

Report on 2020 Lobbying Activities

The Board believes that it is in the best interest of our shareholders for McKesson to be an effective participant in the public policy process. The Board exercises oversight of McKesson's political and public policy activities. The Senior Vice President of Public Affairs has management responsibility for all political contributions, lobbying activities and related expenditures and consults with McKesson's senior business leaders and internal and external counsel to help ensure alignment between McKesson's political engagement activities, McKesson's public policy priorities and applicable law. The Senior Vice President of Public Affairs provides regular updates to the Board on such matters consisting of reports on public policy issues, political engagements, lobbying activities and corporate political contributions.

We disclose to our shareholders on an annual basis the aggregate dollars McKesson spends on lobbying activities and its policy priorities and material lobbying efforts in the year, including with respect to laws or regulations governing the distribution of controlled substances. The information below pertains to McKesson's lobbying activities during the calendar year ended December 31, 2020 (CY20).

Public Policy Priorities for Lobbying in CY20:

- Access to affordable medicines: McKesson advocates for stronger community providers, new payment models and healthcare technology which can go a long way to making sure people can access and afford the treatments they need.
- Connecting the healthcare landscape: McKesson is a member of the Healthcare Innovation Alliance, which works to harness the power of data and technology to improve patient care and speed up the development of potentially life-saving treatments.
- Emergency preparedness: McKesson works with government agencies to optimize emergency planning and preparedness to get supplies and treatments to first responders during extreme weather events.
- Promoting community healthcare providers: In the U.S., a shortage of primary care providers and an aging population means quality healthcare can be difficult to access in some areas. McKesson believes community practices and independent pharmacies can play a key role in filling this gap and ensuring patients get the care they need.
- Protecting drug supply-chain security: McKesson works hard to secure its supply chain to its own high standards and in compliance with state and federal regulations. McKesson also actively supports the implementation of the Drug Quality and Security Act of 2013.
- Recommending ways to address the opioid crisis: McKesson believes the opioid epidemic must be addressed through a comprehensive approach that includes doctors, pharmacists, distributors, manufacturers, payers, regulators and law enforcement. McKesson's opioid public policy recommendations focus on the need for public and private partnerships that promote patient-centered solutions and foster clinical collaboration across the care continuum.

Topics for Material Federal and State Lobbying Efforts in CY20

- Drug Pricing
- DIR Fees
- Emergency Preparedness
- Healthcare Benefit and Pricing Transparency
- *Medical Supply and Medicine Distribution Licensure
- Pharmacist Recognition & Reimbursement
- *Taxes
- Veterans Affairs Contract
- Prescription Safety Alert System (RxSAS)

* CY20 material lobbying efforts with respect to laws or regulations governing the distribution of controlled substances: Our Public Affairs team engaged with state elected officials on legislation regarding licensing and controlled substance reporting requirements for drug distributors. While specifics vary by state, legislation may require manufacturers and wholesalers to prepare a complete record of all shipments of controlled substances and provide the report to a state agency. In addition, our Public Affairs team engaged with state elected officials on fees related to the distribution of controlled substances. While tax/fee legislative proposals vary state-to-state, legislation typically fits within five categories: gross receipts/revenue tax, tax/fee per morphine milligram equivalents or dose, opioid stewardship tax/fee, licensure fees, and controlled substance registration fees. Finally, our Public Affairs team engaged elected officials in support of legislation to establish a national prescription safety alert system. A prescription safety alert system would utilize patient prescription history to identify patients at risk for opioid abuse. The system would provide proactive, real-time clinical alerts, integrated into pharmacist and potentially prescribers’ workflow, across state lines.

Lobbying Spend

In CY20, McKesson spent approximately \$400,000 and \$940,000 on external federal and state lobbyist expenses, respectively, including approximately \$1,285,000 on lobbying efforts relating to controlled substances that focused primarily on tax and licensing issues.

Federal

Name of Firm	Payment Range
Todd Strategy	\$101,000 - \$200,000
Akin Gump	\$101,000 - \$200,000

State

Name of Firm	State	Payment Range
Apra & Micheli	California	\$50,001 - \$100,000
Bivens & Associates	Tennessee	\$50,001 - \$100,000
HillCo Partners	Texas	\$101,000 - \$200,000
Komjath & Kean	New Jersey	Less than or equal to \$25,000
Troutman Sanders	Virginia	\$50,001 - \$100,000

O'Neill & Associates	Massachusetts	\$50,001 - \$100,000
Pierce Atwoods	Maine	\$50,001 - \$100,000
Southern Group of Florida	Florida	\$50,001 - \$100,000
The Success Group	Ohio	\$50,001 - \$100,000
Strategic Partnership Alliance	Illinois	\$50,001 - \$100,000
The JL Morgan	Georgia	\$50,001 - \$100,000
Triadvocates	Arizona	\$50,001 - \$100,000
Oxley & Associates	Oregon	\$50,001 - \$100,000
Capitol Focus	Colorado	Less than or equal to \$25,000
Rotunda Group	Kentucky	\$50,001 - \$100,000

McKesson requests information regarding annual lobbying spend from health policy, 501(c)(4) and/or trade organizations where we are members and to which our annual payments exceeded \$25,000. For 2020, the aggregate dollars reportedly spent on lobbying activities from the dues we paid each of those organizations included the following:

Name of Organization	Amount Reported
Healthcare Distribution Alliance	\$525,000.00
National Association of Chain Drugstores	\$320,000.00
Business Roundtable	\$120,000.00
Healthcare Leadership Council	\$90,000.00
American Association for Homecare	\$28,000.00
Health Industry Distributors Association	\$27,699.50
National Community Pharmacists Association	\$20,991.25
Health Innovation Alliance	\$12,500.00
Community Oncology Alliance	\$5,250.00
American Health Care Association	\$2,940.00
Columbus Partnership	\$2,750.00
National Association of Community Health Centers	\$2,415.00
Future of Infusion Advisory Council	\$1,500.00

We are a member of and make payments to certain health policy, 501(c)(4) and/or trade organizations because they draft and support model legislation for purposes of advancing healthcare issues consistent with our public policy priorities. In 2020, those organizations and the amounts spent were:

April 22, 2021

Name of Organization	Amount Reported
National Association of Chain Drug Stores	\$800,000.00
National Community Pharmacists Association	\$200,000.00
American Disease Prevention Coalition	\$25,000.00
National Association of State Pharmacy Associations	\$25,000.00

For more information regarding McKesson's political activities, including a copy of our Political Engagement and Lobbying Policy, please visit <https://www.mckesson.com/About-McKesson/Public-Affairs/Political-Engagement/>.

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