FISCAL 2019 MODERN SLAVERY STATEMENT

Introduction

This statement has been published in accordance with the U.K. Modern Slavery Act 2015 and sets out the steps that Cardinal Health, Inc. and its subsidiaries have taken to prevent modern slavery and human trafficking in their business and supply chains during the fiscal year ended June 30, 2019 (“fiscal 2019”). We have prepared this statement for Cardinal Health and all its subsidiaries because we have common policies and compliance procedures relating to modern slavery across our business. However, not all our subsidiaries are subject to the U.K. Modern Slavery Act 2015.

Our Business and Supply Chains

Cardinal Health, Inc. is a global, integrated healthcare services and products company headquartered in Dublin, Ohio providing customized solutions for hospitals, healthcare systems, pharmacies, ambulatory surgery centers, clinical laboratories and physician offices.

Through our Pharmaceutical segment, we distribute pharmaceutical, over-the-counter healthcare and consumer products in the United States. Through our Medical segment, we distribute medical and surgical products in the United States and Canada and manufacture and source Cardinal Health branded medical, surgical and laboratory products, which are sold in the United States, Canada, Europe, Asia and other markets. A description of all our businesses can be found in our fiscal 2019 Form 10-K filed with the U.S. Securities and Exchange Commission on August 20, 2019.

At June 30, 2019, we had approximately 31,000 employees in the United States and approximately 18,500 employees outside of the United States.

Our product supply chains are extensive and global, numbering thousands of suppliers. We purchase pharmaceuticals and medical products through our supply chains as well as various components, compounds and raw materials, including oil-based resins, pulp, cotton, latex and other commodities, for our manufacturing businesses.

Policies and Contractual Controls

Global Human Rights and Labor Standards. Our Global Human Rights and Labor Standards policy establishes requirements for global conduct related to human rights and labor standards. This policy is informed by internationally recognized instruments setting forth human rights and labor standards. In developing this policy, we have, among other
things, considered the United Nations Guiding Principles on Business and Human Rights, the Ten Principles of the United Nations Global Compact and the International Labour Organization Declaration on Fundamental Principles and Rights at Work. The policy complements our Standards of Business Conduct, Vendor Code of Conduct and contractual controls discussed below, which contain additional requirements addressing modern slavery and human trafficking.

This policy states that Cardinal Health strives to conduct its business in a manner that demonstrates respect for internationally recognized human rights and the dignity of all people. Among other things, the policy indicates the following expectations for Cardinal Health personnel:

- a workplace that is free from harassment and discrimination;
- no coerced, bonded, indentured or prison labor; all work will be voluntary without fear of abuse and employees will not be required to lodge deposits of their identity papers;
- no child labor;
- compliance with local and national minimum wage, overtime and benefits laws and regulations;
- working hours consistent with local and national laws and regulations and not otherwise excessive;
- a healthy, clean and safe work environment;
- compliance with applicable immigration laws and regulations;
- freedom of association; and
- compliance with applicable laws and regulations, including those related to employee records and employee privacy.

This policy is available externally on our corporate website at:


*Standards of Business Conduct.* We have adopted Standards of Business Conduct that apply to our employees globally. The Standards of Business Conduct describe our values and standards and are the basic reference tools available to every employee around the world. Among other things, our Standards of Business Conduct indicate that employees are expected to act with integrity and in compliance with law, which would include laws relating to modern slavery and human trafficking. The Standards of Business Conduct also indicate that employees are expected to treat one another with dignity and respect
and are accountable to one another to maintain a safe, productive, diverse and environmentally responsible workplace free of harassment, intimidation or bullying.

The Standards of Business Conduct encourage employees to raise ethical questions and concerns, and they have multiple channels to do so, including by phone, Internet and mail, as indicated therein. Others working in our supply chains also may raise ethical concerns through these same channels. The Standards of Business Conduct are available on our website in multiple languages at:


As indicated in the Standards of Business Conduct, we also expect consultants, contractors and other third-party partners who conduct business with us or on our behalf to follow our standards and values.

Vendor Code of Conduct. For our suppliers, we have adopted a Vendor Code of Conduct which sets forth the basic requirements that all vendors, distributors, agents, suppliers, representatives and other business partners and their employees, directors, officers, agents, representatives and subcontractors must comply with to do business with us. The Vendor Code of Conduct sets forth clear expectations in the areas of modern slavery and human trafficking. Our Vendor Code of Conduct requires our suppliers to:

- not use child labor;
- fairly compensate employees;
- provide workers with rest days and leave privileges and otherwise not require excessive working hours;
- not use forced labor, whether in the form of indentured, bonded or prison labor;
- not support any form of human trafficking or involuntary labor through threat, force, fraudulent claims or other coercion;
- not engage in acts of verbal or physical harassment and not discriminate;
- only employ workers with a legal right to work; suppliers are required to adopt compliance procedures and regularly audit employment agencies from whom they obtain workers to monitor compliance with this policy;
- not require employees to lodge “deposits” or identity papers; and
- permit employees to freely resign their employment.

Under the Vendor Code of Conduct, suppliers must educate their subcontractors on these principles and require their subcontractors to agree to the Vendor Code of Conduct. The Vendor Code of Conduct also requires suppliers to establish processes to enable their
employees to report concerns or illegal activities, which suppliers must investigate and then take appropriate corrective action.

The Vendor Code of Conduct encourages suppliers and their employees to contact us with questions or concerns, through the contact information indicated therein, and indicates that we will not tolerate any retribution or retaliation against any individual who has, in good faith, sought out advice or has reported questionable behavior or a possible violation.

The Vendor Code of Conduct is available on our website at:


**Contractual Controls.** We include provisions in our applicable supplier contracts requiring compliance with Federal Acquisition Regulation (“FAR”) and Defense FAR Supplement human trafficking prohibitions and requirements for U.S. federal government contracts. In addition, our standard sourcing contracts for medical products require suppliers to not use child labor or forced or prison labor. Compliance with our Vendor Code of Conduct also is a standard term in our supplier contracts and purchase orders.

**Due Diligence and Supplier and Supply Chain Audits**

Applicable businesses within our Medical segment have reviewed their supply chains’ labor compliance for conformity with the Labour Standards Assurance System (“LSAS”) implemented by the U.K. National Health Service. These businesses successfully completed a Level 1 LSAS audit in fiscal 2018 and a Level 3 LSAS audit in fiscal 2019.

We also are enhancing our Medical segment’s modern slavery compliance procedures with respect to suppliers for its self-manufactured and sourced medical products. To inform these enhancements, we began in fiscal 2019 and recently completed:

- a gap analysis and industry benchmarking;
- a priority assessment based on our categories of spend, raw materials, manufacturing locations and stakeholder interviews; and
- an initial review of our relevant existing policies.

In fiscal 2020, we intend to continue enhancing our modern slavery policies and procedures where appropriate.

**Employee Training**

Employees who are directly involved in sourcing and supply chain contract management receive training on our Vendor Code of Conduct. More broadly, employees certify compliance with the Standards of Business Conduct when they join the company and annually thereafter.
This statement was approved by the Nominating and Governance Committee of the Board of Directors of Cardinal Health, Inc. and by the Board of Directors of Cardinal Health, Inc.'s subsidiary, Cardinal Health UK 432 Limited on November 5, 2019 and October 10, 2019, respectively.

Signed,

Cardinal Health, Inc.                                      Cardinal Health UK 432 Limited

Michael C. Kaufmann
Chief Executive Officer and Director
November 2019                                               Kevin Harry
Director
November 2019