



FISCAL 2016 MODERN SLAVERY STATEMENT

Introduction

This statement has been published in accordance with the Modern Slavery Act 2015 and sets out the steps that Cardinal Health, Inc. and other relevant group companies have taken to prevent modern slavery and human trafficking in their business and supply chains during the fiscal year ended June 30, 2016.

Our Business and Supply Chains

Cardinal Health, Inc. is a global integrated healthcare services and products company providing customized solutions for hospital systems, pharmacies, ambulatory surgery centers, clinical laboratories and physician offices. We provide clinically proven medical products and pharmaceuticals and cost-effective solutions that enhance supply chain efficiency. We connect patients, providers, payers, pharmacists and manufacturers for integrated care coordination and better patient management.

Our company distributes pharmaceutical, over-the-counter healthcare and consumer products in the United States and China and medical and surgical products in the United States, Canada and China. We also manufacture, source and develop our own brand of medical and surgical products. 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 resin, cotton, latex and other commodities, for our manufacturing businesses.

Policies and Contractual Controls

Cardinal Health internal policies include a Human Trafficking and Slavery Policy where we confirm that we are firmly opposed to these practices, including the use of force, fraud or coercion to obtain some type of labor, and we will not tolerate them. This policy requires employees to report to us any incident of modern slavery or human trafficking.

We expect our employees to act with integrity and trust them to do the right thing. This includes an expectation that they will comply with our Standards of Business Conduct and any applicable laws and regulations as well as company policies and procedures. Employees are encouraged to raise ethical questions and concerns, and have multiple channels to do so. Others working in our supply chains also may raise ethical concerns through these same channels.

For our suppliers, we have adopted a Vendor Code of Conduct that sets clear expectations in the area of modern slavery and human trafficking. Our Vendor Code of Conduct requires our suppliers to:

- not use child labor;
- 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;
- only employ workers with a legal right to work;
- 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. The Vendor Code of Conduct also provides that we or a third party designated by us may audit a supplier’s facilities or its business partner’s or subcontractor’s facilities.

The Vendor Code of Conduct encourages suppliers and their employees to contact us with questions or concerns, and makes clear 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.

We include provisions in our supplier contracts requiring compliance with Federal Acquisition Regulation (“FAR”) and Defense FAR Supplement human trafficking prohibitions and requirements for U.S. federal government contracts. Our standard sourcing contracts for medical products require suppliers to not use child labor or forced or prison labor. We plan to incorporate compliance with our new Vendor Code of Conduct as a standard term in new supplier contracts and purchase orders.

Employee Training

Employees who are directly involved in sourcing and supply chain contract management receive training on our Vendor Code of Conduct. In addition, we annually remind employees who work on U.S. government contracts about the government’s human trafficking prohibitions and requirements. More broadly, employees certify compliance with the Standards of Business Conduct when they join the company and annually thereafter.

Further Steps to Prevent Modern Slavery in our Supply Chains

Going forward, we expect to consider further improvements to our systems and processes to prevent modern slavery and human trafficking from taking place in our supply chains or other parts of our business.

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.

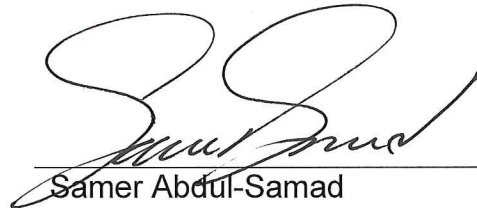
Signed

Cardinal Health, Inc.



George S. Barrett
Chairman and Chief Executive Officer
December 2016

Cardinal Health UK 432 Limited



Samer Abdul-Samad
Director
December 2016