty products; a global manufacturer and distributor of medical and laboratory products; a supplier of home-health and direct-to-patient products and services; an operator of nuclear pharmacies and manufacturing facilities; and a provider of performance and data solutions. 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 2024 <a href="#">Form 10-K</a> (pages 28-34).	

<b>GRI 2-7</b>	Employees	<b>Employees by type and gender</b>						<p>Cardinal Health's population of employees is calculated based on data from our HR system of record in August 2024 for the population of employees as of June 30, 2024.</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 in our <a href="#">Form 10-K</a> (page 30) 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>
			Permanent employees	Temporary employees	Non-guaranteed hours employees	Full-time employees	Part-time employees	
		Female	24,610	539	569	24,629	1,089	
		Male	23,786	255	335	23,428	948	
		Non-binary (U.S. only)	27	0	0	26	1	
		Not declared	117	6	9	175	17	
		<b>Total</b>	<b>48,600**</b>	<b>800**</b>	<b>913**</b>	<b>48,258**</b>	<b>2,055**</b>	
		<b>Employee by type and region</b>						
			Permanent employees	Temporary employees	Non-guaranteed hours employees	Full-time employees	Part-time employees	
		U.S.	30,121	88	913	29,139	1,983	
Outside U.S.	18,479	712	0	19,119	72			
<b>Total</b>	<b>48,600**</b>	<b>800**</b>	<b>913**</b>	<b>48,258**</b>	<b>2,055**</b>			

Numbers marked with \*\* have been assured.

<b>GRI 2-8</b>	Workers who are not employees	<table border="1"> <tr> <th>Employee by type and region</th> <th>Number of contractors</th> </tr> <tr> <td>Information Technology</td> <td>2,974</td> </tr> <tr> <td>Light industrial</td> <td>1,910</td> </tr> <tr> <td>Professional</td> <td>1,566</td> </tr> <tr> <td>Quality &amp; regulatory, and engineering</td> <td>201</td> </tr> <tr> <td>Cardinal Health International India</td> <td>65</td> </tr> <tr> <td><b>Total Contractors</b></td> <td><b>6,716</b></td> </tr> </table>	Employee by type and region	Number of contractors	Information Technology	2,974	Light industrial	1,910	Professional	1,566	Quality & regulatory, and engineering	201	Cardinal Health International India	65	<b>Total Contractors</b>	<b>6,716</b>	<p>Workers who are not employees are defined as contractors on assignment at the end of fiscal 2024 (i.e., June 30, 2024).</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	2,974																
Light industrial	1,910																
Professional	1,566																
Quality & regulatory, and engineering	201																
Cardinal Health International India	65																
<b>Total Contractors</b>	<b>6,716</b>																

Reference	Metric	Disclosure	Boundary, Assumptions, and Estimations
<b>GRI 2 – General Disclosures 2021</b> (continued)			
<b>GRI 2-9</b>	Governance structure and composition	<p>Cardinal Health’s Board of Directors represents the highest governance body at the organization and comprises 10 directors with relevant skills and experience that contribute to a well-functioning Board effectively overseeing our strategy and management. On <a href="#">page 60</a> of this report, we provide a full listing of our Board members as well as their diversity and the committees on which each of them serves.</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 standing Board committee has oversight of select risks.</p> <p>For more details regarding the composition of the Board and its committees, please see our <a href="#">2024 Proxy Statement</a>.</p>	
<b>GRI 2-10</b>	Nomination and selection of the highest governance body	For information regarding the nomination and selection process for Cardinal Health’s Board of Directors, please see our <a href="#">2024 Proxy Statement</a> .	
<b>GRI 2-11</b>	Chair of the highest governance body	Our Chairman of the Board of Directors 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</a> section within this report.	
<b>GRI 2-14</b>	Role of the highest governance body in sustainability reporting	The Board’s Governance and Sustainability Committee has formal oversight of our ESG activities, policies, strategy, and reporting and disclosure practices, and monitors and evaluates environmental, social, and political risks potentially impacting the company. Other standing Board committees have oversight of other specific ESG-related areas, such as human capital management.	
<b>GRI 2-15</b>	Conflicts of interest (within highest governance body)	Our Board of Directors 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 14–15 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 9 of our <a href="#">Standards of Business Conduct</a> , items of critical concern regarding Cardinal Health’s business practices can be 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 25 of our <a href="#">2024 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 33 of our <a href="#">2024 Proxy Statement</a> to learn more about our Board of Directors’ performance evaluation process.	
<b>GRI 2-19</b>	Remuneration policies	Please see pages 42-43 of our <a href="#">2024 Proxy Statement</a> to learn more about director compensation and pages 44–80 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 and Specialty Solutions Segment, CEO of the Global Medical Products and Distribution Segment, and Chief Legal and Compliance Officer.

Reference	Metric	Disclosure	Boundary, Assumptions, and Estimations
<b>GRI 2 – General Disclosures 2021</b> (continued)			
GRI 2-20	Process to determine remuneration	Please see pages 42-43 of our <a href="#">2024 Proxy Statement</a> to learn more about director compensation and pages 44-80 to learn more about named executive officer compensation.	As described in the proxy statement and consistent with SEC requirements, named executive officers include the CEO, CFO, CEO of the Pharmaceutical and Specialty Solutions Segment, CEO of the Global Medical Products and Distribution Segment, and Chief Legal and Compliance Officer.
GRI 2-21	Annual total compensation ratio	As noted on page 76 of our <a href="#">2024 Proxy Statement</a> , "For fiscal 2024, the median annual total compensation of all our employees (other than the CEO) was \$56,119. Mr. Hollar's annual total compensation for fiscal 2024 for purposes of the pay ratio disclosure was \$25,665,055. Based on this information, for fiscal 2024, the ratio of the compensation of the CEO to the median annual total compensation of all other employees was estimated to be 457 to 1. This ratio would have been 309 to 1 if the incremental accounting expense for stock awards that were considered modified for accounting purposes was excluded from Mr. Hollar's annual total compensation.	
GRI 2-22	Statement on sustainable development strategy	<a href="#">See letter from CEO Jason Hollar at the beginning of this report.</a>	
GRI 2-23	Policy commitments	Cardinal Health's <a href="#">Standards of Business Conduct</a> represents our primary policy commitment for ethical business conduct. It communicates both our company's core values and our standards 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, receive our Standards of Business Conduct when they join the company. Our Standards of Business Conduct provides specific guidance on conduct related to competing responsibly in the marketplace, including the topics of anti-bribery, anti-corruption, and unethical behavior. Our Standards of Business Conduct also contains contact information for our confidential and anonymous platform available to all Cardinal Health stakeholders for raising issues about business conduct. In fiscal 2024, 95% of all eligible employees and contractors certified compliance through completing our Standards of Business Conduct training	
GRI 2-24	Embedding policy commitments	Cardinal Health builds on our <a href="#">Standards of Business Conduct</a> 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.	
GRI 2-25	Processes to remediate negative impacts	Cardinal Health provides all stakeholders with a confidential and anonymous platform to raise issues about business conduct of Cardinal Health and its employees. All reports are treated confidentially by our Ethics and Compliance division, 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. All claims submitted through the Business Conduct Line are thoroughly investigated.	
GRI 2-26	Mechanisms for seeking advice and raising concerns	As noted on page 9 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.	
GRI 2-27	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.	
GRI 2-28	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 2023, 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 2022.

Reference	Metric	Disclosure	Boundary, Assumptions, and Estimations
<b>GRI 2 – General Disclosures 2021</b> (continued)			
GRI 2-29	Approach to stakeholder engagement	<p>Some of the ways we engage with key stakeholders include:</p> <ul style="list-style-type: none"> <li>• <b>Employees:</b> providing regular town halls and leadership panels that help drive an inclusive culture; talent development and retention and strategies and goals; engaging employees and gathering feedback through a biennial employee engagement survey and 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>• <b>Investors and other interested parties:</b> disclosing against standards and frameworks (e.g., SASB, TCFD, GRI) and participating in the ESG surveys (e.g., CDP, EcoVadis, Sustainalytics) that are significant to them; investor engagement calls; and the Annual Meeting of Shareholders.</li> <li>• <b>Customers:</b> assessing satisfaction through periodic surveys and responding to ESG surveys and inquiries.</li> <li>• <b>Suppliers and partners:</b> engaging to improve our responsible sourcing practices, increase employee well-being in the supply chain, and hold ourselves and our suppliers to high ethical standards.</li> </ul>	
GRI 2-30	Collective bargaining agreements	As disclosed in our fiscal 2024 <a href="#">Form 10-K</a> , approximately 10% 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 2024 (i.e., June 30, 2024) and dividing that by the total number of global permanent employees (GRI 2-7).
<b>GRI 3 – Material Topics 2021</b>			
GRI 3-1	Process to determine material topics	<p>To determine our material ESG topics, the ESG team partnered with a third-party consulting firm to perform the following steps:</p> <ol style="list-style-type: none"> <li>1. Through peer and industry research, we aligned on a list of topics relevant for the company.</li> <li>2. We interviewed and surveyed internal and external stakeholders, including Cardinal Health's executive leaders and other key business, functional, and ESG leaders across the company, customers, investors, outside experts, and associations.</li> <li>3. 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.</li> <li>4. We validated the results with internal stakeholders and then reviewed the final list of ESG priorities with our internal ESG Governance Committee and the Governance and Sustainability Committee of our Board of Directors.</li> </ol> <p>Please see the <a href="#">ESG topics and priorities</a> section of this report for more information.</p>	
GRI 3-2	List of material topics	Within the <a href="#">ESG topics and priorities</a> section of this report, we disclose the full list of material ESG topics and how we have organized them for purposes of strategic planning and risk management activities.	
GRI 3-3	Management of material topics	This ESG report and accompanying indices were organized based on our list of material ESG topics, so we could directly describe the actual and potential positive and negative impacts that Cardinal Health has on the environment, society, and stakeholders. Throughout these disclosures, we include descriptions of business relationships, company policies and commitments, and actions taken to manage each topic and the related impacts. To determine the effectiveness of these policies and actions, we measure and disclose within this report performance metrics for each ESG topic that align with GRI, SASB, and TCFD standards and frameworks.	

Reference	Metric	Disclosure	Boundary, Assumptions, and Estimations
<b>GRI 201 – Economic Performance 2016</b>			
GRI 201-1	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 Financial Statements starting on page 52 of our fiscal 2024 <a href="#">Form 10-K</a> .	
GRI 201-2	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 climate scenario analysis to identify relevant climate-related risks and opportunities for consideration during strategic, financial, and business planning activities.	
GRI 201-3	Defined benefit plan obligations and other retirement plans	Cardinal Health offers a 401(k) defined contribution plan to all regular U.S. employees. 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.	
GRI 201-4	Financial assistance received from government	For information on Cardinal Health’s financial performance, please see our Financial Statements starting on page 52 of our fiscal 2024 <a href="#">Form 10-K</a> .	
<b>GRI 202 – Market Presence 2016</b>			
GRI 202-1	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 2024.	
GRI 202-2	Proportion of senior management hired from the local community	46% of senior management	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.  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.
<b>GRI 203 – Indirect Economic Impacts 2016</b>			
GRI 203-1	Infrastructure investments and services supported	Cardinal Health has elected not to disclose performance on this metric for fiscal 2024.	
GRI 203-2	Significant indirect economic impacts	Cardinal Health has elected not to disclose performance on this metric for fiscal 2024.	

Reference	Metric	Disclosure	Boundary, Assumptions, and Estimations
<b>GRI 204 – Procurement Practices 2016</b>			
GRI 204-1	Proportion of spending on local suppliers	Cardinal Health has elected not to disclose performance on this metric for fiscal 2024.	
<b>GRI 205 – Anti-corruption 2016</b>			
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 employees on those requirements. Third-party sellers are bound by contractual provisions that oblige them to follow our <b>Standards of Business Conduct</b> and 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. In fiscal 2024, we enhanced our compliance program for our suppliers and contract manufacturers by implementing a robust Third-Party Intermediaries program as outlined in the ESG report.</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	Employees are assigned a training, in person or online, on our <b>Standards of Business Conduct</b> . 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 14 different languages in 34 countries. Those in manufacturing and distribution centers mostly received in-person trainings. We actively monitor training completions and follow up with reminders to employees. In addition to the content in our Standards of Business Conduct training, employees from relevant functional areas also receive annual training on Anti-bribery and Corruption in a separate online course. In fiscal 2024, 95% of all eligible employees and contractors certified compliance through completing our Standards of Business Conduct training.	
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.	
<b>GRI 206 – Anti-competitive Behavior 2016</b>			
GRI 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	We report any significant legal proceedings concerning alleged anti-competitive behavior or 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 <b>Investor Relations</b> website for access to corporate filings.	

Reference	Metric	Disclosure	Boundary, Assumptions, and Estimations
<b>GRI - 207 Tax 2019</b>			
GRI 207-1	Approach to tax	For information on our approach to tax during fiscal 2024, please see our Financial Statements and Notes to Consolidated Financial Statements starting on page 52 of our fiscal 2024 <a href="#">Form 10-K</a> .	
GRI 207-2	Tax governance, control, and risk management	For information on tax governance, control and risk management activities during fiscal 2024, please see our Financial Statements and Notes to Consolidated Financial Statements starting on page 52 of our fiscal 2024 <a href="#">Form 10-K</a> .	
GRI 207-3	Stakeholder engagement and management of concerns related to tax	For information on stakeholder engagement and management of concerns related to tax during fiscal 2024, please see our Financial Statements and Notes to Consolidated Financial Statements starting on page 52 of our fiscal 2024 <a href="#">Form 10-K</a> .	
GRI 207-4	Country-by-country reporting	For information on country-specific reporting on tax, please see our Financial Statements and Notes to Consolidated Financial Statements starting on page 52 of our fiscal 2024 <a href="#">Form 10-K</a> .	
<b>GRI 301 – Materials 2016</b>			
GRI 301-1	Materials used by weight or volume	Cardinal Health has elected not to disclose performance on this metric for fiscal 2024.	
GRI 301-2	Recycled input materials used	Cardinal Health has elected not to disclose performance on this metric for fiscal 2024.	
GRI 301-3	Reclaimed products and their packaging materials	Sustainable Technologies™, a Cardinal Health business, is a leading provider of single-use device collections and reprocessing services in the United States. Our program and extensive portfolio drive supply resiliency and financial value while helping clinical teams to contribute to their organization’s sustainability goals. The products to be reprocessed are inspected, sorted, and cleaned, then tested, inspected, disinfected, and/or sterilized, and finally, resold to healthcare facilities. In fiscal 2024, this business collected approximately 19.54 million single use devices, diverting 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	Total energy consumption (non-renewable and renewable): 4,851,173 Gigajoules (GJ) Total non-renewable energy consumption: 4,846,020 GJ Total renewable energy consumption: 5,154 GJ Total grid-purchased electricity consumption: 2,107,685 GJ	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 includes on-site PV generated electricity, purchased unbundled RECs to account for PV generated where Cardinal Health does not retain the RECs, and a single on-site biomass facility.  Conversion factors used:  • 2023 Climate Registry Default Conversion Factors (unit conversions)
<b>GRI 302-2</b>	Energy consumption outside of the organization	Cardinal Health has elected not to disclose performance on this metric for fiscal 2024.	
<b>GRI 302-3</b>	Energy intensity	0.000021 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 2024 <a href="#">Form 10-K</a> .
<b>GRI 302-4</b>	Reduction of energy consumption	2,565 GJ	Cardinal Health completed 10 ASHRAE level 2 energy audits on-site to begin building a pipeline of energy reduction projects. Of the projects identified, 14 were able to be completed immediately, while others will be incorporated in future planning. The reductions shown here were calculated utilizing the vendor identified expected savings from the energy audits.
<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 2024.	
<b>GRI 303 – Water and Effluents 2018</b>			
<b>GRI 303-1</b>	Interactions with water as a shared resource	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.  To monitor water usage, data is assessed for withdrawal that exceeds a location-specific threshold to reduce water wasted from leaks or to identify opportunities to reduce water withdrawal at our locations.  While Cardinal Health has not established external water-related goals, water withdrawal was included in the scope of our <a href="#">fiscal 2024 assurance statement</a> .	

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 Environment, Health and Safety (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 management best 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 management best practices implemented by each location mitigate potential impacts.</p>	
<b>GRI 303-3</b>	Water withdrawal	4.21 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.</p> <p>This value was included in our <a href="#">fiscal 2024 assurance statement</a>.</p>
<b>GRI 303-4</b>	Water discharge	Cardinal Health has elected not to disclose performance on this metric for fiscal 2024.	
<b>GRI 303-5</b>	Water consumption	Cardinal Health has elected not to disclose performance on this metric for fiscal 2024.	

Reference	Metric	Disclosure	Boundary, Assumptions, and Estimations
<b>GRI 305 – Emissions 2016</b>			
<b>GRI 305-1</b>	Direct (Scope 1) GHG emissions	160,150 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, liquified petroleum gas (LPG), and CH4 and N2O from biomass.</p> <p>Per the Greenhouse Gas Protocol Corporate Standard, direct CO2 from the combustion of biomass shall not be included in Scope 1 but reported separately. Cardinal Health’s direct CO2 emissions from the combustion of biomass is not included in the figures reported here in GRI 305-1, but is noted separately here as 24,540 mtCO<sub>2</sub>e.</p> <p>Emissions factors used:</p> <ul style="list-style-type: none"> <li>• 2023 Environmental Protection Agency (EPA) Center for Corporate Climate Leadership GHG Emissions Factors Hub</li> </ul> <p>Please see our <a href="#">Basis of reporting</a> for details on boundary, estimations, assumptions, and emissions factors.</p> <p>Please see our <a href="#">fiscal 2024 assurance statement</a>.</p>
<b>GRI 305-2</b>	Indirect (Scope 2) GHG emissions	Location-based method: 205,710 mtCO <sub>2</sub> e Market-based method: 204,723 mtCO <sub>2</sub> e	<p>In fiscal year 2025, Cardinal Health made its first purchase of unbundled Renewable Energy Certificates (RECs), for a total quantity of 1,400 Green-e Certified RECs to be retired and applied to fiscal year 2024 consumption. This was a strategic purchase to be able to assign the RECs to a set of specific buildings where Cardinal Health has on-site solar PPA’s in place but does not retain the RECs as part of that contract.</p>

Reference Metric Disclosure Boundary, Assumptions, and Estimations

GRI 305 – Emissions 2016 (continued)

**GRI 305-3** Other indirect (Scope 3) GHG emissions

Category number	Relevant Scope 3 categories	Emissions (mtCO <sub>2</sub> e)	
		Fiscal 2023	Fiscal 2024
1	Purchased goods and services	19,644,932**	20,772,535**
2	Capital goods	80,675**	71,990**
3	Fuel- and energy-related activities	94,193**	92,120**
4	Upstream transportation and distribution	1,308,047**	1,235,380**
5	Waste generated in operations	24,387**	20,642**
6	Business travel	16,164**	18,690**
7	Employee commuting	47,260**	50,398**
8	Upstream leased assets	1,024**	3,216**
11	Use of sold products	41,505**	56,661**
12	End-of-life treatment of sold products	76,155**	80,071**
13	Downstream leased assets	6,592**	13,418**
15	Investments	22,337**	22,544**
	<b>Total</b>	<b>21,363,272**</b>	<b>22,437,666**</b>

Please see our [Basis of reporting](#) for details on boundary, estimations, assumptions, and emission factors.

Numbers marked with \*\* have been assured.

**GRI 305-4** GHG emissions intensity 0.000002 mtCO<sub>2</sub>e / USD

**GRI 305-5** Reduction of GHG emissions 287 mtCO<sub>2</sub>e

Cardinal Health experienced emissions reductions in Scope 1 and Scope 2 due to the projects completed as described in [GRI 302-4](#).

**GRI 305-6** Emissions of ozone-depleting substances (ODS) Cardinal Health has elected not to disclose performance on this metric for fiscal 2024.

**GRI 305-7** Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions Cardinal Health has elected not to disclose performance on this metric for fiscal 2024.

Reference	Metric	Disclosure	Boundary, Assumptions, and Estimations
<b>GRI 306 – Waste 2020</b>			
<b>GRI 306-1</b>	Waste generation and significant waste-related impacts	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, distributing products and providing 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 are 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.	
<b>GRI 306-2</b>	Management of significant waste-related impacts	<p>Cardinal Health's Environment, 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, and manage our hazardous waste. Our EHS team requires these partners to provide Certificates of Destruction, if necessary, 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	85,885 tonnes	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.
<b>GRI 306-4</b>	Waste diverted from disposal	70,084 tonnes	Cardinal Health reports waste diversion across our locations that contract directly with a recycling provider or actively manage recycling collection and disposal.
<b>GRI 306-5</b>	Waste directed to disposal	During fiscal 2024, Cardinal Health directed 15,801 tonnes of waste to disposal. 7,714 tonnes were directed to disposal for energy generation through incineration and waste to energy programs. Of our disposal materials, 1,540 tonnes were designated hazardous.	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.

**Reference      Metric      Disclosure      Boundary, Assumptions, and Estimations**

**GRI 308 – Supplier Environmental Assessment 2016**

<b>GRI 308-1</b>	New suppliers that were screened using environmental criteria	2 new suppliers were screened using environmental criteria in fiscal 2024.	New suppliers engaged during fiscal 2024 who completed an ESG self-assessment questionnaire.
<b>GRI 308-2</b>	Negative environmental impacts in the supply chain and actions taken	0 suppliers identified as having actual and potential negative environmental impacts.	

**GRI 401 – Employment 2016**

<b>GRI 401-1</b>	New employee hires and employee turnover	<b>Percentage of new hires by gender and region</b>		<p>The number and percentage of new employee hires and turnover by gender and region are calculated for fiscal 2024 (as of June 30, 2024) based on data pulled from our HR system of record in August 2024. Given the sensitive nature of our employees' age information, we have elected to exclude that data point from this topic's disclosure.</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 and exclude 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>
		Gender break-out		
		Female	48.8%	
		Male	50.3%	
		Non-binary	0.1%	
		Not Declared	0.8%	
		Regional break-out		
		U.S.	50.8%	
		Outside U.S.	49.2%	
		<b>Percentage of turnover by gender and region</b>		
Gender break-out				
Female	47.6%			
Male	51.6%			
Non-binary	0.1%			
Not Declared	0.7%			
Regional break-out				
U.S.	53.5%			
Outside U.S.	46.5%			

Reference	Metric	Disclosure	Boundary, Assumptions, and Estimations
<b>GRI 401 – Employment 2016 (continued)</b>			
<b>GRI 401-2</b>	Benefits paid to full-time employees that are not provided to temporary or part-time employees	Cardinal Health seeks to offer 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 help 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 an Employee Assistance Program (EAP) to help them manage stress and support their mental health, as well as deal with a variety of financial and legal issues.	Benefits enrollment and tracking occurs on a calendar year basis and does not align with Cardinal Health’s fiscal year.
<b>GRI 401-3</b>	Parental leave	In the U.S., Cardinal Health offers employees 2.5 weeks of paid parental leave for mothers and fathers, including adoptive parents. When used in combination with the short-term disability benefit, birth mothers receive 100% of pay for up to 10.5 weeks. International parental leave benefits vary by country and are established based on market competitiveness, while maintaining statutory compliance.	This benefit applies only to employees in the U.S. with weekly scheduled hours of 20 or more.
<b>GRI 402 – Labor/Management Relations 2016</b>			
<b>GRI 402-1</b>	Minimum notice periods regarding operational changes	Five out of the 13 active collective bargaining agreements in place at the end of fiscal 2024 include specific language regarding the minimum notice periods for any operational changes.	All collective bargaining agreements are active as of the end of fiscal 2024 (i.e., June 30, 2024).
<b>GRI 403 – Occupational Health and Safety 2018</b>			
<b>GRI 403-1</b>	Occupational health and safety management system	In fiscal 2024, Cardinal Health revised its EHS Management System (EHSMS) and aligned it with the ISO 14001 and 45001 Standards. The revised EHSMS now has seven elements and has been implemented to manage risks in all the high-risk operations in the company (i.e., distribution and medical manufacturing operations). It applies to all workers (including those who are not employees but whose work is controlled by Cardinal Health), and all activities performed within the physical boundaries (addresses) of the operations. In addition to implementing the Cardinal Health EHSMS, 18 of our 29 manufacturing sites are certified to ISO 14001:2015 and ISO 45001:2018 management system standards. These manufacturing sites have been audited and certified to both ISO standards by an external third party.	EHSMS applies to Cardinal Health distribution and medical manufacturing operations worldwide, 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 4.3 of Cardinal Health’s EHSMS, Planning, defines our requirements and processes for identifying work-related hazards and assessing risks on a routine and non-routine basis, and for applying a hierarchy of controls to eliminate hazards and minimize risks and to continually improve the occupational health and safety management system. Element 4.3 of Cardinal Health’s EHSMS, Planning, includes processes to identify environmental aspects and evaluate their environmental impacts and identify safety hazards and evaluate their risks and opportunities. Element 4.4 of Cardinal Health’s EHSMS, Support, defines our requirements and processes to ensuring the competency of persons who carry out the risk assessment and incident investigation processes. Element 4.2 of Cardinal Health’s EHSMS, Leadership and Employee Engagement, addresses the requirement for workers to report work-related hazards and hazardous situations, and states that they are protected against reprisals and allowed to remove themselves from work situations that they believe could cause injury or ill health. Through this element, employees are encouraged to get involved in safety activities and programs, particularly in addressing the hazards and investigating incidents that arise from those hazards or unsafe work situations.</p> <p>Furthermore, a Risk Assessment and Reduction Program has been established to guide operations in completing the risk assessments. Element 4.7 of Cardinal Health’s EHSMS, Improvement, defines our requirements and program (Incident Reporting and Investigation Program) to investigate work-related incidents, including the processes to identify hazards and assess risks relating to the incidents, to determine corrective actions using the hierarchy of controls, and to determine improvements needed in the occupational health and safety management system.</p>	See <a href="#">GRI 403-1</a>

Reference	Metric	Disclosure	Boundary, Assumptions, and Estimations
<b>GRI 403 – Occupational Health and Safety 2018 (continued)</b>			
<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 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 <a href="#">GRI 403-1</a>
<b>GRI 403-4</b>	Worker participation, consultation, and communication on occupational health and safety	<p>Element 4.2 of Cardinal Health's EHSMS, Leadership and Employee Engagement, requires operations to provide employees opportunities to engage in EHS initiatives and processes. Our 18 manufacturing locations operating in accordance with the ISO Standards 14001 and 45001 follow the guidance provided in ISO 45001:2018, clauses 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>• Town halls 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 and number of suggestions to be addressed).</p>	See <a href="#">GRI 403-1</a>
<b>GRI 403-5</b>	Worker training on occupational health and safety	<p>Element 4.4 of Cardinal Health's EHSMS, Support, 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 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 and blood-borne pathogen) and company-required training (e.g., EHSMS training, risk assessment training, incident investigation and root cause analysis training).</p>	See <a href="#">GRI 403-1</a>

Reference	Metric	Disclosure	Boundary, Assumptions, and Estimations																												
<b>GRI 403 – Occupational Health and Safety 2018 (continued)</b>																															
<b>GRI 403-6</b>	Promotion of worker health	<p>Cardinal Health’s Benefits team actively manages and facilitates workers’ access to non-occupational medical and healthcare services and voluntary health promotion services and programs.</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 an employee assistance program, virtual behavioral health visits, a tobacco cessation program, 100% covered immunizations and mindfulness programs.</p>	Benefits disclosed are specific to U.S. based, full-time Cardinal Health employees.																												
<b>GRI 403-7</b>	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Element 4.3 of Cardinal Health’s EHSMS, Planning, requires the identification of hazards and assessment of risks on a routine and non-routine basis and to apply a hierarchy of controls 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 accounts 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 <a href="#">GRI 403-1</a>																												
<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 comprise manufacturing locations and distribution centers.</p> <ol style="list-style-type: none"> <li>ISO 14001:2015 and ISO 45001:2018 for 18 manufacturing locations that have been certified by an external third party.</li> <li>Cardinal Health’s internal EHSMS for operations controlled by Cardinal Health.</li> </ol> <p>Total number and percentage of workers covered by an externally audited and certified occupational health and safety management system (i.e., ISO 14001:2015 and ISO 45001:2018): 11,828 (25%)</p> <p>Total number and percentage of workers that are covered by an internally audited occupational health and safety management system (i.e., Cardinal Health’s internal EHSMS): 24,926 (53%)</p>	All employees and workers who are not employees but whose work and/or workplace is controlled by the organization as of June 30, 2024 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>Recordable work-related injury/illness</td> <td>544</td> <td>33</td> <td>Injuries/illnesses</td> </tr> <tr> <td>Total Recordable Incident Rate (TRIR)<sup>1</sup></td> <td>1.23</td> <td>2.04</td> <td>Incident per 200,000 hours worked</td> </tr> <tr> <td>Main type of work-related injury/illness</td> <td>Strain</td> <td>Contusion</td> <td>N/A</td> </tr> <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>10</td> <td>0</td> <td>Injuries/illnesses</td> </tr> <tr> <td># of hours worked</td> <td>88,727,363</td> <td>3,239,556</td> <td>Hours</td> </tr> </tbody> </table>	Metric	All Employees	Workers who are not employees but whose work is controlled by Cardinal Health	Unit of Measure	Recordable work-related injury/illness	544	33	Injuries/illnesses	Total Recordable Incident Rate (TRIR) <sup>1</sup>	1.23	2.04	Incident per 200,000 hours worked	Main type of work-related injury/illness	Strain	Contusion	N/A	# of fatalities from work-related injury	1	0	Fatalities	# of high-consequence work-related injury/illness (excluding fatalities)	10	0	Injuries/illnesses	# of hours worked	88,727,363	3,239,556	Hours	<p>Work-related injuries and illnesses are self-reported by employees and entered by a location manager into the Intellex 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 3, 2024, for fiscal 2024.</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																												
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<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.																													

<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.

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. In fiscal 2024, employees and contractors together obtained, on average, 36.9 hours of training on this platform.</p> <p>The second online platform serves as the primary platform to provide employees learning and development opportunities on a variety of subject matter including but not limited to, finance, customer impact, supply chain, and manufacturing excellence. In fiscal 2024, employees obtained, on average, 17.01 hours of training, while contractors obtained, on average, 4.17 hours of training on this platform.</p>	<p>Within the first online 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 the second 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>We offer interactive leadership development programs for first-time people leaders who have transitioned from individual contributor positions to those leading others and for existing leaders who are looking for practical and relevant resources to effectively lead and manage their teams.</p> <p>Programs such as Aspire (potential leaders), Advance (new leaders) and Amplify (tenured leaders) are designed to prepare our employees to be effective people leaders who align with Cardinal Health's core values. While most participants are U.S. based, we are also inclusive of our global employees and provide dedicated resources to support leadership and professional development for employees in other regions of the world.</p> <p>We also offer a robust curriculum of professional development courses designed to 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 programming.</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 OTTT4 is formally tracked and used for reporting purposes. For fiscal 2024, 99% of employees completed their OTTT4 discussion with their manager.</p>	<p>The percentage of employees receiving regular performance and career development reviews is calculated as of October 30, 2024, when OTTT4 officially closed in our workday system.</p> <p>The metric includes all eligible global employees where the manager has acknowledged 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>• Outside of U.S. and Canada field and operations employees (have different performance review processes outside of the system)</li> <li>• E-track employees (currently complete end-of-year reviews outside of the system)</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 25, 2024).</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

**Board of Directors – Gender Diversity**

Gender	Director count (percentage of total)
Female	5 (50%)
Male	5 (50%)
<b>Total</b>	<b>10</b>

**Board of Directors – Racial/Ethnic Diversity**

Race/Ethnicity	Director count (percentage of total)
Asian	1 (10%)
Black or African American	1 (10%)
White	8 (80%)
<b>Total</b>	<b>10</b>

**Operating Committee – Gender Diversity**

Gender	Employee count (percentage of total)
Female	5 (33.3%)**
Male	10 (66.7%)**
<b>Total</b>	<b>15**</b>

**Operating Committee – Racial/Ethnic Diversity**

Race/Ethnicity	Employee count (percentage of total)
Black or African American	1 (6.7%)**
Hispanic or Latino	1 (6.7%)**
White	13 (86.7%)**
<b>Total</b>	<b>15**</b>

**Global Employees – Gender Diversity**

Gender	Global count (percentage of total)	U.S. count (percentage of total)	Outside U.S. count (percentage of total)
Female	25,718 (51.1%)**	14,796 (47.5%)**	10,922 (56.9%)**
Male	24,376 (48.4%)**	16,186 (52.0%)**	8,190 (42.7%)**
Non-binary (USA)	27 (0.1%)**	27 (0.1%)**	0 (0.0%)**
Not declared	192 (0.4%)**	113 (0.4%)**	79 (0.4%)**
<b>Total</b>	<b>50,313**</b>	<b>31,122**</b>	<b>19,191**</b>

**US Employees – Racial/Ethnic Diversity**

Race/Ethnicity	U.S. employee count (percentage of total)
American Indian / Alaskan Native	173 (0.6%)**
Asian	3,035 (9.7%)**
Black or African American	5,669 (18.2%)**
Hispanic or Latino	6,031 (19.4%)**
Native Hawaiian or Other Pacific Islander	171 (0.5%)**
Two or More Races	710 (2.3%)**
White	15,034 (48.3%)**
Not declared / Not specified	299 (1.0%)**
<b>Total</b>	<b>31,122**</b>

Numbers marked with \*\* have been assured.

Diversity of employees is calculated based on data pulled from our HR system of record in September 2024 for the population of employees as of June 30, 2024, 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. Given the sensitive nature of our employees' age information, we have elected to exclude that data point from this topic's disclosure.

The composition of the Board of Directors is disclosed on page 14 of our [2024 Proxy Statement](#).

The composition of Cardinal Health's operating committee is disclosed on our website: [Our Leaders \(cardinalhealth.com\)](#).

The diversity of employees by gender includes Cardinal Health's global population of permanent employees.

The diversity of employees by ethnicity is limited only to Cardinal Health's permanent employees who 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 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.

As of the end of fiscal 2024, approximately 51% of our total employee population were women and 51% of U.S. based employees were ethnically diverse.

Please see our [fiscal 2024 assurance statement](#).

Reference	Metric	Disclosure	Boundary, Assumptions, and Estimations
<b>GRI 405 – Diversity and Equal Opportunity 2016 (continued)</b>			
GRI 405-2	Ratio of basic salary and remuneration of women to men	Among employees who are performing substantially similar work, for each dollar male employees are paid, female employees at Cardinal Health are paid 99 cents.	Cardinal Health's gender pay equity metric is calculated using U.S. permanent employee compensation as of July 2024. 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>			
GRI 406-1	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 on the basis of race, religion, sex, color, national origin, ancestry, age, physical or mental disability, sexual orientation, gender identity/expression, veteran status, pregnancy, marital status, creed, reproductive health decision-making, 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 their 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. Our Ethics and Compliance Investigations team has primary responsibility for leading these. The Investigations team consists of experienced investigators who have deep expertise in Title VII and Equal Employment Opportunity to identify actions that are a violation of our <a href="#">policy</a>, which is posted on our internal intranet site and externally on <a href="#">cardinalhealth.com</a>. Immediate measures and corrective action, up to and including termination, will be taken against any person who is found to have engaged in conduct that is in violation of our policy. 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>			
GRI 407-1	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 2024.	
<b>GRI 408-1 – Child Labor 2016</b>			
GRI 408-1	Operations and suppliers at significant risk for incidents of child labor	Based on geographic location alone, 61 suppliers and 102 supplier facilities were considered to have significant risk for incidents of child labor. Please refer to our <a href="#">Responsible sourcing</a> section for more information on our risk-based due diligence process.	Risk for incidents of child labor is assessed by country using the Child Labor Index from Lloyd's Register Quality Assurance (LRQA). The Child Labor Index reflects the risk level of child labor and the vulnerability of juvenile workers. The index is calculated based on the prevalence of violations related to employing underaged and young workers in accordance with local and client's code of conduct. It is partially supplemented by Civil society and LRQA Sentinel data.

Reference	Metric	Disclosure	Boundary, Assumptions, and Estimations
<b>GRI 409 – Forced or Compulsory Labor 2016</b>			
<b>GRI 409-1</b>	Operations and suppliers at significant risk for incidents of forced or compulsory labor	<p>Based on geographic location alone, 149 suppliers were considered to have significant risk for incidents of forced or compulsory labor.</p> <p>Based on geographic location alone, 318 supplier facilities were considered to have significant risk for incidents of forced or compulsory labor.</p> <p>Please refer to our <a href="#">Responsible sourcing</a> section for more information on our risk-based due diligence process.</p>	<p>Inherent risk assessment is based on a supplier's location, industry, and business impact.</p> <p>Risk for incidents of forced or compulsory labor is assessed by country using the Forced Labor Index from the LRQA. The Forced Labor Index is based on instances of non-compliances associated with instances of forced labor, undocumented workers and passport retention identified in a site. It also includes counts of forced labor instances identified from United States Department of Labor's Bureau of International Labor Affairs reports.</p>
<b>GRI 410 – Security Practices 2016</b>			
<b>GRI 410-1</b>	Security personnel trained in human rights policies or procedures	Cardinal Health has elected not to disclose performance on this metric for fiscal 2024.	
<b>GRI 411 – Rights of Indigenous People 2016</b>			
<b>GRI 411-1</b>	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.	
<b>GRI 413 – Local Communities 2016</b>			
<b>GRI 413-1</b>	Operations with local community engagement, impact assessments, and development programs	Cardinal Health has elected not to disclose performance on this metric for fiscal 2024.	
<b>GRI 413-2</b>	Operations with significant actual and potential negative impacts on local communities	Cardinal Health has elected not to disclose performance on this metric for fiscal 2024.	
<b>GRI 414 – Supplier Social Assessment 2016</b>			
<b>GRI 414-1</b>	New suppliers that were screened using social criteria	62 new suppliers were screened using social criteria. Please refer to our <a href="#">Responsible sourcing</a> section for more information on our risk-based due diligence process.	New suppliers engaged during fiscal 2024 who completed an ESG self-assessment questionnaire or a social compliance audit were included in the calculation of this metric.
<b>GRI 414-2</b>	Negative social impacts in the supply chain and actions taken	Two suppliers were identified as having actual or potential negative social impacts during a risk-based due diligence process. The ESG team engaged these suppliers in the corrective and preventive action (CAPA) process to address audit findings. This process is ongoing, and audit findings are being addressed. Cardinal Health will continue to monitor the progress of supplier CAPAs and take further remediation action as needed. Please refer to our <a href="#">Responsible sourcing</a> section for more information on our risk-based due diligence process.	Suppliers were identified by having either a very low self-assessment rating and/or audit rating.

Reference	Metric	Disclosure	Boundary, Assumptions, and Estimations
<b>GRI 415 – Public Policy 2016</b>			
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 2023.
<b>GRI 416 – Customer Health and Safety 2016</b>			
GRI 416-1	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 is demonstrated through our <a href="#">Controlled Substance Monitoring Program</a> .	
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	We report any significant incidents regarding non-compliance, or alleged non-compliance, 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>			
GRI 417-1	Requirements for product and service information and labeling	Cardinal Health has elected not to disclose performance on this metric for fiscal 2024.	
GRI 417-2	Incidents of non-compliance concerning product and service information and labeling	Cardinal Health has elected not to disclose performance on this metric for fiscal 2024.	
GRI 417-3	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>			
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	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 aid 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. We report any substantiated complaints concerning breaches of customer privacy and losses of customer data that relate to material cybersecurity incidents in our Forms 10-K, 10-Q and 8-K 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.	

# Sustainability Accounting Standards Board (SASB) Index

Topic	SASB Code	Accounting Metric	Disclosure	Boundary, Assumptions, and Estimations
<b>SASB Index – Health Care Distributors Standard</b>				
<b>Fleet Fuel Management</b>	HC-DI-110a.1	Payload fuel economy	Fuel efficiency for our fleet operating on diesel fuel – 8.40 MPG Fuel efficiency for our fleet operating on gasoline – 12.33 MPG	Fuel efficiency reported under this metric includes only trucks within the U.S. Medical Products and Distribution fleet operated by Penske Logistics and leased through Penske Truck Leasing. Penske Truck Leasing's telematics system 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, 2023 – June 30, 2024.
<b>Fleet Fuel Management</b>	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 U.S. Medical Products and Distribution (U.S. MPD) 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 (a U.S. Environmental Protection Agency (EPA) program) fuel efficient tires (low roll resistance), single torque engines, automated transmissions with overdrive, aluminum rims, and tire pressure management systems, including auto inflation. The investment in tires and tire systems contributes significantly to improving fuel efficiency. According to Fueleconomy.gov (maintained by U.S. Department of Energy's (DOE's) Office of Energy Efficiency and Renewable Energy, with data provided by the EPA), underinflated tires can lower fuel economy by 0.2% every 1 PSI drop in the average pressure of all tires. According to the North American Council for Freight Efficiency (NACFE), a fleet investing in these fuel efficiency technologies can see an 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 oil 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, identifies any malfunctions or non-optimal conditions early and decreases 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 governors are set at 67 mph. The vehicle's road speed has a tremendous effect on fuel economy. As road speed increases, so does air resistance. For example, at 55 mph, a truck or tractor may get 7 mpg, at 65 mph, 6 mpg; and at 70 mpg, only 5.5 mpg. The general rule is that each 1 mph above 55 mph increase in vehicle speed decreases mileage by 0.1 mpg. By limiting the top speed of the vehicle, we can minimize this loss of efficiency.</p> <p><b>Vehicle idle management:</b> When a tractor or truck is put 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 does not move. Every hour of idle time can decrease fuel efficiency by 1%.</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 that includes:</p> <ul style="list-style-type: none"> <li>• SmartDrive – The onboard dashcam system that includes predictive analytics. It monitors driver fatigue and alerts management if fatigue is detected.</li> <li>• XRS – The telematics system used to record and track various aspects of driver behavior, including idling and hard braking.</li> <li>• OTNav – The truck navigation system that enables drivers to select the most efficient route plan.</li> </ul>	

Topic	SASB Code	Accounting Metric	Disclosure	Boundary, Assumptions, and Estimations
<b>SASB Index – Health Care Distributors Standard</b> (continued)				
<b>Fleet Fuel Management</b> (continued)	HC-DI-110a.2 (continued)	Description of efforts to reduce the environmental impact of logistics (continued)	<p><b>SmartWay:</b> The U.S. MPD's Private Fleet participates in the EPA's SmartWay program and has been a certified SmartWay carrier since 2010; the fleet received a High Performer designation for its 2023 submission of 2022 data.</p> <p><b>Electrification:</b> In fiscal 2024, Cardinal Health replaced two electric vehicle (EV) yard tractors with new models in Riverside, California, and added one EV yard tractor to the Ontario, California, location, bringing the total EV units in California to six. Cardinal Health plans to continue to put electric vehicle assets into operation in our California fleet in preparation to comply with a new California regulatory requirement, the California Air Resources Board (CARB) Advanced Clean Fleet (AFC) Rule, should it take effect.</p>	
<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 associated with product safety 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>	
<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). We source products only from entities licensed or 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 FDA and other regulatory bodies as required. As a requirement of the DSCSA, manufacturers place a unique product identifier on every pharmaceutical package and case. In 2024, we started electronically tracking products at the individual package level with this product identifier. Transaction data is being exchanged through the Electronic Product Code Information Services (EPCIS), a secure, interoperable, and electronic system to further minimize the threat of counterfeit products entering the supply chain. Please see <a href="#">Cardinal Health Pharmaceutical Tracing</a> website 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 suppliers of drug products and medical equipment and devices	<p>The distribution of drug products is conducted through Cardinal Health’s Pharmaceutical and Specialty Solutions segment and the distribution of medical equipment and devices is conducted through Cardinal Health’s Global Medical Products and Distribution segment. Each segment has their own approach for conducting due diligence to qualify suppliers, as described below:</p> <p><b>Pharmaceutical and Specialty Solutions (PSS) segment:</b> This segment conducts due diligence in two stages: the supplier qualification process and the supplier lifecycle 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 lifecycle 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 FDA’s Current Good Manufacturing Practice (CGMP) regulations enforced by the FDA 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> <p><b>Global Medical Products and Distribution (GMPD) segment:</b> Within the GMPD segment, Cardinal Health’s procurement team evaluates suppliers to select those that are best able to meet the needs of our 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 GMPD 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 on 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 Practice (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>	
<b>Counterfeit Drugs</b>	HC-DI-260a.3	Discussion of process for alerting customers and business partners to 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 an 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 an 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 products 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	<p>At Cardinal Health, our Packaging Engineering team is responsible for the design and sourcing of packaging materials used for our Cardinal Health™ Brand medical products as well as our Presource® kit services. We work to continuously improve our sustainability-focused principles into packaging design for all new products and are implementing a methodical plan to renovate our current packaging to incorporate more of these principles. Our current packaging guardrails consider the entire lifecycle and include optimization for environmentally preferred attributes as much as possible. Considerations include but are not limited to reduction of materials, reusability, recyclability, homogenous materials preference, and processes that reclaim energy. Our packaging guidelines also list Materials of Concern that are documented for compliance on new packaging design.</p> <p>We aim to have all our corrugated packaging Forest Stewardship Council (FSC), Sustainable Forestry Initiative (SFI), or Programme for the Endorsement of Forest Certification (PEFC) certified and labeled by fiscal 2030. By fiscal 2026, we will set commitments for using recycled content and create reduction plans, based on fiscal 2024 year-end data.</p> <p>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 better quantify the weight reduced and emissions avoided because of these efforts.</p>	
<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 2024, we collected and reprocessed 19.54 million single use devices representing 6 million pounds and donated more than \$13 million dollars in medical and pharmaceutical products to nonprofit organizations.	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 <a href="#">Standards of Business Conduct</a> , Cardinal Health outlines our corporate values and standards of integrity and behavior. Please see <a href="#">page 64</a> of this report to learn more.	
<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 associated with 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 <a href="#">Investor Relations</a> website for access to corporate filings.	
<b>Activity Metrics</b>	HC-DI-000.A	Number of pharmaceutical units sold by product category	Approximately 764 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 Global Medical Products and Distribution (GMPD) and Pharmaceutical and Specialty Solutions segments.</p> <p>For the GMPD segment, pharmaceutical units include items assigned a prescription drug regulatory code in our sales system of record.</p> <p>For the Pharmaceutical and Specialty Solutions 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
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**SASB Index – Health Care Distributors Standard** (continued)

<b>Activity Metrics</b>	HC-DI-000.B	Number of medical devices sold by product category	Approximately 303 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 GMPD segment only. Cardinal Health defines a medical device in accordance with the World Health Organization’s definition, which states “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>• Cardinal Health Canada</li> <li>• Cardinal Health at-Home Solutions</li> <li>• Cardinal Health Singapore</li> </ul>
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**SASB Index – Medical Equipment and Supplies Standard**

<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 2024.
<b>Affordability &amp; Pricing</b>	HC-MS-240a.3	Percentage change in: (1) weighted average list price and (2) weighted average net price across product portfolio compared to previous reporting period	Cardinal Health has elected not to disclose performance on this metric for fiscal 2024.
<b>Product Safety</b>	HC-MS-250a.1	(1) Number of recalls issued, (2) total units recalled	During fiscal 2024, Cardinal Health reported four Class I product recalls and seven Class II product recalls. Class I recalls represent a situation in which there is a reasonable probability that the use of or exposure to a violative product will cause serious adverse health consequences or death. Class II recalls represent a situation in which use of or exposure to a violative product may cause temporary or medically reversible adverse health consequences or where the probability of serious adverse health consequences is remote.
<b>Product Safety</b>	HC-MS-250a.2	Products listed in any public medical product safety or adverse event alert database	To see Cardinal Health information, please visit the <a href="#">MAUDE Database</a> .
<b>Product Safety</b>	HC-MS-250a.3	Number of fatalities associated with products	Cardinal Health reports all data as required by the 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 (continued)</b>				
<b>Product Safety</b>	HC-MS-250a.4	Number of enforcement actions taken in response to violations of good manufacturing practices (GMP) or equivalent standards, by type	We report any significant enforcement actions taken in response to violations, or alleged violations, of good manufacturing practices (GMP) or equivalent standards 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 associated with 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 medical device products for off-label use or otherwise unapproved purposes as defined within our policy. 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	Sustainable Technologies™, a Cardinal Health business, collects and sells reprocessed single use medical devices in the United States. Single use device reprocessing helps hospitals save costs and reduce waste and carbon emissions, while strengthening hospitals' supply chains.  The Sustainable Technologies™ manufacturing site operates on a zero waste to landfill model. This model is designed to manage end of life disposition using a comprehensive environmentally beneficial solution, which includes a combination of recycling and waste to energy programs. Since launching this model in 2016, our Riverview, Florida site has diverted 99.9% of waste from landfills.	
<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) supplies	Cardinal Health engages in both the collection and reprocessing of single-use medical devices, as well as the donation of both medical and pharmaceutical products each year. During fiscal 2024, we collected and reprocessed 19.54 million single use devices representing 6 million pounds diverted from landfill and donated more than \$13 million in medical and pharmaceutical products to nonprofit organizations.	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 2024.	

Topic	SASB Code	Accounting Metric	Disclosure	Boundary, Assumptions, and Estimations
<b>SASB Index – Medical Equipment and Supplies Standard (continued)</b>				
<b>Supply Chain Management</b>	HC-MS-430a.2	Description of efforts to maintain traceability within the distribution chain	See <a href="#">page 56</a> for a description of efforts to maintain traceability within the distribution chain.	
<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 supply chain disruption risk and commodity price sensitivity which could include critical minerals in our Form 10K. Additionally, we recognize 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 <a href="#">Cardinal Health's Conflict Minerals Global Policy</a> and our <a href="#">2023 Form SD</a> filed with the U.S. SEC.	Form SD is reported on a calendar basis and therefore does not align with Cardinal Health's 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 associated with 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. It also applies to indirect Transfers of Value to Customers, HCPs or GOs requested by Cardinal Health or its employees through third parties. Employees who 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 854 million units	<p>Number of units is 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 general medical supplies and health aid items sold by our Pharmaceutical and Specialty Solutions segment to retail pharmacies.</p> <p>More than 23 million units sold included in this total were pulled under categories labeled "HBA – Health and Beauty Aid" and "GENMERCH" (General Merchandise) and include medical equipment and supplies but also include many other product types. Business unit exclusions include:</p> <ul style="list-style-type: none"> <li>• Medical Distribution – International</li> <li>• Cardinal Health Canada • Cardinal Health at-Home Solutions</li> <li>• Metro Medical</li> <li>• Major Rugby</li> <li>• Nuclear and Precision Health Solutions</li> </ul>

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

Recommended Disclosure	Disclosure
<b>Governance</b>	
<p>Describe the board's oversight of climate-related risks and opportunities.</p>	<p>Board-level oversight of Environmental, Social and Governance (ESG) activities, policies, strategy, and reporting resides with the Governance and Sustainability Committee, which is formalized within the committee charter (Governance and Sustainability Committee Charter). The ESG activities overseen by the Governance and Sustainability Committee include climate-related risks and opportunities and the strategy to manage those risks and opportunities. 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 full Board regarding the company's ESG activities, policies, strategy, and reporting (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 full Board regarding such matters.</li> </ol>
<p>Describe management's role in assessing and managing climate-related risks and opportunities.</p>	<p>Our ESG strategy is closely aligned with our overall business strategy. Successfully carrying out our ESG strategy and improving impact across our ESG priorities relies on an effective governance structure. This governance structure is also critical to the appropriate management and oversight of ESG-related risks and opportunities. See our <a href="#">ESG governance at a glance</a> section for more detail.</p> <p>Throughout fiscal 2024, the ESG team developed a comprehensive climate action plan to help us achieve our 2030 goals. This plan involves a number of decarbonization levers that will be deployed through fiscal 2030 and beyond. See our <a href="#">Energy and climate</a> section for more detail.</p>
<b>Strategy</b>	
<p>Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.</p>	<p>Given the nature of our operations, Cardinal Health is exposed to a diverse portfolio of risks and may be presented with a diverse range of opportunities. We continuously monitor the risks and opportunities that could have a significant impact on our financial performance, our ability to meet the needs of our customers and other stakeholders, and our Company's reputation. As noted in the <a href="#">Governance section</a> of this report, our VP of ESG and SVP &amp; Deputy General Counsel communicate climate-related risks and opportunities to the Governance and Sustainability Committee of the Board and the internal ESG Governance Committee, which also considers the potential financial impact and time horizon of each risk and opportunity.</p> <p>In fiscal 2024, Cardinal Health completed a climate risk scenario analysis with the help of an external third-party consultant. Impacts of climate-related physical and transition risks and opportunities on our operations and supply chain were evaluated across short-term (1-3 years), medium-term (3-10 years), and long-term (10-30 years) time horizons.</p> <p><b>Climate-related risks<sup>34</sup>:</b></p> <ul style="list-style-type: none"> <li>• <b>Business disruption due to acute physical climate risks (Short- to medium-term):</b> Cardinal Health's business operations are susceptible to disruption from severe weather events, including floods, hurricanes, tornadoes, and wildfires. These events can cause temporary facility closures, damage to assets or inventory, and could cause shortages of products or increase delivery times. The concentration of certain geographic regions for the sourcing of raw materials may also cause delays in the production or delivery of impacted products.</li> <li>• <b>Business disruption due to chronic physical climate risks (Long-term):</b> Cardinal Health faces potential future business disruptions due to chronic shifts in weather patterns, including, but not limited to, rising temperatures, changing drought patterns, and sea level rise. These weather patterns could impact manufacturing facilities and raw material supply, particularly in water-stressed areas or coastal regions prone to flooding. Additionally, rising temperatures may inflate operating expenses at Cardinal Health's facilities due to the increased energy demands for cooling. Furthermore, projected climate-driven shifts in disease patterns may necessitate adjustments to Cardinal Health's product portfolio to meet evolving market and public health needs. Business disruptions caused by physical risk events, such as the drought-induced Panama Canal disruption, could also hinder the global movement of Cardinal Health's finished goods and extend transit times.</li> <li>• <b>Increased compliance costs from new and emerging ESG and climate-related regulations (Short- to medium-term):</b> As emerging regulations focused on energy and emissions are adopted domestically and abroad, Cardinal Health could experience increased regulatory reporting costs. Authorities are continuously developing a growing body of regulations that govern Cardinal Health's operations. These regulations are increasing in number and complexity and are changing frequently. Notably, compliance with increasingly stringent climate change and ESG-related regulations may result in additional costs associated with lower-carbon production and distribution and ESG disclosure.</li> </ul>

<sup>34</sup> The inclusion of examples of potential climate-related risks relating to Cardinal Health should not be read as a characterization regarding the materiality or financial impact of such potential risks for purposes of applicable securities laws or any other laws of the United States. For a discussion of risks that Cardinal Health has determined could be financially material, please see "Risk Factors" and other sections in and exhibits to our [Form 10-K](#), as well as any such risk factors and other sections in and exhibits to our subsequent Form 10-Q filings.

Recommended Disclosure

Disclosure

Strategy (continued)

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

**Climate-related risks** (continued; see footnote 34 on the previous page):

- **Changes in customer demand for sustainable products, services and ESG information (Short- to medium-term):** There is growing customer demand for sustainable medical supplies, pharmaceuticals and healthcare-related services. Delayed adaptation to this change in customer preference could lead to reduced demand for existing products and loss of future business. Competitors and new market entrants may capitalize on this shift if they are able to offer low-carbon or more sustainable products faster and at a lower cost.
- **Reliance on non-renewable energy sources susceptible to market forces (Medium- to long-term):** Cardinal Health's dependence on non-renewable energy sources (e.g., fossil fuels) could expose the company to increased costs to make and deliver its products and services. Price fluctuations may increase operational and shipping costs across business segments and the value chain.

**Climate-related opportunities:**

- **Improved supply chain and distribution through resilience, redundancy, and nearshoring distribution operations (Short- to medium-term):** A shift in customer preferences towards nearshoring and localized manufacturing and distribution provides an opportunity for Cardinal Health to offer manufacturing closer to its primary markets. This could reduce transportation costs and time-to-delivery for products to customers.

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

As noted above, Cardinal Health has identified climate-related risks and opportunities 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 also serve as Cardinal Health's foundation for considering climate during business, strategy, and financial planning to mitigate risks and take advantage of opportunities.

**Climate-related risks** (see footnote 34 on the previous page):

- **Business disruption due to acute and chronic physical climate risk:** Physical climate risks, including floods, tropical cyclones and extreme precipitation events, may temporarily shut down manufacturing plants, distribution centers, warehouses, laboratories, and pharmacies, and may disrupt transportation routes and supplier operations. These events can result in reduced productivity, delays in the delivery of raw materials and finished goods and potentially cause impacts to revenue. Cardinal Health's Facilities and Real Estate Management team partners with our global insurance provider to regularly assess the risk of acute physical climate events on our facilities. As a part of this assessment, we consider the potential loss expectancy at each facility from wildfire, wind gusts, storms, and flood risk in terms of both physical damage and business interruption. These loss expectancy figures are considered when preparing our business resilience, strategic, and financial planning activities, which has resulted in capital expenditures across Cardinal Health's portfolio of facilities to mitigate loss expectancy, improve resilience, and reduce our insurance premiums. Our Transportation and Logistics teams also evaluate potential disruptions to domestic and international transportation routes and mitigate impacts to the flow of raw materials or finished goods.
- **Increased compliance costs from new and emerging ESG and climate-related regulations:** As regulations focused on energy and emissions are adopted domestically and abroad, Cardinal Health considers the impact on our operations when engaging in strategic and financial planning. Cardinal Health could experience increased regulatory reporting costs due to emerging and increasingly stringent ESG and climate-related regulations. The company has dedicated resources that evaluate emerging regulations in key markets like the U.S. and European Union and regulations that may impact specific product categories. Cross-functional steering committees have also been established to evaluate required investments and prepare for compliance. Simultaneously, the organization is proactively preparing for requirements through the implementation of greenhouse gas emission reduction projects, climate risk assessments, and strong data controls to manage ESG data.
- **Changes in customer demand for sustainable products, services and ESG information:** As demand for more sustainable products, services and information continues to increase, Cardinal Health could lose customer contracts if we cannot keep up with demand. In response to stakeholder and customer inquiries on ESG and climate, Cardinal Health's ESG team has worked to improve our external-facing commitments and communications to meet changing expectations. We have a comprehensive ESG Report where information and progress are shared transparently. Aligned with peers in the industry, Cardinal Health has received approval from the Science Based Targets initiative (SBTi) for our science-based target which includes Scopes 1, 2 and 3 greenhouse gas emissions. We have established a product and service innovation working group to identify opportunities for sustainability improvements for products and services, and sustainability criteria have been built into our new product development evaluation process. We are becoming more engaged with our customers on ESG and have increasingly attended quarterly business reviews to provide ESG updates and identify opportunities to increase industry collaboration.
- **Reliance on non-renewable energy sources susceptible to market forces:** Cardinal Health's reliance on fossil fuels could expose it to increased energy cost volatility, potentially affecting pass-through costs to customers and financial planning. As Cardinal Health experiences these increases, it expects its suppliers to face similar cost pressures that could be passed on to Cardinal Health. Cardinal Health has begun implementing various emission mitigation actions to decarbonize our operations including making capital expenditures to reduce our energy intensity, increase on-site generation of renewable electricity, and improve transportation fuel efficiency; actions which will also support compliance with emerging regulations.

**Climate-related opportunities:**

- **Improved supply chain and distribution through resilience, redundancy, and nearshoring distribution operations:** In response to global supply chain disruptions such as Covid-19, Cardinal Health is evaluating opportunities across its value chain and operations to build resiliency and improve redundancy. Investments in optimizing distribution networks and prioritizing efficient operations could improve operational efficiency, and nearshoring certain products could decrease time from manufacturing to receipt by the customer. Embedding resiliency into strategic planning presents the opportunity to improve existing enterprise risk management and business continuity programs, and anticipate potential climate disruptions, mitigate their impact, and ensure Cardinal Health's ongoing resilience and success. These investments could generate cost savings in the long run through reduced waste, improved delivery times, and enhanced customer satisfaction.

Recommended Disclosure

Disclosure

Strategy (continued)

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

With the help of a third-party consultant, Cardinal Health performed a climate scenario analysis in fiscal 2024 using three different scenarios augmented with industry and geographic trends specific to Cardinal Health. A scenario analysis is used to understand the strategic implications of climate-related risks and opportunities. A climate scenario analysis employs a range of plausible future climate conditions to assess potential risks and opportunities, informing decision-making. This forward-looking approach enhances the ability to navigate the risks and opportunities presented by climate change.

The scenarios chosen for Cardinal Health's analysis are the most applicable and updated scenarios as of this point in time. These selected scenarios allow Cardinal Health to better understand potential future impacts of climate change across the entire organization's operations and different business segments. Each scenario narrative summarizes a set of assumptions regarding global socioeconomic development and the transition to a lower carbon economy. Scenario narratives and assumptions are informed by publicly established reference scenarios by the Intergovernmental Panel on Climate Change (IPCC) and Shared Socioeconomic Pathways (SSP) and associated data.

- **Aggressive climate action (Transition Risk: IPCC SSP1-1.9, Physical Risk: IPCC SSP1-2.6):** Aggressive emission reduction scenario to meet the Paris Agreement marked by global collaboration by governments, society and industry to lead steep decarbonization. This scenario is characterized by ambitious global collaboration by governments, society, and industry towards climate-related commitments, laws, and regulations to reduce GHG emissions and negative environmental impacts. These measures could intensify transitional changes, such as an increased number of new regulations for Cardinal Health. The rapid reduction of GHG emissions is expected to lead to fewer climate-related events or physical risks in the long-term. Projected warming of 1.8 °C by end of 21st century.
- **Moderate climate action (IPCC SSP2-4.5):** Emissions reductions achieved by all governments meeting climate targets, including Nationally Determined Contributions (NDC s). This scenario is characterized by moderate emissions reductions and consistent application of laws and provisions among governments. The moderate pace of action may result in a slower pace of emissions reductions and higher frequency and intensity of physical risks, severe ecosystem and biodiversity loss, and large reduction of available agricultural lands. There are moderate challenges to mitigate and adapt to climate change. Projected warming of 2.7°C by end of 21st century.
- **Insufficient climate action (IPCC SSP5-8.5):** Emissions curbed based on existing policies, commitments, and NDCs, but fall short of meeting the Paris Agreement targets. This scenario is characterized by less ambitious emissions reductions and a wide range of climate-related laws and provisions across the globe that do not aggressively address climate-change or emissions reduction. The lack of action is expected to result in the slowest pace of emissions reductions and highest frequency and intensity of physical risks and severe ecosystem and biodiversity loss. In restructuring its networks and operations, Cardinal Health may face high challenges to mitigate impacts of climate change and low challenges to adapt to impacts of climate change. Projected warming of 4.4 °C by end of 21st century.

Through this analysis, the Cardinal Health team recognized that our strategy must continue evolving as the impacts of climate change are felt throughout our business. Cardinal Health continues to monitor and assess both the physical and transition risks that climate change may pose to our business. Please see [Energy and climate](#) for more details on our response to the impacts of climate change.

Risk Management

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

The VP of ESG shares responsibility for the identification of climate-related risks and opportunities with Cardinal Health's business leaders. Risks and opportunities are identified primarily 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.

Climate-related risks and opportunities are then presented to Cardinal Health's 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.

Our ESG team 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.

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

The effective management of climate-related risks takes a cross-functional team of business leaders, just as the climate-related risk assessment process is managed by a cross-functional group including our Enterprise Risk Management (ERM) team, business unit leaders, the VP of ESG, and oversight by the internal ESG Governance Committee. The ESG team engages with functional leaders to determine the impact each significant risk identified for prioritization could have on our product and service offerings, raw material availability, and the performance of our locations and vehicle fleet. Climate-related risks are 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 internal 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 of progress the business is making in managing such risks. The VP of ESG then provides updates to the internal ESG Governance Committee and the Board's Governance and Sustainability Committee during regularly scheduled meetings throughout the year.

**Recommended Disclosure**

**Disclosure**

**Risk Management** (continued)

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 governance process. A summary of our ERM process and function at Cardinal Health is provided below:

The ERM function works with segment leadership teams to identify the largest overall risks to the business. Risk is examined as it pertains to the business's strategy for growth and compliance. Once the key risks to the business have been identified, a survey is completed by each member of the applicable leadership team. Each risk will be assessed (a score of 1-6) based on the impact and the likelihood of the risk to occur and a heatmap is created from the average scores.

Business and functional leaders are responsible for addressing the risks that have been identified through the ERM process and determine the necessary risk response plans, assess its effectiveness, and monitor progress. The risk response plans are then presented to segment leadership for review and approval.

The ERM function will facilitate the process and further support as necessary with quarterly reviews to assess progress of mitigation plans. Cardinal Health's ERM function reports to the SVP of Internal Audit, who oversees the ERM process. Oversight is provided by senior management and the Board's Audit Committee.

**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 materiality assessment, Cardinal Health identified energy and climate as an ESG topic for inclusion in our three-year strategic plan. As our ESG report is prepared in accordance with the GRI Universal Standards and our index includes 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, greenhouse gas (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 publicly stated targets, risks, opportunities, and overall performance.

Recommended Disclosure

Disclosure

Metrics & Targets (continued)

Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks

Cardinal Health measures our Scope 1 and 2 GHG emissions using the market-based method 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). We also measure our Scope 3 GHG emissions across the categories that the ESG team at Cardinal Health determined to be relevant in accordance with the WRI/WBCSD's Greenhouse Gas Protocol. We receive limited assurance on Scopes 1, 2 and 3 annually from an independent third party. Please see our [fiscal 2024 assurance statement](#) here .

		Emissions (mtCO <sub>2</sub> e)	
		Fiscal 2023	Fiscal 2024
<b>Scope 1**</b>		<b>163,044 **</b>	<b>160,150**</b>
<b>Scope 2 (market-based)**</b>		<b>220,684**</b>	<b>204,723**</b>
<b>Scope 3 categories (relevant categories)**</b>		<b>21,363,272**†</b>	<b>22,437,666**</b>
1	Purchased goods and services	19,644,932**†	20,772,535**
2	Capital goods	80,675**†	71,990**
3	Fuel- and energy-related activities	94,193**	92,120**
4	Upstream transportation and distribution	1,308,047**†	1,235,380**
5	Waste generated in operations	24,387**†	20,642**
6	Business travel	16,164**†	18,690**
7	Employee commuting	47,260**†	50,398**
8	Upstream leased assets	1,024**	3,216**
11	Use of sold products	41,505**†	56,661**
12	End-of-life treatment of sold products	76,155**†	80,071**
13	Downstream leased assets	6,592**	13,418**
15	Investments	22,337**†	22,544**

Numbers marked with \*\* have been assured. | Numbers marked with † are a [restatement; see GRI 2-4](#).

Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

In September 2021, we publicly announced our goal to reduce absolute Scope 1 and 2 GHG emissions by 50% by fiscal 2030, as compared to a fiscal 2019 base year. In fiscal 2024, we received validation and approval of our science-based targets from the Science Based Targets initiative for Scope 1 and 2 as well as Scope 3 GHG emissions.

At the end of fiscal 2024, we achieved a 17% reduction in Scope 1 and Scope 2 GHG emissions compared to our base year. Additionally, we saw improvement in our Scope 3 goal and noted 72% of our suppliers by spend have a science-based target.

# Basis of reporting

## Greenhouse Gas (GHG) Emissions - Basis of Reporting

<p><b>Guidance and Boundary</b></p>	<p>Within this report, Cardinal Health measures and discloses the company's Scope 1, Scope 2, and relevant categories of Scope 3 GHG emissions in accordance with the following guidance and standards:</p> <ul style="list-style-type: none"> <li>World Resources Institute (WRI)/World Business Council for Sustainable Development's (WBCSD), The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (GHG Protocol)</li> <li>WRI WBCSD GHG Protocol Scope 2 Guidance</li> <li>WRI WBCSD GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard</li> </ul> <p>For Scope 1 and Scope 2 location- and market-based GHG emissions, Cardinal Health selected an organizational boundary based on operational control. Therefore, only assets or facilities where our business operates and has the ability to directly influence emissions-generating activities are included in our Scope 1 and Scope 2 GHG emissions calculations. Boundaries for Scope 3 categories can vary slightly, as detailed below, but are generally defined as activities upstream from Cardinal Health's operational control but limited to Tier 1 suppliers (i.e., those who contract directly with Cardinal Health or a Cardinal Health business) and downstream from Cardinal Health's operational control but limited to transactions made directly by Cardinal Health with customers or investees.</p>				
<p><b>Scope 1 GHG emissions</b></p>	<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, LPG, refrigerant loss, and palm kernel shells (biomass)<sup>36</sup>.</p> <p>Cardinal Health obtains primary data from utility invoices, aviation reports, fuel receipts, fleet telematics, manufacturing site logs, and maintenance logs. Where primary data is not available, the Cardinal Health team uses generally accepted methods to estimate in order to calculate emissions using a complete and accurate population of data for the reporting period. The following summarizes estimation methodologies used by Cardinal Health for Scope 1:</p> <ul style="list-style-type: none"> <li>For facility-level data gaps, Cardinal Health uses the Commercial Building Energy Consumption Survey (CBECS) energy intensity values and facility square footage or historic monthly consumption values to estimate.</li> <li>In fiscal 2023 Cardinal Health collected data to support the generation of a refrigerant estimation methodology to be applied on an ongoing basis until a formalized process is established for collecting source data on refrigerant leakages for fugitive emissions. This methodology was reviewed and approved by third-party external assurance and has been used again to estimate fugitive emissions in fiscal 2024 that cover 100% of our operational boundary.</li> <li>Biomass emissions are related exclusively to a single manufacturing site located in Thailand, which utilizes a biomass facility on-site to reduce the use of fossil fuels for energy. This site uses palm kernel shell for combustion to generate power. Cardinal Health leverages the provided emissions factors from the journal article "Life-cycle greenhouse gas emissions in power generation using palm kernel shell" (Sato, Issei, et al.)<sup>37</sup>, and obtains source data collected from the site for tons of material purchased, to generate estimated emissions. Starting with total tons of palm kernel shell (PKS) from the reporting period, converting to kilograms, Cardinal Health applies the provided conversion of 17.3 MJ/kg PKS to transform the data from weight to energy output based on a low heating value (LHV). From there, the LHV energy is converted to both N2O and CH4 equivalencies with the journal supplied emissions factors and then Global Warming Potential (GWP)'s are applied appropriately.</li> </ul> <p>As noted above, Scope 1 fuel sources include palm kernel shells (PKS) which is considered to be a biofuel. Our Scope 1 emissions footprint includes the methane and nitrous oxide emissions from the combustion of these biofuels, converted into carbon dioxide equivalent. In accordance with the GHG Protocol, Cardinal Health separately disclosed biogenic CO2 emissions generated from the combustion of this biofuel.</p> <p>Scope 1 Emissions Factors:</p> <ul style="list-style-type: none"> <li>2023 Environmental Protection Agency (EPA) Center for Corporate Climate Leadership GHG Emission Factors Hub</li> <li>California Air Resources Board High-GWP Refrigerants</li> <li>IPCC Changes in Atmospheric Constituents and in Radiative Forcing, Table 2.14 Lifetimes, radiative efficiencies and direct (except for CH4) GWPs relative to CO2. For ozone-depleting substances and their replacements, data are taken from IPCC/TEAP (2005) unless otherwise indicated</li> <li>A Comparative Life Cycle Assessment of Palm Kernel Shell in Ceramic Tile Production: Managerial Implications for Renewable Energy Usage</li> </ul>				
<p><b>Scope 2 GHG emissions</b></p>	<p>Scope 2 GHG emissions were measured using the location-and market-based methods in accordance with the WRI WBCSD GHG Protocol Scope 2 Guidance. Cardinal Health selected an organizational boundary based on operational control. Sources of emissions included in Cardinal Health's calculation of Scope 2 GHG emissions includes electricity.</p> <p>Cardinal Health obtains primary data to calculate Scope 2 GHG emissions from utility invoices at sites that are within Cardinal Health's operational control. Where primary data is not available, the Cardinal Health team uses generally accepted methods in order to calculate emissions using a complete and accurate population of data for the reporting period. The following summarizes estimation methodologies used by Cardinal Health for Scope 2:</p> <ul style="list-style-type: none"> <li>For facility-level data gaps, Cardinal Health uses the Commercial Building Energy Consumption Survey (CBECS) energy intensity values and facility square footage</li> <li>To generate market-based emissions values, Cardinal Health applies the appropriately assigned market-based emissions factors as outlined below, to the total consumption per site that is not provided from renewable sources. Therefore, consumption that is used to calculate emissions equals total annual consumption less annual consumption from renewable sources (in the case of Cardinal Health, on-site Photovoltaic (PV) and green power contracts through utilities).</li> </ul> <p>Scope 2 Emissions Factors:</p> <table border="0" data-bbox="354 1541 2953 1628"> <tr> <td> <ul style="list-style-type: none"> <li>Location-based method emission factors                             <ul style="list-style-type: none"> <li>2023 International Energy Agency (IEA) Emission Factors</li> <li>2023 EPA eGRID Emission Factors</li> </ul> </li> </ul> </td> <td> <ul style="list-style-type: none"> <li>Market-based method emission factors                             <ul style="list-style-type: none"> <li>2022 Green-e Residual Mix Emissions Rates</li> <li>2023 International Energy Agency (IEA) Emission Factors</li> </ul> </li> </ul> </td> <td> <ul style="list-style-type: none"> <li>2023 EPA eGRID Emission Factors</li> <li>AIB 2022 Residual Mix Results</li> </ul> </td> <td> <ul style="list-style-type: none"> <li>Electric Edison Institute (EEI) Electric Company Carbon Emissions and Electricity Mix Reporting Database for Customers</li> </ul> </td> </tr> </table>	<ul style="list-style-type: none"> <li>Location-based method emission factors                             <ul style="list-style-type: none"> <li>2023 International Energy Agency (IEA) Emission Factors</li> <li>2023 EPA eGRID Emission Factors</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Market-based method emission factors                             <ul style="list-style-type: none"> <li>2022 Green-e Residual Mix Emissions Rates</li> <li>2023 International Energy Agency (IEA) Emission Factors</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>2023 EPA eGRID Emission Factors</li> <li>AIB 2022 Residual Mix Results</li> </ul>	<ul style="list-style-type: none"> <li>Electric Edison Institute (EEI) Electric Company Carbon Emissions and Electricity Mix Reporting Database for Customers</li> </ul>
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<sup>36</sup> Diesel and gasoline consumption associated with carrier fleet includes only US fleet vehicles. Canada fleet contribute to an immaterial portion of fleet emissions (<5%) and has been excluded

<sup>37</sup> Sato, Issei, et al. "Life-cycle Greenhouse Gas Emissions in Power Generation Using Palm Kernel Shell." GCB Bioenergy, vol. 14, no. 7, 2022, pp. 875-892, <https://doi.org/10.1111/gcbb.12950>

**Greenhouse Gas (GHG) Emissions - Basis of Reporting** (continued)

Scope 3  
GHG emissions

Prior to measuring and disclosing Scope 3 GHG emissions, the Cardinal Health team assessed each of the 15 categories for relevancy. Based on Cardinal Health’s understanding of each category’s definition and our business operations, we elected to exclude the following categories from our boundary based on the conclusions listed below:

- Category 9 – Downstream Transportation and Distribution
  - As Cardinal Health pays for the transportation and distribution of goods to the retailer, we include emissions related to this business activity within Category 4: Upstream Transportation and Distribution, which aligns with the guidance provided by the WRI WBCSD GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.
- Category 10 – Processing of Sold Product
  - Cardinal Health does not manufacture intermediate goods that require additional processing following sale to customers.
- Category 14 – Franchises
  - Cardinal Health does not operate as a franchisor or franchisee.

The following table contains details regarding boundaries, activity data, and emissions factors used for each Scope 3 category:

Scope 3 Category	Methodology	Emissions Factors
Purchased goods and services	<p>Emissions are calculated using a hybrid-method and includes both spend-based and supplier-specific calculations:</p> <ul style="list-style-type: none"> <li>• Across each of Cardinal Health’s business units, annual procurement figures by supplier were provided by either the accounts payable or procurement team leads. Additionally, both the US and International indirect procurement leads provided annual spend by supplier for inclusion in the calculation. Across each population of transactions included in the calculation of emissions, the suppliers comprising the top 93% of spend were aggregated and assessed for emissions calculations.</li> <li>• For suppliers representing 49% of total category emissions, Cardinal Health performed calculations using supplier-specific emissions data by using the supplier’s publicly disclosed Scope 1, 2 (location based) and relevant upstream Scope 3 emissions, and multiplying it by Cardinal Health’s spend for the period with the supplier divided by supplier total revenue reported in their Form 10-K.</li> <li>• The remaining spend from suppliers is converted into emissions using the industry-based EEIO emission factors published by the EPA then extrapolated to represent emissions generated from 100% of upstream purchasing activity.</li> <li>• An inflationary factor based on the Consumer Price Index (CPI) is applied to spend for those suppliers where a supplier-specific emissions factor was used, and directly to EEIO factors due to the latest available tables being from 2022.</li> </ul> <p>The value reported excludes spend from the following business units, which represent <b>less than 1% of our global business</b>:</p> <ul style="list-style-type: none"> <li>• Cardinal Health GMPD International Indirect</li> <li>• Cardinal Health Wavemark Business</li> <li>• Cardinal Health GPSC Ireland</li> <li>• Cardinal Health Canada</li> <li>• Cardinal Health Puerto Rico</li> </ul>	<p>Supplier-reported</p> <p>EPA Supply Chain Greenhouse Gas Emission Factors v1.3 by NAICS-6</p>
Capital goods	<p>Emissions from capital goods are calculated using a spend-based method. Within each business segment, teams at Cardinal Health track actual spend that occurs during the fiscal year for projects that have been approved by leadership. Actual spend figures are converted into emissions using the commodity-based EEIO emission factors published by the EPA and the same CPI inflationary factors are applied.</p>	<p>EPA Supply Chain Greenhouse Gas Emission Factors v1.3 by NAICS-6</p>
Fuel- and energy-related activities	<p>Emissions from fuel- and energy- related activities were calculated by fuel and energy type, by country, following the guidance set forth by the Greenhouse Gas Protocol Technical Guidance for Calculating Scope 3 Emissions Chapter 3 utilizing the average-data method requiring the quantities and types of fuel consumed and estimating emissions by using secondary (e.g., industry average) emissions factors.</p>	<p>2023 IEA Life Cycle Upstream Emissions Factors (Pilot Edition)</p> <p>DEFRA UK Government GHG Conversion Factors for Company Reporting – WTT Fuels</p>
Upstream transportation & distribution	<p>Emissions are calculated using the spend-based method. One transportation supplier falls within the top 93% of spend, and all transportation spend is converted into emissions using the industry-based EEIO emission factors (with the same inflationary factor applied as Purchased Goods &amp; Services) published by the EPA then extrapolated to represent emissions generated from 100% of upstream purchasing activity.</p>	<p>EPA Supply Chain Greenhouse Gas Emission Factors v1.3 by NAICS-6</p>

**Greenhouse Gas (GHG) Emissions - Basis of Reporting** (continued)

Scope 3  
GHG emissions  
(continued)

Scope 3 Category	Methodology	Emissions Factors
Waste generated in operations	Emissions from waste generated in Cardinal Health's operations are calculated using weight of waste as entered by Environmental, Health, and Safety professionals into our environmental management system of record. Emissions factors used account for the end-of-life treatment of the waste, as well as the waste category.	2023 U.S. Environmental Protection Agency (EPA) Emission Factors for Greenhouse Gas Inventories
Business travel	Emissions from business travel include air, rail, and rental car usage by all Cardinal Health employees globally when traveling away from their home office as noted in Cardinal Health's HR system of record. Data for each mode of transportation comes from our travel booking partner's system of record and emissions are calculated based on passenger miles traveled. Cardinal Health's boundary for the calculation is inclusive of all business-related travel activity that is booked using our partners and reimbursement mileage, which aligns with the Cardinal Health Employee Travel Policy. Any business travel booked by employees individually is considered outside the reporting boundary and are considered de minimis.	DEFRA/DECC Conversion factors for Company Reporting (2023)
Employee commuting	Emissions from employee commuting are calculated for all Cardinal Health employees globally using data from our HR system of record that provides the zip code of each employee's home address, the zip code of each employee's work location, and the number of days the employee has agreed to commute to the work location. Using this information, Cardinal Health calculates the distance employees commute over the reporting period and conservatively assumes that every employee drives independently using a passenger vehicle. Internal controls are in place that ensure completeness and that leakage is de minimus (1.5% was excluded from population).  Emissions are also calculated for US employees who are identified as being full time remote workers, using a methodology published in a white paper by Anthesis in February 2021.	2021 U.S. Environmental Protection Agency (EPA) Emission Factors for Greenhouse Gas Inventories  <a href="#">Anthesis Group, Remote Worker Emissions Methodology, February 2021.</a>
Upstream leased assets	Emissions for upstream leased assets are determined by Cardinal Health's operational boundary definition for which stationary assets and activities fall within the boundary by leasing language. Leasing structures are assets that place Cardinal Health as the lessee that operates a leased asset but has little to no insight or control over utilities. Emissions from electricity and natural gas use associated with these assets are captured in this category. In FY23, only emissions from electricity were captured, and in FY24 emissions from natural gas were added, but fugitive emissions are excluded. Where necessary, Cardinal Health estimates gaps in data for electricity using CBECS energy use intensities based on region and building size.	See Appendix A Scope 2 GHG Emissions Factors
Use of sold product	Emissions are calculated for every Cardinal Health™ brand product that has a plug load and is sold during the reporting period. Using the country of sale, the estimated useful life of the product, and the rated plug load, emissions are calculated for the estimated electricity consumption useful life of the products sold during the fiscal year.	<ul style="list-style-type: none"> <li>• US EPA eGRID Year 2021 (released 01/30/2023)</li> <li>• 2023 IEA Life Cycle Upstream Emissions Factors (Pilot Edition)</li> </ul>
End of life treatment of sold product	Emissions are calculated using the weight of every Cardinal Health™ brand or manufactured product using items ordered by a customer and fulfilled by Cardinal Health as recorded in our sales system of record within the GMPD and Pharmaceutical and Specialty Solutions segments for the reporting period. Emissions factors used account for the end-of-life treatment of the waste.  The value reported excludes the following GMPD business units, which represent <b>less than 1% of our global business</b> : <ul style="list-style-type: none"> <li>• Medical Distribution – International</li> <li>• Cardinal Health Puerto Rico</li> <li>• Cardinal Health Canada</li> <li>• Cardinal Health at-Home Solutions</li> <li>• Cardinal Health Singapore</li> </ul>	2023 U.S. Environmental Protection Agency (EPA) Emission Factors for Greenhouse Gas Inventories
Downstream leased assets	Emissions for downstream leased assets are determined by Cardinal Health's operational boundary definition for which stationary assets and activities fall within the boundary by leasing language. Leasing structures are assets that place Cardinal Health as the lessor or acting lessor (in the event of a sublease) where the activities within the space are not controlled by Cardinal Health. Emissions from electricity and natural gas use associated with these assets are captured in this category. In FY23, only emissions from electricity were captured, and in FY24 emissions from natural gas were added, but fugitive emissions are excluded. Where necessary, Cardinal Health estimates gaps in data for electricity using CBECS energy use intensities based on region and building size.	See Appendix A Scope 2 GHG Emissions Factors
Investments	Emissions are calculated for all direct investments held by Cardinal Health as of the end of the reporting period utilizing a spend-based method.	EPA Supply Chain Greenhouse Gas Emission Factors v1.3 by NAICS-6



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