



INTERFAITH CENTER ON CORPORATE RESPONSIBILITY

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FOR IMMEDIATE RELEASE

INVESTORS REACH AGREEMENT WITH CARDINAL HEALTH (CAH) TO BOLSTER OPIOID OVERSIGHT
Shareholder proponents withdraw resolution after Cardinal agrees to disclose board activities to manage the financial and reputational risks related to the opioid epidemic.

NEW YORK, NY, THURSDAY, AUGUST 2ND, 2018 - As a result of a productive engagement with Cardinal Health, a major distributor of opioid medicines, investors withdrew a [resolution](#) they had filed for the 2018 proxy requesting reporting on the governance measures the company has implemented since 2012 to more effectively monitor and manage financial and reputational risks related to the U.S. opioid crisis.

Mercy Investment Services filed the resolution along with nine additional members of the Interfaith Center on Corporate Responsibility and the Connecticut State Treasurer and Comptroller of New York State. The resolution was part of a broader campaign led by [Investors for Opioid Accountability](#) (IOA), a diverse coalition of investors including 46, faith-based, state and city funds, asset managers and labor funds with over \$2.2 trillion in assets who are concerned with the significant legal, reputational and financial risks the opioid crisis poses for distributors and manufacturers.

Opioid abuse causes more than 42,000 deaths in the U.S. each year. Cardinal Health, along with AmerisourceBergen and McKesson, are the largest prescription drug distributors in the nation.

In its May 2018 10-Q, Cardinal Health reported that the company has “been named as defendants in hundreds of lawsuits relating to the distribution of prescription opioid pain medications . . . filed in various federal, state, and other courts by a variety of plaintiffs, which are primarily counties, municipalities and political subdivisions from 46 states” and that they “are unable to predict their outcome or estimate a range of reasonably possible losses.”

The resolution specifically requested that “the Board of Directors (the "Board") report to shareholders by March 30, 2019 on the governance measures Cardinal Health has implemented since 2012 to more effectively monitor and manage financial and reputational risks related to the opioid crisis in the United States, given its distribution of opioid medications, including whether Cardinal Health has assigned responsibility for such monitoring to the Board or one or more Board committees, revised senior executive compensation metrics or policies, adopted or changed mechanisms for obtaining input from stakeholders, or altered policies or processes regarding company political activities.”

After meeting with the chairman of the board and executive management to discuss the resolution, the company agreed to comply with investor requests prompting the withdrawal. Specifically, the board established an ad hoc committee on opioid business risks and agreed to provide investors with reports of two board level investigations into allegations of oversight failures related to opioid distribution.

Said Donna Meyer of Mercy Investment Services, ***"Investors found the engagement with Cardinal Health to be very constructive and we were gratified to see nearly all our concerns addressed. Cardinal Health's comprehensive response, which included the development of [public webpages](#) citing the agreements reached through its engagement with the IOA, provides an excellent model for the level of board oversight we believe is necessary to mitigate the high risks associated with these medicines.***

The investors say they will continue to monitor compliance with the withdrawal agreement and look forward to continued constructive dialogue with Cardinal.

About the Interfaith Center on Corporate Responsibility (ICCR)

Celebrating its 47th year, ICCR is the pioneer coalition of shareholder advocates who view the management of their investments as a catalyst for social change. Its 300 member organizations comprise faith communities, socially responsible asset managers, unions, pensions, NGOs and other socially responsible investors with combined assets of over \$400 billion. ICCR members engage hundreds of corporations annually in an effort to foster greater corporate accountability. www.iccr.org