

IOA INVESTORS FOR OPIOID
ACCOUNTABILITY

Two-Year Progress Report

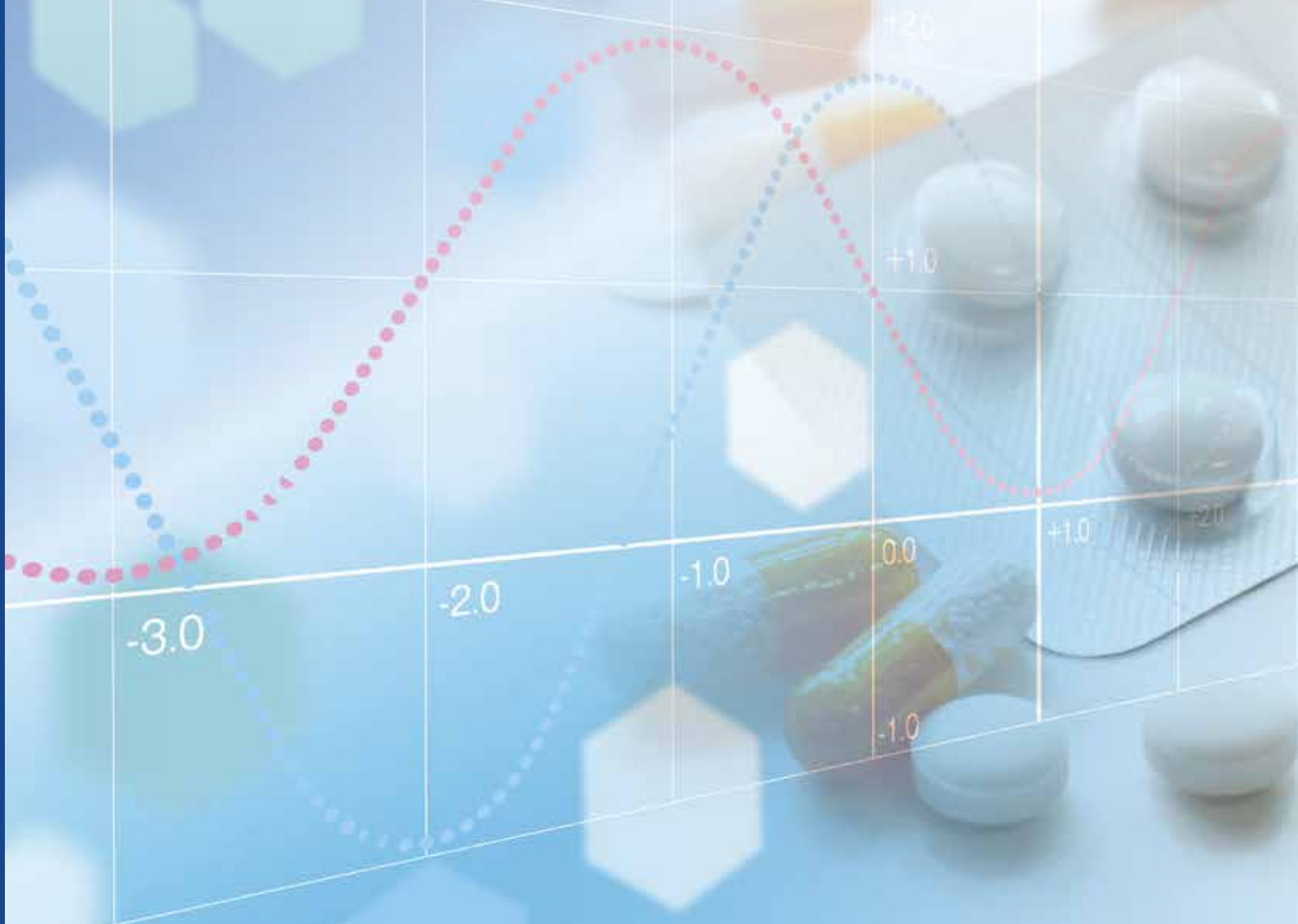


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INTRODUCTION

This report summarizes the work of the Investors for Opioid Accountability (IOA) from July 1, 2017 to July 31, 2019. The IOA is a diverse global coalition of 57 members representing public, faith-based, labor, and sustainability funds, as well as investment managers, with \$4 trillion in collective assets under management and advisement. The report covers the following topics:

- The Business Case for the IOA;
- IOA Engagement Strategy & Companies;
- Key Governance Proposals for Opioid Companies;
- Global Opioid Business Risks beyond the United States; and
- IOA Results by Company.

Coalition Highlights by the Numbers

- 57 members joined in fewer than two years.
- 52 shareholder resolutions on corporate governance filed at companies in the opioid supply chain.
- 22 resolutions voted at annual shareholder meetings.
- 7 resolutions approved by a majority of independent shareholder votes.¹

- 26 negotiated settlements on governance issues reached by companies and IOA members prior to a vote of shareholders.
- 4 negotiated settlements on governance issues reached by companies and IOA members following a vote of shareholders.
- 2 companies created a board level committee dedicated to oversight of opioids.
- 12 companies issued or committed to issue board risk reports.
- 10 companies adopted a misconduct clawback policy.
- 3 companies agreed to separate the Chairman from CEO position.
- 3 companies addressed executive compensation incentives by factoring in calculations of legal costs.
- 80 percent vote received for lobbying resolution filed by IOA member United Church Funds at Mallinckrodt, the highest lobbying proposal vote percentage to date, and the first time a company has come out in support of a lobbying shareholder resolution.



\$4 trillion

Amount of assets under management and advisement held by IOA members

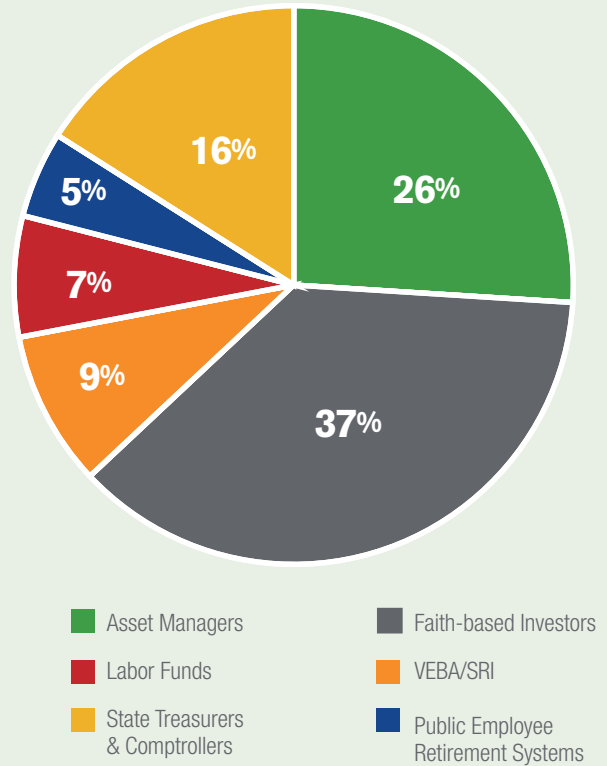


HISTORY OF THE IOA

Investors established the IOA in July 2017 out of heightened concern that the opioid crisis impacts the economy at a systemic level and poses risks to companies in the supply chain that impact long-term shareholder value. The IOA focused on three key parts of the opioid supply chain: manufacturers, distributors, and retail pharmacies. The catalyst for the IOA came from the successes of the Teamsters and state treasurers in consultation with Segal Marco Advisors with opioid distributors in early 2017 and a call to action from members of the Interfaith Center for Corporate Responsibility (ICCR), which has its own long-standing history of successful shareholder engagement at pharmaceutical companies.

The IOA is co-led by Mercy Investment Services (MIS) and the UAW Retiree Medical Benefits Trust (UAW Trust). When the IOA launched in 2017 its membership marked 30 members and \$1.3 trillion in assets under management. By July 2019, the coalition grew to 57 members, with \$4 trillion in assets under management and advisement. IOA members developed and informed strategy, lead and participated in dialogues with companies, and sponsored shareholder resolutions. Several international IOA members formed a subcommittee to address market specific concerns to opioid supply chain companies and spoke at numerous conferences on the subject.

FIGURE 1: Sector Composition of IOA Members
Members Represent A Diverse Cross Section Of Institutional Investors



The Philadelphia Inquirer

Nuns, Teamsters, city government and Vanguard all pressure AmerisourceBergen on opioids

By Catherine Dunn, Updated: February 28, 2019

Link: <https://www.philly.com/business/opioids-nuns-teamsters-amerisourcebergen-annual-meeting-philadelphia-20190228.html>



While members of the IOA brought different experiences and perspectives on opioids, the scope of the coalition's work derived from a collective investor view that opioid supply chain companies showed gaps in governance and oversight that left them vulnerable as the opioid crisis grew. This "lens" focused on the corporate governance, compliance and compensation incentive practices. The collective goal of the IOA's work is to utilize governance tools to create sustainable business models equipped to navigate the firms through the opioid crisis, as well as hold boards accountable.

At the onset of our work, mounting legal and reputational risks were present. During the two years of the IOA's work, over 2,000 counties, cities, and health plans filed lawsuits against opioid companies, the bulk of which have been consolidated in federal district court in Ohio. Thirty-six (36) state attorneys general offices filed their own complaints against opioid companies. Research firms MSCI and HSBC estimated significant legal liability exposure for these companies.²

Litigation briefs and company engagements have helped shape the IOA's views on improving corporate governance practices to strengthen corporate culture, board accountability, compensation incentives, and risk mitigation. The IOA assessed each company and identified practices to strengthen governance through board oversight.

IOA shareholder resolutions requested that opioid supply chain companies:

1. Appoint an independent director to chair the board in lieu of the CEO;
2. Publicly report the board's assessment of business risks stemming from the opioid business, and efforts undertaken to mitigate those risks;
3. Adopt clawback policies on executive pay in cases of misconduct;
4. Create appropriate incentives for executives to police compensation by revisiting the exclusion of legal costs from profit metrics used in incentive plans; and
5. Disclose corporate political spending and lobbying in a report on the firm's website.

FIGURE 2: IOA Members

Aberdeen Standard	Connecticut State Treasurer's Office	Pennsylvania State Treasurer's Office
Adrian Dominican Sisters	Daughters of Charity, Province of St. Louise	Region VI Coalition for Responsible Investment
Aegon Asset Management	Dignity Health	Rhode Island State Treasurer's Office
Æquo Shareholder Engagement Services	Diocese of Springfield, IL	School Employees Retirement System of Ohio
American Federation of Teachers Pension Plan	Domini Impact Investments	Segal Marco Advisors
Aquinas Association	Dominican Sisters of Springfield, IL	Seventh Generation Interfaith Coalition for Responsible Investment
Bailard, Inc.	Guidestone Financial Resources of the Southern Baptist Convention	SHARE
Benedictine Coalition for Responsible Investment	Hermes Equity Ownership Services	Sisters of St. Francis of Philadelphia
BNP Paribas Asset Management	Hexavest	The Socially Responsive Investing Group of 1919 Investment Counsel
Bon Secours Mercy Health	Illinois State Treasurer's Office	Socially Responsible Investment Coalition
Boston Common Asset Management	Interfaith Center on Corporate Responsibility	Trinity Health
Bricklayers & Trowel Trades International Pension Funds	International Brotherhood of Teamsters	UAW Retiree Medical Benefits Trust
California State Teachers' Retirement System	JLens Investor Network	United Church Funds
California State Treasurer's Office	Mercy Investment Services	Vermont State Treasurer's Office
Calvert Research and Management	NEI Investments	Walden Asset Management
Catholic Health Initiatives	Neuberger Berman	Wespath Benefits and Investments
CTW Investment Group	New York State Common Retirement Fund	West Virginia State Treasurer's Office
City of Philadelphia Public Employees' Retirement System	Northwest Coalition for Responsible Investment	Zevin Asset Management, LLC
Congregation of St. Joseph	OIP Trust / Missionary Oblates	
	Office of the New York City Comptroller	



OPIOID BUSINESS RISKS: THE BUSINESS CASE FOR THE IOA

The Opioid Epidemic in the United States

The opioid epidemic is a public health crisis in North America and spreading globally. The U.S. Centers for Disease Control and Prevention (CDC) reported that in 2017 alone, opioid overdoses caused 47,600 deaths or 130 deaths per day in the United States.³ In Canada, 2017 saw approximately 4,000 opioid-related deaths, a 34 percent increase from the prior year.⁴ In England and Wales, opioids related deaths reached a record high of 4,359 in 2018.⁵

In the United States, the economic and social effects of the opioid crisis have been profound. The late economist Alan Krueger estimated that nearly 50 percent of prime-age non-labor force men take pain medication on a daily basis, and nearly two-thirds of the 50 percent take prescription pain medication.⁶ A look at opioid prescriptions by county found a correlation between men's labor force participation and total amounts of opioids prescribed during a 15-year period. The more opioids prescribed, the larger the drop in men's participation in the workforce.⁷ Goldman Sachs attributed opioids as a driver of why many men of prime working age in the United States are unable or unwilling to find work.⁸

Furthermore, the U.S. Council of Economic Advisers, in a November 2017 report, put the economic cost of the opioid crisis in a single year at \$504 billion or 2.8 percent of GDP.⁹ The opioid crisis is also straining the foster care systems of nearly every U.S. state,¹⁰ and opioid-related costs consume an increasing share of public resources.¹¹

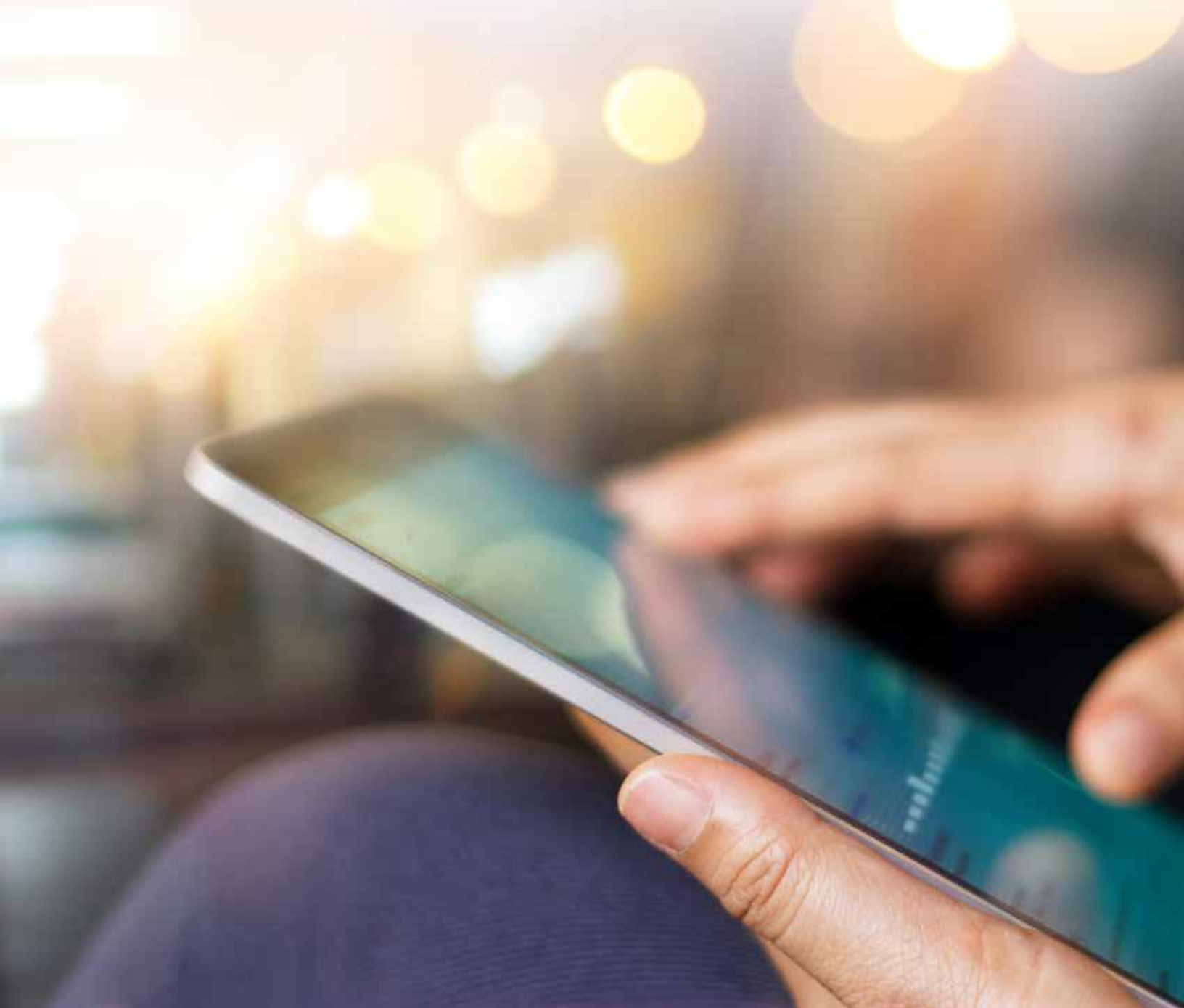
Business Risks of Companies in the Opioid Supply Chain: The Manufacturers, Distributors and Retail Pharmacies

Opioid manufacturers have come under scrutiny for their role in the crisis. Criticism has focused on promotional practices that downplayed the highly addictive nature of opioids and overstated opioids' efficacy in treating chronic pain. In some cases, manufacturers reportedly encouraged off-label use by prescribers in an effort to raise sales,¹² using lucrative "kick back" schemes for doctors.¹³ Manufacturers have faced investigation by federal regulatory agencies for failing to report to the Drug Enforcement Administration (DEA) suspicious spikes in sales to distributors.

“The opioid epidemic is intertwined with the story of declining prime-age participation, especially for men, and this reinforces our doubts about a rebound in the participation rate.”

—Said David Mericle, senior U.S. economist at Goldman Sachs according to CNBC.





Opioid distributors face allegations of failure to report suspicious orders to the DEA – a key compliance obligation. Three major distributors, AmerisourceBergen, Cardinal Health and McKesson, control over 85 percent of the market.¹⁴ Retail pharmacies face similar accusations arising from their role as both a distributor and dispenser of opioids.

Manufacturers, distributors, and retail pharmacies have come under legislative and regulatory scrutiny. A U.S. Senate committee report found five opioid manufacturers gave \$9 million to 14 policy groups working to increase opioid usage.¹⁵

Legal Risks

Manufacturers, distributors, and retail pharmacies are now defendants in numerous, legal actions. As noted above, 36 state attorneys general offices are investigating opioid companies.¹⁶ These same companies are defendants in lawsuits from counties, cities and employee benefit plans totaling more than 2,000 cases consolidated in a federal district court of Ohio.¹⁷ The recent wave of legal actions is not the first time some companies have dealt with such accusations. The DEA fined companies including Cardinal Health,¹⁸ McKesson¹⁹ and Walgreens Boots Alliance (Walgreens)²⁰ for failing to report suspicious spikes in controlled substance sales or distribution.

Market Risks

The opioid litigation draws parallels to the tobacco master settlement, which cost tobacco firms in excess of two hundred billion dollars. Investors are already feeling the costs. Insys Therapeutics, accused of running a kickback scheme for doctors that prescribed their opioid products, filed for bankruptcy after the company struck a \$225 million settlement with the Justice Department.²¹ In April 2019, Indivior PLC's stock dropped 72 percent on the London Stock Exchange in reaction to an indictment by a federal grand jury in Virginia for fraud related to the marketing of its opioid addiction treatments.²² Endo International shares fell 8 percent after a *60 Minutes* segment detailed data collected by opioid distributors on amounts and destinations of painkillers.²³

The opioid issue continues to be a key legislative focus, and a rare issue that garners bipartisan support. In the 115th Congress (2017-2018), there were 362 bills, resolutions, and amendments introduced for opioid legislation. Additionally, federal agencies increased activities related to opioids, updating their opioid enforcement, treatment and outreach activities. Congress continues to call for executives of companies involved in the opioid supply chain to testify, and the scrutiny will continue.²⁴

Claims Related to Marketing and Sales Practices

The sheer number of opioid drugs sold is alarming. The amount of opioids prescribed per person tripled between 1999 and 2015.²⁵ In 2015, enough opioid pills were sold to medicate every American "around the clock for 3 weeks."²⁶ Just in West Virginia, manufacturers and drug distributors reportedly sold over 780 million pills over the course of six years, which translates into over 400 pills per person.²⁷ Prescription opioids accounted for \$10 billion per year in sales in 2016.²⁸ DEA data reveal that 76 billion oxycodone and hydrocodone pills were manufactured and distributed across the United States from 2006 to 2012.²⁹

In light of the significant impact of the opioid epidemic, physicians and other prescribers are facing pressures to cut back on opioid prescriptions. In 2016, the Center for Disease Control (CDC) issued new guidelines for primary care physicians on the topic of using opioids to treat chronic pain. These new guidelines encourage the use of non-opioid pharmacologic therapies and disclosure to patients of the limitations and risks of opioids.³⁰ Further, states have begun to adopt measures designed to reduce inappropriate opioid prescriptions,³¹ and prescription drug monitoring program (PDMP) databases are now authorized in 49 states, with 29 states requiring prescribers to check PDMP databases before prescribing certain controlled substances.³²



IOA ENGAGEMENT STRATEGY AND COMPANIES

Focus Companies

The IOA's initial list of companies in July 2017 included opioid distributors and manufacturers. The coalition also engaged with companies that manufactured overdose recovery and treatment drugs in the 2018 proxy season on drug pricing until research showed prices for the drugs stabilized. At the time of the engagement, only Mylan manufactured both opioids and overdose recovery and addiction treatment medicines. Additionally, in the second year the coalition expanded the focus list to include retail pharmacies.

FIGURE 3: IOA Focus Companies

MANUFACTURERS	DISTRIBUTORS	RETAIL PHARMACIES	MANUFACTURERS OF DRUG TREATMENTS
<ul style="list-style-type: none"> • Abbott Labs • AbbVie • Allergan • Assertio Therapeutics • Endo International • Insys Therapeutics • Johnson & Johnson • Mallinckrodt • Mylan • Teva 	<ul style="list-style-type: none"> • AmerisourceBergen • Cardinal Health • McKesson 	<ul style="list-style-type: none"> • CVS Health • Rite Aid • Walgreens 	<ul style="list-style-type: none"> • Alkermes • Amphastar • Indivior • Mylan • Pfizer

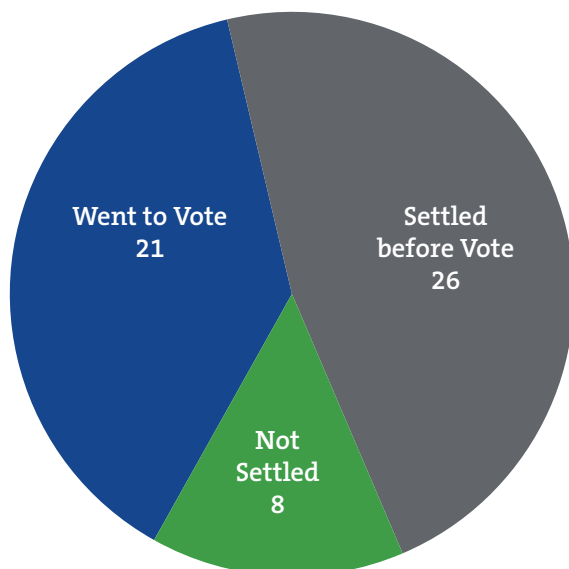




IOA Corporate Engagement Strategies

The IOA engaged with each company by writing a letter to the board of directors requesting a meeting to discuss opioid business risks. Investor signatories to the letter as listed in Appendix 2 proposed a series of governance changes to each company based on the firm's existing corporate governance and the IOA's assessment of gaps in oversight. The CtW Investment Group was instrumental in compiling research on the companies' particular corporate governance and drafting letters.

FIGURE 4: IOA Engagement Summary
Outcome of shareholder proposals submitted to opioid supply chain companies



In addition to letters, the IOA utilized shareholder proposals to advance dialogue. Some were relatively new proposals within the governance community such as asking independent directors to investigate the compliance functions, compensation program and governance risks dating back to the height of the opioid crisis in 2012 and report findings to shareholders, or focusing on the incentives created by the executive compensation plan methodology.

In the two years of activity, the IOA:

- Engaged with 20 companies;
- Filed 52 shareholder resolutions and proposed four through dialogue;
- Settled 26 of the 52 resolutions before going to vote and three after the vote; and
- Achieved 52 percent settlement rate.

Allergan and Endo International adopted the IOA proposals without requiring the IOA to file proposals while other companies required two years of engagement. Additionally, many of these engagements will continue in the coming year. A list of the 22 shareholder resolutions that went to a vote is available in Appendix 3.

KEY GOVERNANCE PROPOSALS FOR OPIOID SUPPLY CHAIN COMPANIES

The IOA focused on the following five corporate governance reforms through dialogue and shareholder resolutions:

- Independent Chair of the Board of Directors;
- Board Level Responsibility for Opioid Business Risk Oversight;
- Misconduct Clawback Policies including Disclosure of the Use of the Clawback;
- Avoid Excluding Legal Costs Related to Opioids from Incentive Pay; and
- Expanded Reporting on Corporate Political and Lobbying Expenditures.

Independent Chair

Investors rely on the Board to represent their interests. An independent chair, who has not previously served in management and who has no business or employment ties to the company, is critical. This ensures that difficult questions are asked of management, as necessary, and decisions are made in the long-term interests of the company and shareholders. When Chair and CEO roles are separate, Chairs retain the

ability to set the agenda for board director meetings. In our view, this is one of the most important duties an Independent Chair assumes and not a duty a Lead Independent Director can deliver on when the roles are combined. The number of S&P 500 companies with combined Chair and CEO roles is now at an all-time low of 46 percent.³³

This board practice is of particular importance when a company is facing controversies that question management's ability to navigate the company through the crisis. An independent chair can assist board members in obtaining independent sources of information and evaluations of the business strategy they might not have if the Chair is also the CEO. IOA members have made significant strides with opioid supply chain companies as shown in Figure 4. The Teamsters secured independent chair appointments at Cardinal Health and McKesson. AmerisourceBergen also committed to separate the roles in the future following the Teamster's proposal.

FIGURE 5: Companies Advancing Independence in the Role of Board Chair





Board Level Responsibility for Opioid Business Risk Oversight

Central to the IOA's strategy to involve the board in opioid risk oversight is a shareholder resolution that asks independent directors to investigate and report to investors on how the board is assessing and managing legal, financial, and reputational risks related to its opioid business. The board or board committee charged with oversight responsibility should have access to independent legal and financial advisors, if needed. This report should:

- Analyze the company's risk including current and future projections of opioid business volume, and how the company is involved in the marketing, distribution, or dispensing of these drugs;
- Clearly specify which independent board members or board committees are responsible for oversight;
- Articulate those public policies and/or guidelines guide the company's opioid business and link these to the company's policies and procedures;
- Discuss how the board receives and monitors information on opioid-related compliance procedures and company investments in anti-diversion measures;
- Review compensation arrangements for executives, as well as for distribution, sales and marketing (if applicable), and managerial workforce, including the presence or absence of negative discretion policies, clawbacks, and incentive metrics tied to promotion, sales, and compliance;

- Explain how the board monitors corporate political and lobbying expenditures including contributions and trade association activities related to opioid legislation or regulatory matters; and
- Describe how compliance is organized across the business enterprise.

The SEC ruled in favor of IOA investors when AmerisourceBergen sought to exclude this proposal from the 2018 proxy ballot and again with Walgreens for the 2019 proxy season.

The Illinois Treasury developed an extensive matrix to analyze each company's oversight report; they also lend their assistance with the evaluating the oversight reports.

Some companies, including Cardinal Health and Assertio Therapeutics (Depomed) have established new board level committees with responsibility for overseeing opioid business risks. Cardinal's charter for this new committee is detailed and prominently displayed on the company's website.³⁴ Others, such as McKesson have established stand-alone compliance committees to provide better oversight.³⁵ In 2019, both CVS and Walgreens Boots Alliance published reports in which the companies noted that opioid risk oversight falls within the responsibility of several board committees as well as the full board.

Below is a chart that indicates the status of board risk reports.

FIGURE 6: Board Risk Report Results

Board Report Results							
Company	Lead Filer	Filing	Report	Board Report Contents			
				1	2	3	4
Allergan	Mercy Investment Services	No	Link here				NA
AmerisourceBergen	Sisters of St. Francis of Philadelphia	Shareholder vote of 41%	Due Sept 2019				
Assertio Therapeutics (Depomed)	Calvert Research and Management	Shareholder vote of 62%	Link here				NA
Cardinal Health	Mercy Investment Services	Settled	Link here			NA	
CVS Health	Illinois State Treasurer's Office	Settled	Link here			NA	
Endo International	Mercy Investment Services	No	Link here				NA
Insys Therapeutics	New York State Common Retirement Fund	Settled	Due Dec 2019				
Mallinckrodt	Mercy Investment Services	Settled in '18 Shareholder vote of 79% in '19	No				
McKesson	Teamsters	Settled	Link here			NA	
Mylan	Mercy Investment Services	Settled	Due Sept 2019				
Rite Aid	UAW Trust	Shareholder vote of 61%	Due Oct 2019				
Teva Pharmaceutical	Mercy Investment Services	Settled	Due Fall 2019				
Walgreens	Mercy Investment Services	Shareholder vote of 61%	Link here			NA	

Columns Legend—Description of Board Report Content based on Asks in Resolution

Gray box indicates "yes;" white box indicates "no."

1. The board committee with responsibility for oversight of opioid sales and/or distribution is identified.
2. Oversight efforts taken since 2012 to decrease risk exposure for the Company are described.
3. Oversight of sales and marketing activities for manufacturers is disclosed.
4. Anti-diversion for retailers or others is disclosed.



Misconduct Clawback

Clawback provisions can help set a “tone at the top” that emphasizes compliance and ensures that executives do not benefit financially from conduct that is harmful to the company and to shareholders. The company should adopt a clawback policy to (a) recover incentive compensation in the event of a violation of a company policy relating to noncompliance with a law or regulation that causes significant financial or reputational harm to a company, including supervisory failures, and (b) require disclosure to shareholders in the proxy statement about such recoveries.

The boards of Cardinal Health and McKesson are among those firms that adopted a robust clawback provision that includes disclosure of the use of a clawback. The SEC decided in favor of IOA investors and against AmerisourceBergen’s request to exclude this proposal from its 2018 proxy ballot. Additionally, the SEC decided in favor of IOA investors and against Johnson & Johnson’s request to exclude a 2019 resolution calling for clawback disclosure. IOA investors defeated a SEC “no-action” requested by Mylan, a company domiciled in the Netherlands and listed on the U.S. stock exchange. Mylan claimed the submitting shareholder did not meet Dutch law’s eligibility standards of three percent (3%) of outstanding shares, which it argued superseded US eligibility requirements of \$2,000 of stock for at least one year. With the help of CalSTRS’ legal research,

the UAW Trust argued that Dutch law could not supersede the SEC rules on eligibility. The SEC staff affirmed that the subject of the resolution should be voted on by investors that Mylan could not exclude the proposal from the ballot. In the proxy statement, Mylan included the proposal only as a discussion item. Investors could check a “Yes/No” box to inform the discussion. CtW Investment Group ran a “Vote No” campaign against members of Mylan’s Nominating and Governance Committee in response to the company’s treatment of the resolution as a discussion item; thereby disenfranchising investors of their section 14(a) (8) rights. Investors rallied and a majority indicated support for the clawback policy. The proposal was presented on the floor of the annual meeting by the UAW Trust, Aegon Asset Management and Hermes Equity Ownership Services. Additionally, APG Funds, a Dutch pension fund, attended the meeting in support of the IOA proposal.

BlackRock recently announced its support of shareholder resolutions calling for the clawback of senior executive pay where “behavior caused direct financial harm to shareholders, reputational risk to the company, or resulted in a criminal investigation, even if such actions did not ultimately result in a material restatement of past results. This includes, but is not limited to, settlement agreements arising from such behavior and paid for directly by the company.”³⁶

Below is a chart with a status update on the clawback shareholder resolutions (Live links imbedded where policies are included in recent proxy statements).

FIGURE 7: Clawback Results

Clawback Results			
Company	Lead Filer	Filing	Status
AbbVie	Office of the New York City Comptroller	Settled	IOA settled with company on enhanced clawback policy
AmerisourceBergen	CalSTRS	Settled	IOA settled with company on enhanced clawback policy
Assertio Therapeutics (Depomed)	Office of the New York City Comptroller	Settled	IOA settled with company on enhanced clawback policy
Cardinal Health*	UAW Trust	Settled	IOA settled with company on enhanced clawback policy
CVS Health	Office of the New York City Comptroller	Settled	IOA settled with company on enhanced clawback policy
Endo International	UAW Trust	No	IOA settled with company on enhanced clawback policy
Insys Therapeutics	Office of the New York City Comptroller	Settled	IOA settled with company on enhanced clawback policy
Johnson & Johnson	Office of the New York City Comptroller	Voted	Received 46% votes "FOR" at 2019 Annual Meeting
Mallinckrodt	UAW Trust (2 filings) 1st on policy 2nd on disclosure	Settled in '18 Voted in '19	IOA settled with company on enhanced clawback policy
McKesson*	UAW Trust	Settled	Company enhanced clawback policy
Mylan	UAW Trust	Voted	Resolution received majority vote
Pfizer	Office of the New York City Comptroller	Settled	IOA settled with company on enhanced clawback policy
Teva	UAW Trust	Settled	IOA settled with company on enhanced clawback policy
Walgreens	Teamster/Hermes	Settled	IOA settled with company on enhanced clawback policy

*UAW Trust negotiated settlement pre-IOA



Executive Compensation Incentives: Avoid Excluding Legal Costs Related to Opioids from Incentive Pay

Executives typically receive the smallest portion of their annual compensation in the form of a base salary. Incentive pay accounts for the bulk of executive pay and companies provide it through annual cash bonus plans and longer-term equity awards. Boards structure incentive pay to focus executives on particular goals, such as growing earnings per share (EPS). However, boards often calculate a goal such as EPS using a custom formula that bears little resemblance to the calculation under Generally Accepted Accounting Principles (GAAP). Companies refer to the custom formula in corporate filings as an adjusted GAAP metric. The IOA included this topic as part of the opioid effort because many opioid supply chain companies excluded legal and compliance costs in their adjusted GAAP metrics for executive incentive pay. Boards were therefore insulating executives from the financial penalty of opioid litigation at a time when investors felt the impact in their earnings, which have no such luxury of being adjusted.

The City of Philadelphia Public Employees Retirement System in consultation with Segal Marco Advisors submitted a proposal to seven opioid supply chain companies asking that they avoid excluding legal costs when determining executive incentive pay. Johnson & Johnson lost an effort with the SEC to keep the proposal off of its proxy ballot in 2018, but succeeded in 2019 as did AbbVie. Teva Pharmaceuticals was

the first company to implement the proposal following an IOA engagement. The Company decided not to exclude any legal settlements in calculating its free cash flow for fiscal 2018 when determining executive incentive compensation. Teva committed to describe the factors and principles considered by the board in deciding whether to include or exclude litigation costs. The Company also committed to an explanation in the proxy statement should it choose to exclude those costs in future years.

CVS Health and Cardinal Health implemented a varied form of the proposal that sought disclosure on the breakdown of exclusions to determine if opioid litigation was a factor and to provide investors with an explanation when the board felt such an adjustment necessary.

The Council of Institutional Investors (CII) recently filed a petition for rulemaking on companies using non-GAAP metrics when calculating executive pay.³⁷ CII points to research by Robert Pozen at MIT that showed, “in 2016, adjusted earnings of 28 companies in the S&P 500 showed substantial profits, even though their GAAP earnings were actually losses. Another 37 companies reported adjusted earnings that were more than 100% higher than their GAAP earnings. Of these 65 companies, 62 used adjusted earnings as compensation criteria in their CD&As.” CII’s petition asks the SEC to require companies clearly explain their use of non-GAAP metrics and show how to reconcile these with the appropriate GAAP metrics.

FIGURE 8: Executive Compensation Incentives – Opioid Litigation Costs

Company	Lead Filer	Filing Status	Result
AmerisourceBergen	City of Philadelphia Public Employees Retirement System	Voted	Shareholder vote of 11.6%
CVS Health Corporation	City of Philadelphia Public Employees Retirement System	Settled	Settlement with CVS that reconciliation will identify amounts related to opioid litigation.
Cardinal Health	International Brotherhood of Teamsters General Fund	Settled	Settlement with Cardinal Health that reconciliation will identify amounts related to opioid litigation.
Pfizer Inc.	City of Philadelphia Public Employees Retirement System	Settled	Settlement that Pfizer would provide increased disclosure on adjustments.
Teva Pharmaceutical	City of Philadelphia Public Employees Retirement System	Settled	Settlement with Teva that it will not adjust out legal costs for a free cash flow incentive metric and will provide disclosure if it chooses to do so in the future.
Walgreens	City of Philadelphia Public Employees Retirement System	Voted	Shareholder vote of 5%

Report on Lobbying and Political Spending Activity

For some companies, the board risk report asked for in shareholder resolutions included board level oversight of political activity, including both political spending and lobbying activities, as part of the topics covered in the board report to investors. For others, resolutions called for enhanced transparency on political spending and/or lobbying activities.

Board oversight of lobbying and political spending safeguards corporate reputations and protects shareholder value. Compliant companies provide annual reporting on political contributions of all forms, including through trade associations and related groups.

The IOA questioned companies on payments to patient advocacy groups and medical professional organizations advocating for weaker regulation on opioids. In 2018, the IOA's lobbying transparency resolution received support of 39 percent of shareholders at McKesson. All of the board risk reports currently disclosed include reference to board oversight of corporate political and lobbying expenditures. Figure 9 highlights the successes the IOA has had on lobbying and corporate political spending disclosures.

Figure 9: Lobbying & Corporate Political Spending Results

Company	Lead Filer	Filing	Issue
Mallinckrodt	United Church Funds	Shareholder vote of 80%	Expanded lobbying disclosure (supported by management)
	CalSTRS	Settled	Expanded political spending disclosure
McKesson	UAW Trust (2018)	Shareholder vote of 39%	Expanded lobbying disclosure
McKesson	SHARE (2019)	Shareholder vote of 46%	Expanded lobbying disclosure
Pfizer	Teamsters	Shareholder vote of 34%	Expanded lobbying disclosure

IOA engagement with Mallinckrodt began two years ago, and since then the IOA has met with the chairman of Mallinckrodt to discuss broad issues related to opioid business risks. For 2019, an IOA member, United Church Funds, filed a shareholder resolution at Mallinckrodt that called for expanded lobbying disclosure, and Mallinckrodt supported the resolution. Thus, the resolution received 80 percent of votes, and the first time a company has come out in support of a lobbying shareholder proposal. In 2017, engagement with McKesson began on corporate political lobbying transparency that now extends over the two year period of the IOA with different leadership on the resolution. The Mallinckrodt and McKesson resolutions were the first time the IOA ventured into asking the company to discuss its board oversight related to patient advocacy organizations that may be engaging in public policy activities that are antithetical to the company's stated mission and to investor interests. Additionally, in 2017 the Teamsters filed a lobbying disclosure resolution at Pfizer. In 2019, SHARE filed a lobbying resolution at McKesson requesting a report disclosing McKesson's lobbying activities. This resolution received 46 percent of votes.

Strengthen Internal Controls to Support Ethical Business Practices and Ethical Corporate Culture

The IOA engaged companies in the broader context of compliance but did not formulate shareholder resolutions due to constraints around the SEC's shareholder resolution process. A key aspect of this reform is the direct reporting to the board or designated board committee by the Chief Compliance Officer, and the establishment of such a position if one is lacking. Additionally, the IOA calls on boards to establish a business culture that prioritizes regulatory compliance and ethical business practices. This culture would require the board to strengthen its whistleblower protections and establish a zero tolerance policy for any acts of harassment, discrimination or retaliation against employees who report concerns about the company's opioid related practices or who exercise rights protected under federal or state law. As such, investment in training and development and enhancing communication channels and employee engagement may foster a more open environment for employees to voice concerns without fear of retaliation.

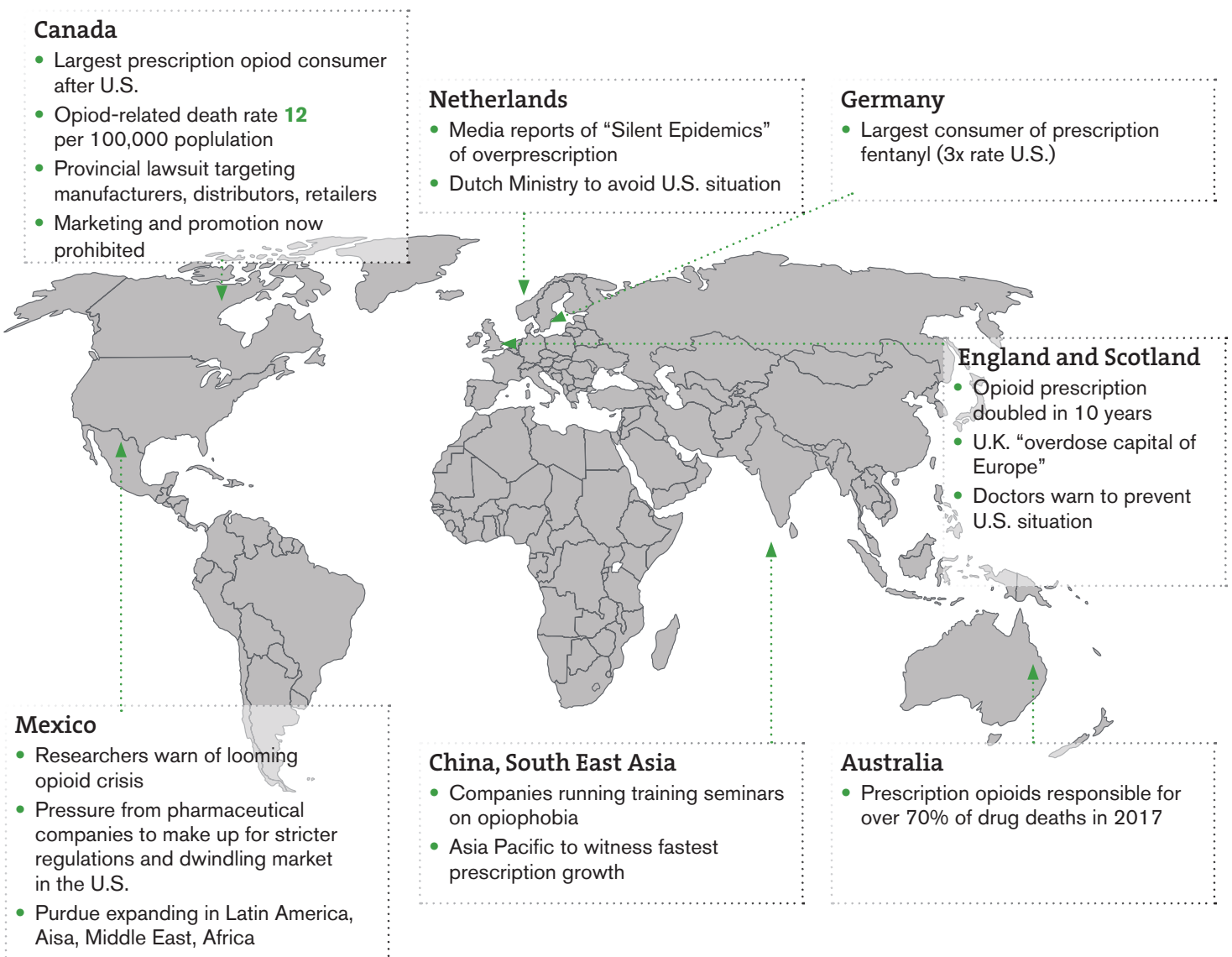
OPIOID BUSINESS RISKS BEYOND THE UNITED STATES

Background

In July of 2018, NEI Investments, an IOA member, established an IOA subcommittee of global investors to explore opioid business risks outside the United States. Members of the subcommittee include: Aberdeen Standard, Aegon Asset Management, Aequo Shareholder Engagement Services, CtW Investment Group, Hermes Equity Ownership Services, Mercy Investment Services, NEI Investments, and UAW Trust. Concerns in other parts of the world about growing prescription rates of opioid painkillers are mounting. This means international opioid-related

business risks for manufacturers and distributors are increasing. Class action lawsuits have been initiated in Canada, and governments in several countries around the world have announced action in order to “prevent a U.S.-like situation.” Concerning to investors is a trend of companies exiting the U.S. market en route to developing countries where there is an aging population, regulations are not as strict and there is no public “stigma” on opioid painkillers. Data on current and future plans of manufacturers in international markets is hard to come by. Figure 10 developed by NEI Investments shows the effects around the world.

Figure 10: Global View on Opioids



Key Findings of the IOA International Subcommittee on Opioid Business Risks

Canada

Canada is the second largest consumer per capita of prescription opioids in the world, after the United States, and challenged by its own national opioid crisis. The rate of opioid-related deaths in Canada was 12 per 100,000 population between January and September 2018. This death rate has been growing steadily since 2016.³⁸

In June 2018, Health Canada, a governmental organization, recognized the role prescriptions may have played in contributing to the Canadian opioid crisis and that marketing and advertising could influence healthcare professionals. In response, Health Canada called on Canadian manufacturers and distributors of opioids to cease voluntarily all marketing and advertising of opioids to healthcare professionals.

In doing so, Health Canada held a public consultation on its intent to restrict marketing and advertising of opioids through formal measures. The IOA International Committee participated in this consultation, sharing the investor group's perspective. A short summary of the IOA's letter was included in Health Canada's report on the results of the consultation.³⁹

In March 2019, Health Canada announced that all advertising materials of Class B opioids provided to health care professionals is restricted only to statements authorized by Health Canada.

British Columbia, one of the Canadian provinces hit the hardest by the opioid crisis, has launched a class action lawsuit against over 40 companies involved in the manufacturing, distributing and wholesaling of opioids to recoup the costs associated with the crisis, based on similar legal action against tobacco companies. The government alleges companies downplayed the risks of their drugs when advertising to physicians, especially their addictive potential, thus contributing to the opioid crisis.

Europe

Germany is the largest consumer of prescription fentanyl.⁴⁰ The consumption rate is three times that of the United States. The family owned private company Grunenthal developed Tapentadol, the opioid used in Johnson & Johnson's manufacturing of Nucynta painkillers, the U.S. rights to which were sold to Assertio Therapeutics (Depomed), and then on to Collegium.

This web of ownership demonstrates the difficulty in tracking sales of opioid products, and while sales decline in the United States, growth may occur in Europe and other markets.

In the United Kingdom, opioid prescription rates have alarmingly doubled in the past 10 years.⁴¹ The United Kingdom has earned the reputation of Europe's overdose capitol. Trends in opioid prescriptions are particularly alarming in lower income sections of the country.

Media in the Netherlands report a "silent opioid epidemic" due to over-prescription. The Dutch ministry of Health has announced it is attempting to prevent "a U.S.-like situation."⁴²

Mexico

Researchers have warned of a looming opioid crisis in Mexico because the population is aging and recent changes in legislation ease access to opioid medication. While identifying trends is difficult given the lack of reporting, at least one manufacturer appears to be developing new markets for opioids. Purdue Pharma is expanding in Latin America, Asia, Middle East and Africa.⁴³

APPENDIX 1

Governance Impacts of IOA Work

AbbVie

- NY City settled on misconduct clawback

Allergan

- MIS settled with Company on board risk report released February 2019

AmerisourceBergen

- CalSTRS settled with Company and withdraws misconduct clawback disclosure
- Sisters of St. Francis settled on board risk report due to be released September 2019
- Teamsters settled with board risk report ompany to separate chair and CEO roles

Assertio Therapeutics

- NY City settled on misconduct clawback
- Calvert settled on board risk report

Cardinal Health

- MIS settled on board risk report
- UAW Trust settled on Board agreed to misconduct clawback
- Agreed to separate roles of CEO and chairman, as proposed by Teamsters
- Teamsters settled with Company on exclusion of legal costs

CVS Health

- IL Treasurer settled with Company on board risk report
- NY City settled with CVS on clawback disclosure
- City of Philadelphia settled with CVS on exclusion of legal costs

Endo International

- UAW Trust settled on misconduct clawback
- IOA settled with Company to expand political spending reporting
- MIS settled on board risk report

Insys Therapeutics

- NY City settled on misconduct clawback
- NY State settled on board risk report due out December 2019

Johnson & Johnson

- Sisters of St. Francis settled on Indep. Chair annual review of combined roles

Mallinckrodt

- UAW Trust settled on misconduct clawback policy
- CalSTRS settled with Company to expand political spending reporting
- Company supported United Church Funds lobbying proposal and agreed to produce a lobbying report

McKesson

- Teamsters settled on separation of chair & CEO
- Creation of Compliance Committee
- Undertook independent review of opioid business practices and issued public report at request of Teamsters
- NY State settled with Company to continued reporting on anti-diversion efforts
- UAW Trust co-filed and obtained misconduct clawback

Mylan

- MIS settled with Company to publish board risk report due in September 2019

Pfizer

- NY City settled on clawback disclosure
- City of Philadelphia settled with Company on exclusion of legal costs

Teva Pharmaceutical Industries

- MIS settled with Company to publish board risk report due in September 2019
- UAW Trust/CT Treasurer settled on clawback disclosure
- City of Philadelphia settled with Company on exclusion of legal costs

Walgreens

- Teamsters/Hermes settled with Company on misconduct clawback to be included in 2020 proxy statement
- MIS settled on the board risk report

APPENDIX 2

List of Signatories to Engagement Letters to Opioid Supply Chain Companies

We would like to acknowledge the following IOA member funds who signed letters to the focus companies over the past two years.

Adrian Dominican Sisters	Mercy Investment Services
Aegon Asset Management	NEI Investments
Benedictine Coalition for Responsible Investment	Northwest Coalition for Responsible Investment
Bon Secours Mercy Health	Office of the New York City Comptroller
Boston Common Asset Management	OIP Trust / Missionary Oblates
California State Teachers' Retirement System	Pennsylvania State Treasurer's Office
Calvert Research and Management	Region VI Coalition for Responsible Investment
Catholic Health Initiatives	Rhode Island State Treasurer's Office
Congregation of St. Joseph	School Employees Retirement System of Ohio
Connecticut State Treasurer's Office	Segal Marco Advisors
CTW Investment Group	Seventh Generation Interfaith Coalition for Responsible Investment
Daughters of Charity, Province of St. Louise	Sisters of St. Francis of Philadelphia
Dignity Health	Socially Responsible Investment Coalition
Diocese of Springfield, IL	The Socially Responsive Investing Group of 1919 Investment Counsel
Domini Impact Investments	Trinity Health
Dominican Sisters of Springfield, IL	UAW Retiree Medical Benefits Trust
Hermes Equity Ownership Services	United Church Funds
Illinois State Treasurer's Office	Walden Asset Management
International Brotherhood of Teamsters	Zevin Asset Management, LLC
JLens Investor Network	



APPENDIX 3

IOA Shareholder Resolutions Voted

Year	Company Name	Issue	Lead Filer	Co-Filers	Vote Result	Exempt Solicitation
2018	AmerisourceBergen	Board Risk Report	Sisters of St. Francis	Trinity Health, JLens Investor Network and Missionary Oblates OIP Investment Trust	41%	Link Here
2018	AmerisourceBergen	Misconduct Clawback	UAW Retiree Medical Benefits Trust	Connecticut Retirement Plans and Trust Funds	34%	Link Here
2018	AmerisourceBergen	Independent Chair	Teamsters	-	33%	Link Here
2018	Assertio Therapeutics	Board Risk Report	Calvert Research and Management	UAW Retiree Medical Benefits Trust	62%	Link Here
2018	Cardinal Health	Exclusion of Legal Costs	Teamsters	Rhode Island State Treasurer's Office	17%	Link Here
2018	McKesson	Accelerated vesting	Teamsters	-	34%	Link Here
2018	McKesson	Exclusion of Legal Costs	AFL-CIO	As You Sow, the Oregon Department of State Lands, and the Oregon Public Employees Retirement System.	7%	Link Here
2018	McKesson	Lobbying	UAW Trust	Rhode Island Employees' Retirement Systems Pooled Trust, United Church Funds and Trinity Health.	39%	Link Here
2018	McKesson	Withhold on Audit Chair	Teamsters	-	12%	Link Here
2018	Pfizer	Lobbying	Teamsters	-	34%	Link Here
2018	Rite Aid	Board Risk Report	UAW Trust	-	61%	Link Here
2019	AbbVie	Independent Chair	Rhode Island State Treasurer's Office	Vermont State Treasurer's Office	39%	Link Here
2019	AmerisourceBergen	Exclusion of Legal Costs	City of Philadelphia Public Employees' Retirement System	-	12%	-
2019	Johnson & Johnson	Clawback Disclosure	Office of the New York City Comptroller	-	46%	-
2019	Johnson & Johnson	Exclusion of Legal Costs	Oxfam	-	29%	Link Here
2019	Mallinckrodt	Board Risk Report	Mercy Investment Services	Bon Secours Mercy Health, Catholic Health Initiatives, Congregation of Divine Providence, and Daughters of Charity, Inc.	79%	Link Here
2019	Mallinckrodt	Clawback Disclosure	UAW Trust	-	53%	Link Here
2019	Mallinckrodt	Lobbying	United Church Funds	-	80%	Link Here
2019	McKesson	Lobbying	SHARE	-	46%	Link Here
2019	Mylan	Misconduct Clawback	UAW Trust	Aegon Asset Management, Hermes Equity Ownership Services, and APG Funds assisted in presenting resolution at annual meeting to help inform the vote.	>50%	Link Here
2019	Pfizer	Separation of Chair and CEO	Sisters of St. Francis	Dana Investment Advisors, Miller/Howard Investments	27%	Link Here
2019	Walgreens	Board Risk Report	Mercy Investment Services	UAW Retiree Medical Benefits Trust, Northwest Women Religious Investment Trust, Missionary Oblates of Mary Immaculate, and Domini Impact Equity Fund.	61%	Link Here
2019	Walgreens	Exclusion of Legal Costs	City of Philadelphia Public Employees' Retirement System	-	5%	Link Here

APPENDIX 4

Cardinal Health Case Study

Cardinal Health (CAH) is an American multinational health care services company with headquarters in Ohio and Ireland (EMEA). The company specializes in the distribution of pharmaceuticals and medical products, and is the third largest pharmaceutical wholesaler in the United States.

Initiation

At the time the IOA spoke on behalf of \$1.1 trillion in assets under management and advisement. Mercy Investment Services (MIS) led the engagement.

The IOA work was building on the earlier work of the state treasurers and the Teamsters in consultation with Segal Marco Advisors engaged with CAH. IOA began its engagement in September 2017 by sending a letter, signed by 18 members, asking for dialogue with Board members about CAH's opioid risks.

Timeline

- July 2017: UAW Trust settled with CAH on misconduct clawback including disclosure of use.
- November 2017: Two days before CAH's 2017 AGM, where investors were due to vote on a Teamster proposal to separate the positions of the CEO and chair, the Company announced that the CEO would be stepping down and that an independent chair would be appointed.
- Winter 2017-18: CAH and MIS had several phone calls but MIS agreed to hold IOA engagement until Teamsters settled. CAH expressed appreciation that all investors were collaborating.
- February 2018: Dialogue about CAH establishing a board committee and a board member agreed to meet with IOA.
- April 2018: In-person meeting with CAH including Lead Director Greg Kenny. CAH explained new board committee, importance of lobbying, and codifying independent chair. IOA proposed further governance actions including issuing a board risk report and addressing executive compensation incentives.
- May 2018: MIS filed resolution asking for report on board oversight of opioid distribution. Teamsters filed resolution asking Company to avoid excluding legal costs related to opioids from incentive pay.
- July 2018: Because CAH promised to deliver the report on board oversight, shareholders withdrew the resolution. CAH then posted the report on its website in which it publicly acknowledged the IOA.

- September 2018: The IOA and CAH met to discuss updates on board subcommittee and engaged in a lengthy discussion on exclusion of legal costs from executive compensation.
- November 2018: The Teamster resolution asking the Company to avoid excluding legal costs received a 17 percent vote at CAH AGM.
- March 2019: Follow-up dialogue with CAH on work of Ad Hoc Oversight Committee. Teamsters continued their engagement regarding executive compensation incentives.
- June 2019: Teamsters filed proposal on executive compensation incentives to seek more disclosure on whether legal costs related to opioids are excluded when calculating executive incentive pay.
- July 2019: CAH implemented Teamsters proposal by committing to a level of disclosure that enables investors to determine if CAH insulates executives from legal costs related to opioids by removing the impact from executive incentive pay.

IOA Members Participating in Dialogues

Adrian Dominican Sisters, Aegon Asset Management, CalSTRS, Calvert Research and Management, Catholic Health Initiatives, City of Philadelphia Public Employees Retirement System, Connecticut Treasurer's Office, CtW Investment Group, Dignity Health, ICCR Staff, International Brotherhood of Teamsters, JLens Investor Network, Mercy Investment Services, Office of New York City Comptroller, Office of the Treasurer for the State of Illinois, Ohio SERS, Segal Marco Advisors, Sisters of St. Francis of Philadelphia, Socially Responsible Investment Coalition, Trinity Health, UAW Retiree Medical Benefits Trust, United Church Funds.

Key Takeaway

CAH was the first Company to collaborate with the IOA to produce a Report on Board oversight of opioids and became the model IOA used for encouraging other companies. CAH separated the role of board chair and CEO, and the chair is an independent director. Additionally, CAH has established an Ad Hoc Oversight Committee that is dedicated to overseeing the opioid issues the company faces. CAH provided a rare level of transparency into calculations for executive incentive pay that informs whether executives are insulated from legal costs related to opioids.

APPENDIX 5

IOA Press Coverage

This list, compiled by Mercy Investment Services, includes mentions of IOA by the press, as well as interviews with IOA members.

Date	Headline	Source	URL
10/30/2017	Opioid Makers Face Heat From Investors With \$1.3 Trillion	Bloomberg	https://www.bloomberg.com/news/articles/2017-10-30/investor-group-presses-drugmakers-distributors-over-opioids
10/30/2017	Investor coalition calls on 10 firms to assess their risks related to opioids	Pensions & Investments	https://www.pionline.com/article/20171030/ONLINE/171039966/investor-coalition-calls-on-10-firms-to-assess-their-risks-related-to-opioids
10/30/2017	Opioid Makers Face Heat From Investors With \$1.3 Trillion	Bloomberg Law	https://news.bloomberglaw.com/corporate-law/opioid-makers-face-heat-from-investors-with-13-trillion
10/31/2017	Trending News Today: Opioid Manufacturers Face Increased Scrutiny from Investors	Specialty Pharmacy Times	https://www.specialtypharmacytimes.com/news/trending-news-today-opioid-manufacturers-face-increased-scrutiny-from-investors
11/3/2017	US asset managers and pension funds target opioid-related firms	Minerva Analytics	https://www.manifest.co.uk/us-asset-managers-pension-funds-target-opioid-related-firms/
11/8/2017	Cardinal Health feels investor pressure on opioids even with executive shuffle	S&P Global	https://www.spglobal.com/marketintelligence/en/news-insights/trending/s-lfc0u5kglmcy9ur9go_w2
11/17/2017	The opiate of the bosses: A real case of profits over people	Financial News	https://www.fnlondon.com/articles/the-opiate-of-the-bosses-a-real-case-of-profits-over-people-20171117
11/29/2017	Can Investors Help Tackle the Opioid Crisis?	Segal Marco Advisors	https://www.segalmarco.com/research/r2-blog/can-investors-help-tackle-the-opioid-crisis/
1/17/2018	Activists Hail SEC Ruling On Opioid "Accountability" at AmerisourceBergen Corp	Value Walk	https://www.valuwalk.com/2018/01/amerisourcebergen-corp-opioids-sec/
2/14/2018	Shareholder Resolutions On Opioid Risks Scheduled For Vote At Amerisource Bergen	Value Walk	https://www.valuwalk.com/2018/02/opioid-amerisource-bergen-abc/
2/16/2018	Aberdeen, Schrodgers and Hermes question US pharma giants over opioid abuse	Evening Standard	https://www.standard.co.uk/business/aberdeen-schrodgers-and-hermes-question-us-pharma-giants-over-opioid-abuse-a3768541.html
2/26/2018	Segal Marco Advisors Will Vote Against Companies Not Committed to Board Diversity	BusinessWire	https://www.businesswire.com/news/home/20180226005891/en/Segal-Marco-Advisors-Vote-Companies-Committed-Board
2/27/2018	AmerisourceBergen could be the next victim of the opioid crisis, says Teamsters' general secretary-treasurer	CNBC	https://www.cnn.com/2018/02/27/opioid-crisis-next-victim-amerisourcebergen-teamsters-treasurer-says-commentary.html
3/1/2018	Teamsters: At Annual Meeting, AmerisourceBergen To Face Heightened Calls For Accountability Amid Opioid Crisis From \$2.2 Trillion Cohort Of Investors	Market Watch	https://www.marketwatch.com/press-release/teamsters-at-annual-meeting-amerisourcebergen-to-face-heightened-calls-for-accountability-amid-opioid-crisis-from-22-trillion-cohort-of-investors-2018-03-01
3/1/2018	Teamsters: At Annual Meeting, AmerisourceBergen To Face Heightened Calls For Accountability Amid Opioid Crisis From \$2.2 Trillion Cohort Of Investors	CISION PR Newswire	https://www.prnewswire.com/news-releases/teamsters-at-annual-meeting-amerisourcebergen-to-face-heightened-calls-for-accountability-amid-opioid-crisis-from-22-trillion-cohort-of-investors-300606708.html
3/1/2018	The pill pipeline	Illinois Times	https://illinoistimes.com/article-19726-the-pill-pipeline.html
3/1/2018	Franciscan Sisters of Perpetual Adoration - not an article	FSPA website	https://www.fspa.org/content/ministries/justice-peace/corporate-responsibility

Date	Headline	Source	URL
3/2/2018	Press Releases: Treasurer Magaziner: Shareholders Overwhelmingly Demand Action from Opioid Distributor after Company Fails to Block Vote at SEC	RI.gov	https://www.ri.gov/press/view/32620
3/3/2018	Magaziner Calls for Opioid Distributor AmerisourceBergen to Address Risks	GoLocal Prov	https://www.golocalprov.com/business/magaziner-calls-for-opioid-distributor-amerisourcebergen-to-address-risks
3/6/2018	ISS highlights trends in shareholder proposals for the 2018 proxy season	Cooley PubCo	https://cooleypubco.com/2018/03/06/iss-trends-shareholder-proposals-2018/
3/6/2018	ISS highlights trends in shareholder proposals for the 2018 proxy season	Lexology	https://www.lexology.com/library/detail.aspx?g=241305a2-af8c-4edb-be87-9a3b90ab8cbe
3/7/2018	AmerisourceBergen shareholders reject opioid crisis proposal	Medium	https://medium.com/@TheRealDanSfera/amerisourcebergen-shareholders-reject-opioid-crisis-proposal-cb655314428
3/8/2018	Environment, corporate political spending top proxy season list	Pensions & Investments	https://www.pionline.com/article/20180308/ONLINE/180309839/environment-corporate-political-spending-top-proxy-season-list
3/13/2018	Shareholders Can (And Do!) Beat Bad Policy	As You Sow	https://www.asyousow.org/blog/2018/3/13/shareholders-can-and-do-beat-bad-policy
4/8/2018	State employees own pieces of opioid companies and probably don't know it	Johnson City Press	https://www.johnsoncitypress.com/Government/2018/04/07/State-employees-own-pieces-of-opioid-companies-and-probably-don-t-know-it
5/1/2018	Shareholders can make an impact	Impact Capital Strategies	http://www.impactcapitalstrategies.net/Our-Impact.14.htm
5/13/2018	Pharma investors mobilise on reputational risk concerns	Financial Times	https://www.ft.com/content/3ad0f62a-2dd5-11e8-97ec-4bd3494d5f14
6/2/2018	Amid Opioid Crisis, Shareholders Push for Better Governance in the Pharmaceutical Sector	impactivate	https://www.impactinvestingexchange.com/amid-opioid-crisis-shareholders-push-for-better-governance-in-the-pharmaceutical-sector/
7/2/2018	Teamsters urge McKesson shareholders to reject audit chair's re-election	Modern Healthcare	https://www.modernhealthcare.com/article/20180702/NEWS/180709989/teamsters-urge-mckesson-shareholders-to-reject-audit-chair-s-re-election
7/9/2018	Environmental, social issues big in proxy season	Pensions & Investments	https://www.pionline.com/article/20180709/PRINT/180709889/environmental-social-issues-big-in-proxy-season
7/16/2018	What's Next In Community Wealth Building and Social Equality	VERIS Wealth Partners	https://www.veriswp.com/whats-next-in-community-wealth-building-and-social-equality/
7/30/2018	How ESG Investing Can Help Address the Opioid Crisis	Think Advisor	https://www.thinkadvisor.com/2018/07/30/how-esg-investing-can-help-address-the-opioid-crisis/?sreturn=20190406095036
8/2/2018	Cardinal Health to disclose financial risks on opioid crisis; shareholder proposal withdrawn	Pensions & Investments	https://www.pionline.com/article/20180802/ONLINE/180809957/cardinal-health-to-disclose-financial-risks-on-opioid-crisis-shareholder-proposal-withdrawn
8/7/2018	Despite 'unexpected challenges,' Cardinal Health beats expectations in fourth-quarter earnings	Fierce Healthcare	https://www.fiercehealthcare.com/hospitals-health-systems/cardinal-health-reports-fourth-quarter-loss
8/20/2018	Shareholders Mount Effort Against Opioid Addiction	Financial Advisor	https://www.fa-mag.com/news/shareholders-mount-effort-against-opioid-addiction-40384.html
10/2/2018	How Can Boards of Directors Make Sense of the Current ESG Landscape?	Skadden	https://www.skadden.com/insights/publications/2018/10/how-can-boards-of-directors-make-sense-esg
10/9/2018	Form PX14A6G RITE AID CORP Filed by: UAW Retiree Medical Benefits Trust	Street Insider	https://www.streetinsider.com/dri/news.php?id=14684922
10/15/2018	To stem opioid crisis, investment coalition pressures supply chain	National Catholic Reporter	https://www.ncronline.org/news/people/stem-opioid-crisis-investment-coalition-pressure-supply-chain

Date	Headline	Source	URL
10/30/2018	Rite Aid shareholders vote to support increased oversight of opioid sales	STAT	https://www.statnews.com/pharmalot/2018/10/30/rite-aid-shareholders-opioids/
11/7/2018	Executive pay shouldn't be protected from the cost of opioid-related legal settlements	STAT	https://www.statnews.com/2018/11/07/executive-pay-cost-opioid-related-legal-settlements/
12/5/2018	Investor activists win again and persuade Endo to catalog opioid risks	STAT	https://www.statnews.com/pharmalot/2018/12/05/investor-activists-endo-opioids/
12/6/2018	Investors for Opioid Accountability Commends Endo International plc for Board of Directors' Opioid Oversight Report	Global New Wire	https://www.globenewswire.com/news-release/2018/12/06/1663169/0/en/Investors-for-Opioid-Accountability-Commends-Endo-International-plc-for-Board-of-Directors-Opioid-Oversight-Report.html
12/6/2018	Percocet maker Endo details how it manages risks from selling opioids	The Inquirer Daily News	https://www.philly.com/business/drugs/endo-opioids-lawsuits-oversight-report-20181206.html
12/31/2018	In a year of anguish, GSR offered stories of hope and courage	Global Sisters Report	https://www.globalsistersreport.org/blog/gsr-today/ministry/year-anguish-gsr-offered-stories-hope-and-courage-55744
1/16/2019	Bill Knight: Some corporations complicit in opioid crisis	The Register-Mail	https://www.galesburg.com/opinion/20190116/bill-knight-some-corporations-complicit-in-opioid-crisis
1/24/2019	An 'intransigent' Walgreens faces a shareholder proposal over managing opioid risks	STAT	https://www.statnews.com/pharmalot/2019/01/24/walgreen-opioids-shareholder-proposal/
1/25/2019	Investors demand Walgreens explain how it's managing opioid crisis risks	CNBC	https://www.cnn.com/2019/01/25/investors-want-to-know-how-walgreens-is-managing-opioid-crisis-risks.html
1/25/2019	Walgreens shareholders want to know how the company is managing opioid crisis risks	Becker's Hospital Review	https://www.beckershospitalreview.com/pharmacy/walgreens-shareholders-want-to-know-how-the-company-is-managing-opioid-crisis-risks.html
1/25/2019	Investors want to know how Walgreens is managing opioid crisis risks	MSN	https://www.msn.com/en-us/money/topstocks/investors-want-to-know-how-walgreens-is-managing-opioid-crisis-risks/ar-BBSJrk6
1/25/2019	Investors demand Walgreens explain how it's managing opioid crisis risks	Yahoo Finance	https://finance.yahoo.com/news/investors-demand-walgreens-explain-apos-160833710.html
1/28/2019	Investors demand Walgreens explain how it is managing opioid crisis risks	APhA	https://www.pharmacist.com/article/investors-demand-walgreens-explain-how-it-managing-opioid-crisis-risks
1/31/2019	NEI Investments Announces 2019 Corporate Engagement Focus List	Newswire	https://www.newswire.ca/news-releases/nei-investments-announces-2019-corporate-engagement-focus-list-832675134.html
2/12/2019	Crackdown on opioids has its own victims: People who need them to live	Yahoo News	https://news.yahoo.com/crackdown-opioids-victims-people-need-live-100058361.html
2/15/2019	Hunton Retail Law Resource Blog: Recent Trends In Shareholder Proposals	Mondaq	http://www.mondaq.com/unitedstates/x/781548/Shareholders/Recent+Trends+in+Shareholder+Proposals
2/18/2019	Nuns, Teamsters, Philadelphia City Government and Vanguard All Pressure AmerisourceBergen on Opioids	Teamsters	https://teamster.org/news/2019/02/nuns-teamsters-philadelphia-city-government-and-vanguard-all-pressure-amerisourcebergen
2/23/2019	Shareholder action pushes corporations to address key social issues	Crux	https://cruxnow.com/church-in-the-usa/2019/02/23/shareholder-action-pushes-corporations-to-address-key-social-issues/
2/28/2019	Nuns, Teamsters, city government and Vanguard all pressure AmerisourceBergen on opioids	The Inquirer Daily News	https://www.philly.com/business/opioids-nuns-teamsters-amerisourcebergen-annual-meeting-philadelphia-20190228.html
3/1/2019	Philly's shareholder proposal on AmerisourceBergen executive comp and opioids fails to win majority vote	The Inquirer	https://www.philly.com/business/amerisourcebergen-shareholder-meeting-philadelphia-opioids-20190301.html

Date	Headline	Source	URL
3/8/2019	California and other state pensions fought guns and tobacco. Why aren't they divesting from opioids?	The Mercury News	https://www.mercurynews.com/2019/03/08/state-pensions-fought-guns-and-tobacco-why-arent-they-divesting-from-opioids/
3/8/2019	State Pensions Fought Guns and Tobacco. Why Aren't They Divesting From Opioids?	Bloomberg	https://www.bloomberg.com/news/articles/2019-03-08/states-are-suing-opioid-makers-but-their-pensions-embrace-them
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