



STATE OF CONNECTICUT

TREASURER SHAWN T. WOODEN

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CONNECTICUT STATE TREASURER SHAWN WOODEN JOINS RHODE ISLAND TREASURER SETH MAGAZINER TO URGE SHAREHOLDERS TO REJECT COMPENSATION PACKAGE FOR CARDINAL HEALTH EXECUTIVES

Compensation Proposal Fails to Hold Executives Accountable for Opioid Losses'

Hartford, CT - Connecticut State Treasurer, Shawn T. Wooden, joined Rhode Island General Treasurer Seth Magaziner in filing a [letter](#) with the U.S. Securities and Exchange Commission, urging shareholders of Cardinal Health to reject an executive compensation proposal that appears on the ballot for the company's next annual general meeting on November 4. The proposal includes a \$2.5 million bonus for CEO Michael Kaufmann, after the company paid \$5.6 billion to settle claims related to its distribution of opioids.

"Cardinal Health has offered up a pay plan for its senior executives that completely ignores the billions paid out in connection with its distribution of opioids," said Connecticut State Treasurer Shawn Wooden. "After the worst write-off in the company's history, Cardinal's executives are expecting to be paid as if nothing ever happened and as if no one should be accountable. The grim reality is that the opioid crisis has devastated a generation of American families, and shareholders simply cannot ignore the toll this crisis has taken on our country, our economy and our long-term shareholder interest. I have joined Rhode Island General Treasurer Magaziner in signing this [letter](#) to urge fellow investors to vote against Cardinal Health's "Say-on-Pay" proposal, due to my deep concern that the company's actions risk shareholder value and could have profound implications for our economy and our society at large."

Treasurer Wooden and General Treasurer Magaziner are both members of *Investors for Opioid and Pharmaceutical Accountability* (IOPA), a coalition of 61 investors representing more than \$4.2 trillion in combined assets under management, focusing on engagement with manufacturers and distributors of opioids and other pharmaceuticals.

“Cardinal Health recently agreed to pay \$5.6 billion to settle legal claims related to its role in the opioid epidemic. Tragically, 50,000 Americans died of opioid-related deaths just last year, and that number is rising,” said Treasurer Magaziner. “Now, Cardinal’s board is actively insulating its executives from taking any financial responsibility for the company’s opioid practices and is asking shareholders to rubber-stamp their decision.”

The \$5.6 billion charge, which Cardinal agreed to in principle as part of a global settlement related to its distribution of opioids, has resulted in the company’s largest-ever loss and erased five years of earnings. Cardinal’s board of directors chose to exclude these losses from the calculation of executives’ pay, including CEO Kaufmann’s proposed \$2.5 million annual bonus.

Treasurer Wooden has engaged with several major manufacturers and distributors of opioids in an effort to improve transparency and accountability related to their responsibilities for the nation’s opioid crisis. For the 2020 proxy season, Connecticut and Rhode Island joined forces in filing [a shareholder resolution with Bristol-Myers Squibb \(BMY\)](#), a multinational biopharmaceutical company, concerning disclosure of compensation recovered from executives engaged in misconduct (also known as “clawback policies”). Following several discussions with the company, BMY agreed to the annual disclosure sought by Connecticut, and the resolution was withdrawn.

Treasurer Wooden [filed](#) a similar resolution with Amgen, [a California-based pharmaceutical company](#), which agreed to disclose the use of its clawback policy. Connecticut also stood as a [co-filer](#) on a resolution considered at Johnson & Johnson’s 2020 annual general meeting, where a majority of shareholders voted to require the company’s board of directors to investigate and report to investors on opioid-related risks to the company.

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About the Office of the State Treasurer

Under the leadership of Connecticut’s State Treasurer Shawn T. Wooden, the Office of the Treasurer is dedicated to safeguarding the state’s financial resources and taxpayers’ dollars,

while maximizing returns and minimizing risks for pension beneficiaries and operating at the highest professional and ethical standards. Through investments and cash management, the office continues to enhance the state's fiscal stability, financial literacy, college savings, and its approach to leveraging business partnerships to combat social issues such as gun violence, climate change, and equal opportunity for economic growth. Learn more about the Office of the Treasurer [here](#) and follow along on [Facebook](#), [Instagram](#) and [Twitter](#)..

About the General Treasurer of the State of Rhode Island

Seth Magaziner is General Treasurer of the State of Rhode Island where he is working to restore financial stability and expand economic opportunity for all Rhode Islanders. Since taking office in January 2015, Seth has used the office to help create jobs, strengthen the state's \$8.4 billion pension fund, and ensure all public servants have the dignity of a stable and secure retirement. Under Treasurer Magaziner's leadership, the Rhode Island Treasury has become a national leader in transparency, launched the Rhode Island Infrastructure Bank, and developed a Back to Basics investment strategy to provide better performance and less risk to the state's pension fund.

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