

Report on FY20 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.

Earlier this year, we committed to 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 fiscal year ended March 31, 2020 (FY20).

Public Policy Priorities for Lobbying in FY20:

- 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 Lobbying Efforts in FY20

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)

* FY20 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.

Aggregate Lobbying Spend

In FY20, McKesson spent approximately \$950,000 and \$1,135,000 on federal and state contract lobbyist expenses, respectively, including approximately \$110,000 on lobbying efforts relating to controlled substances that focused primarily on tax and licensing issues.

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

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