



DIVISION OF  
CORPORATION FINANCE

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

February 15, 2018

Sandra D. van der Vaart  
Laboratory Corporation of America Holdings  
vaarts@labcorp.com

Re: Laboratory Corporation of America Holdings  
Incoming letter dated January 8, 2018

Dear Ms. van der Vaart:

This letter is in response to your correspondence dated January 8, 2018 concerning the shareholder proposal (the "Proposal") submitted to Laboratory Corporation of America Holdings (the "Company") by People for the Ethical Treatment of Animals (the "Proponent") for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. We also have received correspondence from the Proponent dated January 17, 2018. Copies of all of the correspondence on which this response is based will be made available on our website at <http://www.sec.gov/divisions/corpfin/cf-noaction/14a-8.shtml>. For your reference, a brief discussion of the Division's informal procedures regarding shareholder proposals is also available at the same website address.

Sincerely,

Matt S. McNair  
Senior Special Counsel

Enclosure

cc: Jared Goodman  
PETA Foundation  
jaredg@petaf.org

February 15, 2018

**Response of the Office of Chief Counsel**  
**Division of Corporation Finance**

Re: Laboratory Corporation of America Holdings  
Incoming letter dated January 8, 2018

The Proposal would have the board issue an annual report to shareholders on the measures it is taking to correct and prevent U.S. Department of Agriculture citations for violations of animal protection laws.

There appears to be some basis for your view that the Company may exclude the Proposal under rule 14a-8(i)(10). Based on the information you have presented, it appears that the Company's public disclosures compare favorably with the guidelines of the Proposal and that the Company has, therefore, substantially implemented the Proposal. Accordingly, we will not recommend enforcement action to the Commission if the Company omits the Proposal from its proxy materials in reliance on rule 14a-8(i)(10). In reaching this position, we have not found it necessary to address the alternative basis for omission upon which the Company relies.

Sincerely,

William Mastrianna  
Attorney-Adviser

## **DIVISION OF CORPORATION FINANCE INFORMAL PROCEDURES REGARDING SHAREHOLDER PROPOSALS**

The Division of Corporation Finance believes that its responsibility with respect to matters arising under Rule 14a-8 [17 CFR 240.14a-8], as with other matters under the proxy rules, is to aid those who must comply with the rule by offering informal advice and suggestions and to determine, initially, whether or not it may be appropriate in a particular matter to recommend enforcement action to the Commission. In connection with a shareholder proposal under Rule 14a-8, the Division's staff considers the information furnished to it by the company in support of its intention to exclude the proposal from the company's proxy materials, as well as any information furnished by the proponent or the proponent's representative.

Although Rule 14a-8(k) does not require any communications from shareholders to the Commission's staff, the staff will always consider information concerning alleged violations of the statutes and rules administered by the Commission, including arguments as to whether or not activities proposed to be taken would violate the statute or rule involved. The receipt by the staff of such information, however, should not be construed as changing the staff's informal procedures and proxy review into a formal or adversarial procedure.

It is important to note that the staff's no-action responses to Rule 14a-8(j) submissions reflect only informal views. The determinations reached in these no-action letters do not and cannot adjudicate the merits of a company's position with respect to the proposal. Only a court such as a U.S. District Court can decide whether a company is obligated to include shareholder proposals in its proxy materials. Accordingly, a discretionary determination not to recommend or take Commission enforcement action does not preclude a proponent, or any shareholder of a company, from pursuing any rights he or she may have against the company in court, should the company's management omit the proposal from the company's proxy materials.

January 17, 2018

*Via e-mail*

Office of Chief Counsel  
Division of Corporation Finance  
Securities and Exchange Commission  
[shareholderproposals@sec.gov](mailto:shareholderproposals@sec.gov)

Re: Laboratory Corporation of America Holdings, 2018 Annual  
Meeting Shareholder Proposal Submitted by PETA

Dear Sir or Madam:

I am writing on behalf of People for the Ethical Treatment of Animals (PETA) and pursuant to Rule 14a-8(k) in response to Laboratory Corporation of America Holdings' ("LabCorp" or "Company") request that the Staff of the Division of Corporation Finance ("Staff") of the Securities and Exchange Commission ("Commission") concur with its view that it may properly exclude PETA's shareholder resolution and supporting statement ("Proposal") from the proxy materials to be distributed by LabCorp in connection with its 2018 annual meeting of shareholders ("No-Action Request").

The Company seeks to exclude the Proposal on the basis of Rules 14a-8(i)(7) and 14a-8(i)(10). As the Proposal focuses on a significant social policy issue and has not been substantially implemented, PETA respectfully requests that LabCorp's request for a no-action letter be denied.

## I. The Proposal

PETA's resolution, titled "Tackle Animal Welfare Problems in Our Company's Laboratories," provides:

RESOLVED, that the Board issue an annual report to shareholders on the measures it is taking to correct and prevent further U.S. Department of Agriculture (USDA) citations for violations of animal protection laws.

The supporting statement then discusses, *inter alia*, LabCorp's history of animal welfare violations, including recent citations for its failure to provide adequate veterinary care in its laboratories and "after thirteen monkeys baked to death when a thermostat malfunctioned, in two separate incidents, and no one noticed."

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PETA FOUNDATION IS AN  
OPERATING NAME OF FOUNDATION  
TO SUPPORT ANIMAL PROTECTION.

**AFFILIATES:**

- PETA U.S.
- PETA Asia
- PETA India
- PETA France
- PETA Australia
- PETA Germany
- PETA Netherlands
- PETA Foundation (U.K.)

## **II. The Proposal Does Not Deal with LabCorp's Ordinary Business Operations and Raises a Significant Social Policy Issue, and Therefore May Not Be Excluded Pursuant to Rule 14a-8(i)(7).**

Rule 14a-8(i)(7) provides that a company may exclude a proposal “[i]f the proposal deals with a matter relating to the company’s ordinary business operations.” Only “business matters that are mundane in nature and do not involve any substantial policy” considerations may be omitted under this exemption. Adoption of Amendments Relating to Proposals by Security Holders, 41 Fed. Reg. 52,994, 52,998 (1976). As the Company notes, the policy underlying this rule rests on two central considerations. The first consideration “relates to the degree to which the proposal seeks to ‘micro-manage’ the company by probing too deeply into matters of a complex nature upon which stockholders, as a group, would not be in a position to make an informed judgment.” Amendments to Rules on Shareholder Proposals, Exchange Act Release No. 40018 (May 21, 1998) (“Rule 14a-8 Release”). Second, “certain tasks are so fundamental to management’s ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight.” *Id.*

Accordingly, the Commission has stated and repeatedly found since that “proposals relating to such matters but focusing on sufficiently significant social policy issues ... generally would not be considered to be excludable, because *the proposals would transcend the day-to-day business matters and raise policy issues so significant that it would be appropriate for a shareholder vote.*” Rule 14a-8 Release (emphasis added).

PETA’s Proposal does not implicate a day-to-day operation that is “mundane in nature,” does not seek to “‘micro-manage’ the company by probing too deeply into matters of a complex nature,” and involves a single important “substantial policy” consideration.

### **A. The Proposal does not to relate to the general conduct of LabCorp’s legal compliance program.**

Pursuant to Rule 14a-8(i)(7), the Staff has stated that shareholder proposals relating to “the *general conduct* of a legal compliance program,” *Humana* (Feb. 25, 1998) (emphasis added), are “*generally excludable*” under this Rule, *Yum! Brands, Inc.* (Mar. 5, 2010) (emphasis added). The Company substantially overstates the breadth of this basis for exclusion, which does not allow for the Proposal to be excluded from its proxy materials.

In *Humana*, the proposal at issue urged the board of directors to “appoint a committee of outside directors to oversee the Company’s corporate anti-fraud compliance program.” The proponent’s supporting statement went on to discuss investigations and sanctions across the healthcare industry for fraud, entirely divorced from any demonstrated fraud by or penalties levied against the company.

The Staff allowed for Humana to exclude the proposal, concluding that “the general conduct of a legal compliance program” is “directed at matters relating to the conduct of the company’s ordinary business” operations and noted that the proposal and supporting statement *did* “*not focus on any violations involving fraud by the company.*” See also *Yum! Brands, Inc.* (Mar. 5, 2010) (Yum! highlighting that, like *Humana*, the proponent “has not alleged any wrongdoing by Yum or its subsidiaries with regard to the hiring of ineligible employees).

The limitations on the breadth of this exclusion were further demonstrated in *Conseco, Inc.* (Apr. 5, 2001), in which the Staff declined to issue no-action relief where a proposal required that the company establish a committee to oversee the development and enforcement of policies to prevent predatory lending. Conseco argued that the proposal could be omitted because it related to a legal compliance program, since:

Participants in the consumer lending market, such as the Company, are subject to extensive Federal and state consumer protection laws that protect consumers from unfair and deceptive lending practices. The Company's lending activities are regulated primarily by each state's Banking Department or equivalent which issues lending licenses to the Company and conducts periodic examinations of the Company's operations. The Company's consumer lending activities are also subject to numerous federal statutes and regulations, including the Truth-In-Lending Act, the Real Estate Settlement Procedures Act, the Home Ownership and Equity Protection Act, the Equal Credit Opportunity Act, the Home Mortgage Disclosure Act, the Fair Credit Reporting Act and Federal Trade Commission regulations. This regulatory network is designed to ensure that lenders do not engage in the “predatory lending practices” with which the Proposal is concerned.

Staff did not concur, however, stating, “We do not believe that Conseco may omit the proposal from its proxy materials in reliance on rule 14a-8(i)(7).” The Staff also rejected Citigroup’s request for no-action relief where a proposal requested a report “describing Citigroup’s relationships with any entity that conducts business, invests in, or facilitates investment in Burma ... as well as explaining why these relationships do not violate U.S. government sanctions,” despite that the relationships were regulated by those government sanctions. *Citigroup Inc.* (Feb. 9, 2001).

Clearly, the proposition that a proposal relating to “the *general conduct* of a legal compliance program” is “*generally excludable*” under Rule 14a-8(i)(7) does not allow for the blanket exclusion of any proposal that relates to a company’s noncompliance with existing laws. Rather, a proposal that “focus[es] on ... violations ... by the company” may be appropriate for shareholder vote. See *Humana*. In this case, as discussed in PETA’s supporting statement, LabCorp has an extensive, deadly, and recent history of failing to comply with the minimum

standards of the law. The Proposal does not seek to “micro-manag[e]” the Company’s operations, but rather demands *accountability* to shareholders where the Company has exhibited a pathological inability to comply with animal welfare regulations notwithstanding any existing oversight by the Company.

Federal inspection reports of the Company’s Covance laboratories currently available from the online database of the U.S. Department of Agriculture—which administers the Animal Welfare Act—document dozens of violations of the AWA regulations in just the 24 months between September 2015 and August 2016. The violations depict dilapidated facilities and dangerous and unsanitary conditions. Animals are confined to rooms with feces dripping from the walls or piled inches high beneath the floor. Dogs, rabbits, monkeys, and other animals suffer with open wounds, painful injuries, fractured limbs, and extensive hair loss, but are deprived of adequate veterinary care. After just one inspection on August 1, 2017, for example, the Company was cited for failing to provide veterinary care to four dogs:

- An adult female beagle was noted to have a small-orange-sized (6 cm x 8 cm) mass [on her mammary glands]. A 1 cm ulcerated area was noted on its surface.
- A young male beagle was found with significant skin and ear problems. The skin on the inside of both ears was red, swollen and thickened. His abdomen, groin and armpits were reddened and inflamed and the dog had a sparse hair coat. The area around the lips was reddened and inflamed, as were the paws and toes.
- A young female beagle was noted with skin issues and a thinning hair coat. The hair around her face, ears, abdomen and groin was sparse and the skin over her whole lower surface was reddened, inflamed, and scabs were present.
- An adult beagle was noted to have a bleeding wound on the top of the outside toe on the right rear paw. Interdigital thickening was noted. The underside of all four paws was inflamed and the skin was thickened.
- There were dogs ... that were found to have excessively long nails. One dog ... was found with rear outside nails curling around to touch the paw pad. Another dog ... was found with a torn, bleeding nail on its left front paw. Two dogs ... were noted with paws/nails caught in the flooring and required immediate attention from facility staff.

In addition to the failure to provide adequate veterinary care to these dogs, the Company was cited for several enclosures that were “are no longer in good repair” and posed a threat to the health and safety of the animals held within them, including worn and unhinged doors, rusted exposed wire and fencing, and sharp metal edges on rusted flooring. It was also cited for feeding dogs food contaminated with mold and insects “in all of the buildings,” and the inspector noted insects and insect larvae “observed in the bulk feeders, the transport carts and the self-feeders in the enclosures”—which laboratory staff denied even having noticed prior to the

inspection. Finally, the Company was cited for inadequate cleaning and sanitation after the inspector found, among other violations: stacked cages in which waste from the top enclosure was dripping down the wall of the lower enclosure and was collecting on the wall, and there was brown staining on the majority of the lower enclosure walls in these buildings; several inches of fecal material covered with black and white mold under the flooring of each enclosure in one building; and rodent feces, dead roaches, and live roaches in active animal areas were noted. *See* USDA, Inspection Report, Covance Research Products Inc. (Aug. 1, 2017) (Exhibit A) (other inspection reports detailing animal welfare violations at Covance facilities spanning September 2015 through August 2017 are attached as Exhibit B).

Every one of the Staff opinions cited by LabCorp is distinguishable on this basis, as they sought general compliance oversight without any previous actual violations. *Ford Motor Co.* (Mar. 19, 2007) (requesting an “independent legal advisory commission to investigate Security Law violations” and asserting “violations that may have been committed” by the board based on the proponent’s own allegations); *General Electric Company* (Jan. 4, 2005) (requesting a report on television stations’ “current activities to meet their public interest obligations,” where the same information was already required to be submitted to the government and no reference to previous findings of violations); *Corrections Corp. of America* (Mar. 18, 2013) (requesting a report related to compliance with IRS rules regarding real estate investment trusts with no reference to previous findings of violations); *Johnson & Johnson* (Feb. 22, 2010) (requesting that the company “verify the employment legitimacy of all future JNJ workers by ... E-Verify systems” with no reference to previous findings of violations of employment or immigration laws); *Fedex Corp.* (July 14, 2009) (requesting an independent committee to prepare a report regarding compliance with laws concerning classification of employees and contractors” with no reference to previous findings of violations); *The Aes Corp.* (Jan. 9, 2007) (requesting an ethics oversight committee of independent directors to monitor the company’s compliance with all applicable laws, rules and regulations with no reference to previous findings of violations).

In an effort to frame the Proposal as related to the “general conduct of a legal compliance program,” LabCorp asserts that “one of the most fundamental tasks associated with the Company’s management’s ability to manage and supervise the Company’s business operations is a focus on compliance with applicable laws and regulations,” and references a “varying and complex array of laws and regulations that govern pharmaceutical research and animal welfare.” *No-Action Request*, at 4. Yet there is only a single law at issue in this case, the federal Animal Welfare Act, and the Company’s litany of substantial violations of this law provides abundant evidence that the Company is failing at this “fundamental task.” Ensuring that the facilities operated by the Company are passably clean, that dogs are not languishing in pain with untreated injuries, and that monkeys are not



pulling out their hair in an exhibition of extreme psychological distress should be an elementary operating principle for the Company, but it is abundantly clear from the USDA's citations that it is repeatedly failing at this task. It is not only appropriate, but apparently necessary for shareholders to require the accountability for these violations and the Company's assurance that it is taking additional steps sufficient to ensure future compliance with the Animal Welfare Act and basic principles of animal welfare.

Accordingly, the Proposal does not relate to LabCorp's "general conduct of a legal compliance program" and its ordinary business operations, and therefore may not be excluded on the basis of Rule 14a-8(i)(7).

**B. The Proposal focuses on the significant social policy issue of animal welfare.**

A company may rely on Rule 14a-8(i)(7) to exclude a proposal only where that proposal relates to the company's ordinary business operations—those matters that are "mundane in nature and do not involve any substantial policy" considerations. Release No. 34-12999 (Dec. 3, 1976). Proposals that relate to ordinary business matters but that focus on "sufficiently significant social policy issues ... would not be considered to be excludable, because the proposals would transcend the day-to-day business matters and raise policy issues so significant that it would be appropriate for a shareholder vote." Release No. 34-40018 (May 21, 1998).

In Staff Legal Bulletin ("SLB") No. 14H, the agency provided further guidance on the significant policy exception following the Third Circuit's decision in *Trinity Wall St. v. Wal-Mart Stores, Inc.*, 792 F.3d 323 (3d Cir.), *cert. dismissed*, 136 S. Ct. 499 (2015). The Commission specifically rejected the majority's interpretation of the exception as requiring a two-part test: (1) the proposal must focus on a significant policy issue; (2) the significant policy issue must "transcend" ordinary business by being "divorced from how a company approaches the nitty-gritty of its core business." SLB No. 14H (citing *Trinity*, 792 F.3d at 347). The Commission reasoned that "a proposal's focus [is not] separate and distinct from whether a proposal transcends a company's ordinary business," but instead:

[P]roposals focusing on a significant policy issue are not excludable under the ordinary business exception "*because* the proposals would transcend the day-to-day business matters and raise policy issues so significant that it would be appropriate for a shareholder vote." Thus, a proposal may transcend a company's ordinary business operations even if the significant policy issue relates to the "nitty-gritty of its core business."

*Id.* (citing Release No. 34-40018). LabCorp's argument that the Proposal, which focuses entirely on the humane treatment of animals, does not relate to the

humane treatment of animals and does not raise any significant social policy issue is unavailing.

*i. The humane treatment of animals is a significant social policy issue.*

The Staff has repeatedly concluded that animal welfare is a significant policy consideration. In *Coach, Inc.*, 2010 WL 3374169 (Aug. 19, 2010), for example, PETA's resolution encouraged the company "to enact a policy that will ensure that no fur products are acquired or sold by [Coach]." In seeking to exclude the proposal, the company argued that "[t]he use of fur or other materials is an aesthetic choice that is the essence of the business of a design and fashion house such as Coach," "luxury companies must be able to make free and independent judgments of how best to meet the desires and preferences of their customers," and that the proposal "does not seek to improve the treatment of animals[, but] to use animal treatment as a pretext for ending the sale of fur products at Coach entirely." *Id.* The Staff disagreed, writing:

In arriving at this position, we note that although the proposal relates to the acquisition and sale of fur products, it focuses on the significant policy issue of the humane treatment of animals, and it does not seek to micromanage the company to such a degree that we believe exclusion of the proposal would be appropriate. Accordingly, we do not believe that Coach may omit the proposal from its proxy materials in reliance on rule 14a-8(i)(7).

*Id.*

Likewise, in *Revlon, Inc.* (Mar. 18, 2014), PETA requested that the company issue an annual report to shareholders accurately disclosing, among other things, whether the company has conducted, commissioned, paid for, or allowed tests on animals anywhere in the world for its products, the types of tests, the numbers and species of animals used, and the specific actions the company has taken to eliminate this testing. Revlon sought to exclude the proposal because "it deals with the sale of the company's products," and argued specifically that its decisions regarding in which countries to sell its products "are ordinary business matters that are fundamental to management's running of [Revlon] on a day-to-day basis and involve complex business judgments that stockholders are not in a position to make." *Id.* The Staff disagreed and did not permit the company to exclude the proposal pursuant to Rule 14a-8(i)(7), finding that it "focuses on the significant policy issue of the humane treatment of animals." *Id.*; *see also, e.g., Bob Evans Farms, Inc.* (June 6, 2011) (finding that a proposal to encourage the board to phase-in the use of "cage-free" eggs so that they represent at least five percent of the company's total egg usage "focuses on the significant policy issue of the humane treatment of animals and does not seek to micromanage the company to such a degree that exclusion of the proposal would be appropriate");

*Denny's* (March 17, 2009) (finding that a proposal requesting the board to commit to selling at least 10% cage-free eggs by volume could not be excluded in reliance on Rule 14a-8(i)(7)); *Wendy's Int'l Inc.* (Feb. 19, 2008) (finding that a proposal requesting that the board issue a report on the feasibility of committing to purchase a percentage of its eggs from cage-free hens could not be excluded in reliance on Rule 14a-8(i)(7)).

*ii. The Proposal's focus is the humane treatment of animals.*

In an effort to skirt this well-established precedent, LabCorp attempts to frame the “thrust and focus” of the Proposal as “compliance with federal law,” despite that the Proposal discusses and explains in detail the Company’s inhumane animal treatment. The substantive focus of the Proposal does not change simply because PETA has used the fact that these conditions have been so woeful that they have resulted in repeated violations of the bare minimum standards of the Animal Welfare Act as a means to “address animal welfare concerns” at the Company.<sup>1</sup>

Moreover, unlike the cases cited by LabCorp: (1) the Proposal’s *singular focus* is the humane treatment of animals, *cf. Corrections Corp. of America* (Mar. 15, 2006) (proposal’s purpose was to tie the significant policy issue of executive compensation to four areas of “social responsibility”); *General Motors* (Apr. 4, 2007) (proposal’s purpose was to tie the significant policy issue of executive compensation to the sale of more fuel-efficient vehicles); (2) the humane treatment of animals has indisputably been recognized by the Staff as a significant policy issue, *cf. Pfizer, Inc.* (Feb. 12, 2007) (proposal’s focus was reducing animal experiments without any reference to welfare or inhumane treatment); *Home Depot, Inc.* (Jan. 24, 2008) (permitting exclusion of a proposal seeking to end the sale of glue traps, where rodent control has not been recognized by the Staff as a significant policy issue); *Lowe’s Companies, Inc.* (Feb. 1, 2008) (same); and (3) the Proposal relates to providing minimal care and is therefore not too complex for a shareholder vote, *see SeaWorld Entertainment, Inc.* (Mar. 30, 2017) (allowing exclusion on the ground that the proposal to send orcas to seaside sanctuaries, the feasibility of which was disputed by the parties, was too complex in nature, to which the “significant social policy issues” exception does not apply).

In *Bank of America* (Mar. 14, 2011), the Staff declined no-action relief involving a Proposal that requested “an independent review of the company’s internal controls

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<sup>1</sup> LabCorp further argues that the Proposal is not focused on the humane treatment of animals because it “does not suggest ways for the Company to adjust its animal welfare policies or practices, or request specific action regarding the Company’s animal research.” *No-Action Request*, at 5. The Proposal calls on the Company to itself determine how best to adjust its animal welfare practices, and surely, if PETA requested specific action regarding the Company’s animal research, LabCorp would now be seeking no-action relief on that basis under Rules 14a-8(i)(7) and 14a-8(i)(2).

related to loan modifications, foreclosures, and securitizations, and to report to shareholders its finding and recommendations,” despite that the report was specifically to “evaluate ... the Company’s compliance with ... applicable laws and regulations.” The Staff reached this conclusion “[i]n view of the public debate concerning widespread deficiencies in the foreclosure and modification processes for real estate loans and the increasing recognition that these issues raise significant policy considerations....” The focus of the proposal was the significant social policy issue of predatory lending, and did not transform to merely legal compliance because the proponent sought to ensure compliance with applicable laws that related to it.

Finally, contrary to LabCorp’s assertion, the Proposal does not “implicate[] laws that extend beyond the policy issue of animal welfare” and does not “only vaguely mention[] that it applies to ‘animal protection laws.’” *No-Action Request*, at 6 (citing *PetSmart* (Mar. 24, 2011)). First, the Proposal also specifically references “a history of animal welfare violations,” “serious violations of animal welfare regulations,” and “animal welfare concerns.” Second, the Proposal is entirely focused on the welfare of animals used by the Company. Every violation referenced in the supporting statement relates specifically to the welfare of the animals in the Company’s laboratories, breeding facilities, and holding facilities, and citations it received for, what it well knows, are violations of the minimum animal care requirements of the Animal Welfare Act. Despite LabCorp’s attempt to introduce the Lacey Act within the scope of the Proposal, it is entirely unrelated to the welfare of animals used by the Company and is not even implicitly within the scope of the Proposal. Third, while the Company’s violations of the recordkeeping requirements of the AWA are not referenced by the Proposal, it must be noted that the very purpose of the AWA is “to insure that animals intended for use in research facilities ... are provided humane care and treatment,” 7 U.S.C. § 2131, and the USDA’s rulemaking authority under the AWA is specifically “to govern the humane handling, care, treatment, and transportation of animals by dealers, research facilities, and exhibitors,” 7 U.S.C. § 2143. The USDA does not have the authority under the AWA to issue regulations unrelated to humane animal care, and even those regarding recordkeeping are to “insure ... the humane care and treatment” of animals in laboratories.

Accordingly, the Proposal’s “thrust and focus” is not “general leg the humane treatment of animals—a significant social policy issue.

*iii. The focus of the Proposal is a subject of widespread debate and critically important to the Company’s health.*

“[T]he presence of widespread public debate regarding an issue is among the factors to be considered in determining whether proposals concerning that issue ‘transcend the day-to-day business matters.’” SLB No. 14A (July 12, 2002). In addition to the humane treatment of animals generally, the use and welfare of

animals used in research specifically is a significant social policy issue of substantial public interest and subject to widespread debate.

The widespread public debate regarding the welfare of animals used in research is exemplified by LabCorp's own submission. Public concern regarding this issue undoubtedly is what led to "the Covance website includ[ing] at least six different webpages related to the company's animal research practices," *No-Action Request*, at 8, and the inclusion on its website of a list of links to external organizations "that provide valuable information on animal welfare and animal research," including several industry groups that exist solely to garner support for the use of animals in research:

- Americans for Medical Progress - Animal Research (AMP): "AMP provides accurate and incisive information to foster a balanced public debate on the animal research issue" and "nurture[es] public understanding of and support for the humane, necessary and valuable use of animals in medicine." AMP, About, <https://www.amprogress.org/about/>.
- Basel Declaration: "[T]he aim of the Basel Declaration is ... to call for more trust, transparency and communication on the sensitive topic of animals in research." Basel Declaration, <http://www.basel-declaration.org>.
- Foundation of Biomedical Research (FBR): "FBR promotes understanding and support for biomedical research," including by maintaining a website and publishing a brochure encouraging readers to "support animal research." *See, e.g.*, FBR, About FBR, <https://fbresearch.org/dedicated-to-animal-research/>.
- National Association of Biomedical Research (NABR): NABR is "dedicated solely to advocating for sound public policy that recognizes the vital role animals play in biomedical research." NABR, About NABR, <http://www.nabr.org/about/>.
- Pro-Test Germany: The organization purports to exist to provide information "to facilitate an informed and fair debate for the entire society," and includes a page dedicated to responding to "a collection of arguments that have been made against the use of animals in research." Pro-Test Germany, <http://www.pro-test-deutschland.de/en/>.
- Pro-Test Italia: The organization purports to exist to provide information to counter "antiscientific propaganda" regarding animal research. Pro-Test Italia, Our History, <http://www.pro-test.it/chi-siamo/storia/>.
- Speaking of Research: "Speaking of Research (SR) aims to change the tide of the controversial animal rights debate in the United States by encouraging students and scientists to speak out in favor of the lifesaving medical research developed with animals." Speaking of Research, About, <https://speakingofresearch.com/about/>.

Additionally, polling by the Pew Research Center found that 50 percent of U.S. adults oppose the use of animals in scientific research altogether—regardless of

the level of care they receive. *See* Cary Funk and Lee Rainie, Pew Research Center, *Public and Scientists' Views on Science and Society* (Jan. 29, 2015). Other surveys suggest that the shrinking group that does accept animal experimentation does so only because it believes it to be necessary for medical progress. *See* Peter Aldhous and Andy Coghlan, *Let the People Speak*, *New Scientist* (May 22, 1999). Ninety-four percent of Americans believe that animals deserve to be protected from harm and exploitation. *See* Rebecca Rifkin, Pew Research Center, *In U.S., More Say Animals Should Have Same Rights as People* (May 18, 2015).

As one United Kingdom court has recognized, the public interest in the welfare of the animals in Covance's laboratories "is almost so obvious as not to require much by way of spelling it out." *See* Judgment, *Covance Laboratories Ltd. v. The Covance Campaign et al.*, Claim No 5C – 00295 (June 16, 2005). The court continued:

[Covance] is part of a global group of companies which develops and markets pharmaceutical products. As is well known the testing of products on animals in laboratories is a common (and, it may well be, necessary) part of the work done by pharmaceutical manufacturers. In my judgment, concern that laboratory animals should be treated with basic decency and with the minimum pain consistent with the procedures to which they are subjected is a matter of legitimate interest to substantial sections of the public. I refer to persons who are particularly concerned with the welfare of animals; and (this is probably by far the larger group) to those who, given a choice of drugs, would prefer to use drugs produced by a manufacturer who treated laboratory animals in the way which I have just mentioned rather than a manufacturer whose treatment of animals was abusive....

*Id.*

Finally, in light of the substantial public interest in the humane treatment of animals used in research, the failure to provide animals in laboratories with the protections of the existing laws can have dire consequences for the Company. A 2010 PETA exposé of Professional Laboratory and Research Services (PLRS), a North Carolina contract laboratory, revealed laboratory workers yelling and cursing at cowering dogs and cats, using pressure hoses to spray water, bleach, and other harsh chemicals on them, dragging dogs who were too frightened to walk through the facility, and viciously slamming cats into the metal doors of cages and attempting to rip their nails out. Many dogs had raw, oozing sores from being forced to live constantly on wet concrete, often in pools of their own urine and waste. Animals endured bloody feces, worm infestations, oozing sores, abscessed teeth, hematomas, and pus- and blood-filled infections without receiving adequate veterinary examinations and treatment. The conditions were so appalling at the facility that one week after PETA released its video and filed a complaint with the USDA—which resulted in an initial investigation, citations for dozens of violations of federal animal welfare laws, and an investigation by the agency's Investigative

Enforcement Service—the facility surrendered nearly 200 dogs and more than 50 cats and shut its doors. Four employees, including a supervisor, were charged with fourteen counts of felony cruelty to animals. *See* PETA, *Professional Laboratory and Research Services Undercover Investigation*, <https://www.peta.org/features/professional-laboratory-research-services/>. More recently, after USDA cited Santa Cruz Biotechnology, an antibody provider, with violations of the AWA related to the failure to provide adequate veterinary care to goats with coyote bites and tumors, and the substandard housing conditions of rabbits, the company reached a settlement with the USDA that included a \$3.5 million fine and permanent revocation of its license to sell, buy, trade or import animals. *See* Sara Reardon, *US Government Issues Historic \$3.5-million Fine Over Animal Welfare*, *Nature* (May 20, 2016), <https://www.nature.com/news/us-government-issues-historic-3-5-million-fine-over-animal-welfare-1.19958>.

Accordingly even if the Staff finds that the Proposal relates to LabCorp’s ordinary business operations, it focuses on a significant social policy issue that transcends day-to-day business matters, and is appropriate for a shareholder vote.

### **III. The Proposal Has Not Been Substantially Implemented and Therefore May Not Be Excluded Pursuant to Rule 14a-8(i)(10).**

Rule 14a-8(i)(10) permits a company to omit a shareholder proposal from its proxy materials if “the company has already substantially implemented the proposal.” This Rule was “designed to avoid the possibility of shareholders having to consider matters which already have been favorably acted upon by management.” *Exchange Act Release No. 34-12598* (July 7, 1976). According to the Staff, “[a] determination that the company has substantially implemented the proposal depends upon whether [the company’s] particular policies, practices and procedures compare favorably with the guidelines of the proposal.” *Texaco, Inc.* (March 28, 1991). When a company can demonstrate that it has already taken actions to address each element of a shareholder proposal, the Staff has concurred that the proposal has been “substantially implemented.” *See, e.g., Exxon Mobil Corp.* (Mar. 23, 2009); *The Gap, Inc.* (Mar. 8, 1996).

Accordingly, the Company acknowledges that substantial implementation under Rule 14a-8(i)(10) requires a company’s actions to have satisfactorily addressed both the proposal’s “underlying concerns” and its “essential objective.” *No-Action Request*, at 7. The “essential objective” of the Proposal is to ensure that the Company does not continue, despite its existing policies, to engage in practices that fall so far below an acceptable standard of animal care that they violate even the minimal standards of the AWA. LabCorp’s long and continuing history of violations for inadequate animal care makes abundantly clear that its policies, practices, and procedures fail to address this essential objective.

**A. The mere existence of Company policies related to animal care does not substantially implement the Proposal.**

Where a proponent requests that the company report to shareholders on a particular subject matter, the mere existence of a company policy concerning that subject matter does not render the proposal “substantially implemented.” Rather, the policy must specifically address the proposal’s concerns and objectives and the company must be in compliance with it.

In *Hanesbrands Inc.* (Jan. 13, 2012), the Staff informed the company that it could not exclude, under Rule 14a-8(i)(10), a proposal that requested “a report describing the company’s vendor standards pertaining to reducing supply chain environmental impacts—particularly water use and related pollution.” The company alleged that it had made public disclosures that covered the topics that the proposal sought to address, as it set forth on its website “extensive disclosures regarding its efforts to reduce the environmental impacts of its supply chain through its own manufacturing and distribution activities” and information and goals on its “overall environmental policies and practices, most of which focus specifically on water use and related pollution.” The website also included the following policies for vendors with respect to water use, pollution, and other environmental matters:

- HBI believes in doing business with suppliers who share the company’s commitment to protecting the quality of the environment around the world through sound environmental management.
- Suppliers will comply with all applicable environmental laws and regulations, and will promptly develop and implement plans or programs to correct any noncompliant practices.
- HBI will favor suppliers who seek to reduce waste and minimize the environmental impact of their operations.

The company argued that “[b]ecause of this robust disclosure, implementation of the Proposal would not result in any additional disclosure to be provided to shareholders” and that the proposal was therefore moot. The Staff disagreed, finding that “Hanesbrands’ public disclosures [did not] compare favorably with the guidelines of the proposal” and the company could not rely on Rule 14a-8(i)(10) for exclusion. In other words, the existence of a general company policy that fails to address the proponent’s concerns is an insufficient basis on which to exclude a proposal requesting a descriptive report on those same matters.

Moreover, even where a company policy specifically discusses the very concerns raised by a proposal, the company must be in compliance with that policy to rely on Rule 14a-8(i)(10) for exclusion. In *Johnson & Johnson* (Feb. 4, 2011), the proponent requested that the company “[a]dopt available non-animal methods whenever possible and incorporate them consistently throughout all the



Company's operations" and "[e]liminate the use of animals to train sales representatives." The supporting statement discussed that certain Johnson & Johnson facilities used live pigs for training medical professionals while others used simulators for the same purpose and that the company used live animals to train sales representatives, including non-employee interns.

At the time of the proposal, the company's Guidelines for the Use of Animals in Teaching & Demonstrations ("Guidelines") required that:

- Live animals shall be used for teaching or demonstration purposes only when actual participation by the trainee is required to learn the proper usage of a product in a medical or surgical procedure.
- Participation in a training session shall be limited to only those individuals for whom the training experience is considered essential.
- Alternative methods shall be employed whenever possible.

The proponent argued that if the Guidelines were in fact being followed, the instances discussed in the supporting statement could or should not have occurred: "[F]or the Company to assert that the Guidelines, to which it fails to adhere, demonstrate that the proposal has been substantially implemented, is to make precisely the opposite point." The Staff agreed, finding that Johnson & Johnson failed to meet its burden of establishing it may exclude the proposal under Rule 14a-8(i)(10). "Although the company has adopted its [Guidelines]," it concluded, "the proposal addresses not only '*standards*' but also requests that the company adopt '*methods*' and that it 'incorporate them consistently.'" *See also Wal-Mart Stores, Inc.* (Mar. 29, 2011) (finding that the company could not exclude a proposal regarding supplier sustainability reports as substantially implemented where "the Proposal's underlying concern [was] ... the gap between company policies and the actual implementation of such policies in a company's supply chain"); *Chevron Corp.* (March 22, 2008) (finding that the company could not exclude a proposal requesting that the company adopt a comprehensive, transparent, verifiable human rights policy where, although the company had a "paper policy," the company had not implemented the policy).

PETA is acquainted with Covance's published information on its "commitment to animal welfare," *No-Action Request*, at 8-10, including that the Company "treat[s] the animals [it] use[s] in biomedical research humanely with compassion and respect,"<sup>2</sup> *id.* at Ex. B. Indeed, PETA makes reference to the Company's "stated

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<sup>2</sup> LabCorp also repeatedly references the importance of animal research on several occasions. While irrelevant to the Proposal, PETA notes that the results of such research is rarely reproducible, and it is well accepted that intrinsic biological and genetic differences among species mean that results of animal studies usually do not translate to humans. *See* Nat'l Institutes of Health, Nat'l Ctr. for Advancing Translational Sciences, *About the National Center for Advancing Translational Sciences*, <https://ncats.nih.gov/about> (acknowledging that

‘primary concern’ for animal welfare” in its supporting statement, and the inadequacy of these purported policies highlights the importance of and need for the Proposal’s introduction. As detailed further below, the “extensive information” published by the Company does not substantially implement the essential objective of the Proposal, as it provides no specific or quantifiable means to ensure that our Company does not continue to violate the AWA. The Company may not rely on it these platitudes and existing government requirements to exclude the Proposal under Rule 14a-8(i)(10).

**B. LabCorp’s brief mentions of alleged compliance with applicable laws does not implement the Proposal.**

The Company argues that it already publishes “exactly the information requested by the Proposal” by “not[ing] that it works ‘diligently to ensure that we – and our suppliers – adhere to all applicable animal welfare government regulations,” and mentioning that the AWA is one such set of “regulations applicable to its business.” *No-Action Request*, at 8. The Company then highlights that it “lists several examples of how it complies with these applicable rules,” including having veterinarians on call and requiring training for all employees who work with animals in their laboratories, *id.*, none of which “prevent[ed] further [USDA] citations for violations of animal protection laws,” and therefore are not measures taken to prevent further violations—the very ask of the Proposal.

The Company also notes that it “makes available its Code of Respect on its website,” which includes that it “will treat animals ... humanely and with respect” and it “will follow all applicable laws and regulations for animal treatment.” *Id.* at 8-9. This document further states that Covance will “apply appropriate controls” to ensure that it is followed. *Id.* It similarly references a “Corporate Responsibility Report” that “expressly discusses the importance of animal welfare, identifying applicable laws and highlighting the importance of compliance with regulations.” *Id.* at 9.<sup>3</sup> These repeated pronouncements do not outline any specific, verifiable,

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of all drugs that test safe and effective in animals, 95 percent fail in clinical trials); Pandora Pound & Michael Bracken, *Is Animal Research Sufficiently Evidence Based To Be A Cornerstone Of Biomedical Research?*, *British Medical Journal* (2014) (“even the most promising findings from animal research often fail in human trials and are rarely adopted into clinical practice”); Leonard Freedman et al., *The Economics of Reproducibility in Preclinical Research*, *PLoS Biol* 13(6) (2015) (50-89% of all preclinical research—including animal experimentation—could not be reproduced); Francis Collins & Lawrence Tabak, *Policy: NIH Plans to Enhance Reproducibility*, 505 *Nature* 612 (2014) (NIH acknowledgment that “[p]reclinical research, especially work that uses animal models, seems to be the area that is currently most susceptible to reproducibility issues.”).

<sup>3</sup> The Company also asserts that it participated in a survey, the purpose of which “was to get a sense of employees’ opinions across [European Federation of Pharmaceutical Industries and Associations] members about the current standards of care, potential gaps, and expectations.”

and quantitative “controls” or “measures it is taking to correct and prevent further [USDA] citations for violations of animal protection laws”—the very ask of the Proposal.

The platitudes in Covance’s statements are more of a smokescreen than anything approximating transparency. In fact, following release of the PETA investigation referenced in the Proposal’s supporting statement—which revealed that workers struck, choked, and tormented monkeys, sick and injured monkeys received no veterinary care, and other primates circled frantically in their cages and self-mutilated as a result of Covance’s failure to provide psychological enrichment and socialization and treat injuries—Covance sought an injunction preventing PETA’s European affiliate from publishing video of the exposé. In dismissing Covance’s application, the Court specifically cited this Code of Respect and concluded: “[A] comparison of what is said in the statement from which I have quoted and what may be seen in the video ... *is a comparison between two different worlds.*” See Judgment, Covance Laboratories Ltd. v. The Covance Campaign et al., Claim No 5C – 00295 (June 16, 2005) (emphasis added). The same holds true for the Company’s other pronouncements of its oversight, commitment to animal welfare, and assurance of compliance, all of which are entirely belied by the repeated citations and graphic details in the USDA’s inspection reports. This is far cry from informing shareholders of what steps the Company will be taking to ensure future compliance with the AWA regulations—the very ask of the Proposal.

### **C. LabCorp’s purported oversight does not implement the Proposal.**

The Company alleges that the Proposal has been implemented because “the website lists meaningful steps the Company has taken to correct and prevent violations of animal protection laws,” specifically: (1) alleged internal audits; (2) Institutional Animal Care and Use Committees “and other animal welfare review boards”; and (3) accreditation by the Association for Assessment and Accreditation of Laboratory Animal Care (AAALAC).

First, the Company’s reference to the “Global Animal Welfare Organization” on its website, *No-Action Request*, at 9, says only that it “conducts regular audits” and “implements and monitors global animal welfare standards.” It provides no further information as to what this “audit” entails, the frequency or nature of its “regular audits,” what “global animal welfare standards” are purportedly “implement[ed] and monitor[ed],” or how those standards are “implement[ed] and monitor[ed].” Notwithstanding the alleged monitoring and audits, Covance has repeatedly been cited for serious violations of federal animal welfare laws,

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*No-Action Request*, at 10. It is unclear how this relates in any way to preventing future violations of the AWA in its own laboratories.

including substantial suffering, disrepair, and unhealthy conditions that went entirely unnoticed by the Company.

Second, the Company asserts that its Institutional Animal Care and Use Committees—which are required by the AWA—“periodically ... inspect[s] our research facilities, and investigate[s] any animal welfare concerns.” *Id.* It provides no further information of the frequency or nature of these purported inspections and investigations, none of which have prevented Covance’s repeated citations for serious violations of the AWA.

Third, the Company cites its third-party accreditation by AAALAC. *Id.* AAALAC accreditation is maintained through the payment of an annual fee and a prearranged site visit once every three years. Of course, this does not ensure and has failed to ensure proper animal care and that the law is being followed in the Company’s laboratories. In fact, a recent study revealed that laboratories accredited by AAALAC were cited for violations of AWA regulations *more frequently* than unaccredited facilities, and had more violations related to improper veterinary care, personnel qualifications, and animal husbandry. *See Goodman et al., Does Accreditation by AAALAC Ensure Greater Compliance With Animal Welfare Laws?*, *Journal of Applied Animal Welfare Science* 1-10 (2014).

LabCorp does not even attempt to address how these measures can prevent future violations notwithstanding their failures to date. Accordingly, their mere existence fails to inform the Company’s shareholders that animals used in the Company’s testing are treated humanely in accordance with the law.

#### **IV. Conclusion**

LabCorp’s Covance facilities have been repeatedly cited for serious violations of the AWA despite the Company’s policies that require and assure shareholders of compliance with existing laws. This suggests a glaring lack of oversight and the failure to ensure that the Company’s laboratories provide basic animal care, and the need to adopt new policies and procedures to do so. If the Company would like to argue to shareholders that notwithstanding the welfare violations in its laboratories, its policy is sufficient to prevent further violations and the Proposal should not pass, it may do so in its opposition statement.

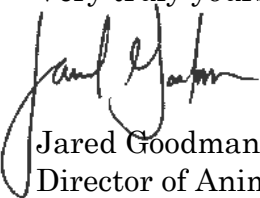
The existence of LabCorp’s broad pronouncements of compliance, oversight, and care is an insufficient basis on which to exclude the Proposal requesting that the Company disclosure to shareholders “the measures it is taking to correct and prevent further ... citations for violations of animal protection laws” that have occurred notwithstanding these pronouncements. As the Staff found in *Hanesbrands Inc.* and *Johnson & Johnson*, a company’s policy about how it holds itself to high standards is simply not enough, and this is so particularly where that existing policy has demonstrably failed for years, resulting in substantial suffering.

The suffering of animals in the Company's laboratories is not an "ordinary business operation," but is an issue of substantial public concern. Exposés of cruel mistreatment of animals have the capacity to negatively impact LabCorp's stock value and even its ability to remain in business. LabCorp's existing hollow statements regarding animal welfare have failed time and again to prevent the Company from exercising adequate oversight over its laboratories that have violated federal animal welfare standards. Shareholders must be given the opportunity to urge the Company to adopt additional measures to ensure that this does not happen yet again.

As the Proposal does not deal with LabCorp's ordinary business operations and raises a significant social policy issue, and has not been substantially implemented, we respectfully request that the Staff decline to issue no-action relied to LabCorp and inform the company that it may not omit the Proposal from its proxy materials in reliance on Rules 14a-8(i)(7) and 14a-8(i)(10).

Should the Staff need any additional information in reaching its decision, please contact me at your earliest convenience.

Very truly yours,

A handwritten signature in black ink, appearing to read "Jared Goodman", is written over the typed name.

Jared Goodman  
Director of Animal Law  
323-210-2266 | JaredG@petaf.org

cc: William I. Intner, Hogan Lovells US LLP

# Exhibit A



## Inspection Report

Covance Research Products Inc  
310 Swampbridge Road  
Denver, PA 17517

Customer ID: **281**  
Certificate: **23-A-0180**  
Site: 003

COVANCE RESEARCH PRODUCTS, INC. - VA

Type: ROUTINE INSPECTION  
Date: 01-AUG-2017

### 2.40(b)(2)

#### ATTENDING VETERINARIAN AND ADEQUATE VETERINARY CARE (DEALERS AND EXHIBITORS).

Four dogs were identified as requiring veterinary attention during this inspection:

\*An adult female beagle was noted to have a small-orange-sized (6 cm x 8 cm) mass involving the last gland of the left mammary chain. A 1 cm ulcerated area was noted on its surface.

\*A young male beagle was found with significant skin and ear problems. The skin on the inside of both ears was red, swollen and thickened. His abdomen, groin and armpits were reddened and inflamed and the dog had a sparse hair coat. The area around the lips was reddened and inflamed, as were the paws and toes.

\*A young female beagle was noted with skin issues and a thinning hair coat. The hair around her face, ears, abdomen and groin was sparse and the skin over her whole lower surface was reddened, inflamed, and scabs were present.

\*An adult beagle was noted to have a bleeding wound on the top of the outside toe on the right rear paw. Interdigital thickening was noted. The underside of all four paws was inflamed and the skin was thickened.

\*There were dogs in G1 that were found to have excessively long nails. One dog in G1 was found with rear outside nails curling around to touch the paw pad. Another dog in G1 was found with a torn, bleeding nail on its left front paw. Two dogs in G1 were noted with paws/nails caught in the flooring and required immediate attention from facility staff.

Mammary masses can grow rapidly and cause significant discomfort. Skin and ear inflammation can lead to significant itching, pain, and debilitation. Long nails can get caught in the enclosure wires and can be painful if allowed to grow too long. The licensee must ensure that appropriate methods are in place to identify, diagnose and treat diseases and health concerns in the animals. Correct this by having dogs with medical conditions outlined

Prepared By:

NEAFSEY MICHAEL

NEAFSEY MICHAEL USDA, APHIS, Animal Care

Title: VETERINARY MEDICAL OFFICER 6094

Date:

05-OCT-2017

Received By:

Title:

Date:

05-OCT-2017



## Inspection Report

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above examined by the Attending Veterinarian. Dogs in all building need to be evaluated and have appropriate nail trimming.

Correct by August 10, 2017.

### 2.40(b)(3)

#### ATTENDING VETERINARIAN AND ADEQUATE VETERINARY CARE (DEALERS AND EXHIBITORS).

Daily observation of all dogs to assess their health and well-being and communication of concerns to the Attending Veterinarian could not be verified during this inspection. As noted in 2.40 (b) (2) above, animals in need of veterinary care were found by the inspectors during this inspection. A lack of daily monitoring of animals and effective notification of animal concerns to the Attending Veterinarian can lead to significant health issues in dogs that therefore do not receive timely veterinary care. Daily observation of all dogs and a mechanism of direct and frequent communication providing timely and accurate information on problems of animal health, behavior and well-being is conveyed to the attending veterinarian is required.

Correct by August 10, 2017.

### 3.6(a)(2)

#### PRIMARY ENCLOSURES.

\*The floors and heavy plastic hanging doors of the primary enclosures in buildings G1 and G2 were worn. The flooring of primary enclosures in this area are constructed of primarily tenderfoot material. The hanging doors are constructed of a heavy plastic material with metal hinges. The plastic coating on the tenderfoot flooring has been worn or chewed off over portions of the floors. In the majority of these areas the exposed wire is rusted. There are several areas throughout the buildings where the rusted metal has deteriorated and has either broken completely off, creating holes in the flooring, or has broken and created a sharp point on the flooring.

\*Several of the heavy plastic hanging doors, which connect the indoor and outdoor portions of the kennel, have come unscrewed from the walls. The screws have dropped into the wash-down areas under the enclosure, so they pose no immediate threat to the animals. The doors in many areas are left partially hanging off the wall because one or more of the hinges is no longer attached.

\*There were also several indoor and outdoor chain-link fence style doors that were constructed of galvanized material. These doors were heavily rusted at the bottom. The rust has lead to many of the ties that secure the

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05-OCT-2017





## Inspection Report

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bottom chain-link to break off. This has led to the dogs being able to push and bounce off the bottom of the fence and to push the chain-link away from supporting tubing. Currently no dogs have been injured or escaped these areas.

\*There were several areas under the enclosure flooring where the supports for the floor have detached or broken. This allows the flooring to bounce as the dogs run and jump within the enclosure. The bouncing floors opens gaps which may allow for dogs to escape or become injured.

These areas of the buildings are no longer in good repair. The areas where the tenderfoot coating is damaged provide crevices that organic material can become entrapped preventing adequate cleaning and sanitation. Additionally, the rust which has formed over the exposed metal also prevents them from being readily cleaned and sanitized. Correct by repairing or replacing these damaged areas. All surfaces in contact with the dogs must be readily cleaned and sanitized in accordance with Sec. 3.11 (b) of this subpart, or be replaceable when worn or soiled. The broken edges of the flooring, broken chain-link fence ties, broken flooring supports and the unhinged doors do not contain the dogs securely and does not protect the dogs from injury. Primary enclosures must be constructed and maintained so that they are structurally sound and must be maintained so that they are kept in good repair.

Correct by: November 2, 2017.

### 3.9(a)

#### FEEDING.

\*There were insects and/or insect larvae found in the feed in all of the buildings. The insects and insect larvae were observed in the bulk feeders, the transport carts and the self feeders in the enclosures. There were at least three different types of beetles that were observed by the inspection team. There were several areas where insects were found in over 50% of the self feeders in the room. Currently the feed supplied to the four main buildings is stored in bulk food containers located immediately outside of the buildings in a feed silos. The feed then is transported through an auger system where it is loaded into transport carts that distribute the food throughout the buildings. The staff had not identified this insect issue prior to the inspection teams arrival. The staff was unable to determine if they were receiving contaminated feed or whether the insects were in the silos and were contaminating the feed once the food arrived.

\*In several feeders in the G1 and G2 buildings mold was observed in the self feeders within the enclosures as well as in the transport carts.

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Date:

05-OCT-2017



## Inspection Report

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\*In at least one feeder in the G1 building rocks were observed in the self feeders within the enclosures.

\*At the time of the inspection the feed identified as being contaminated within feed carts and enclosures was removed from the area.

Feeding contaminated food can decrease the dog's acceptance of the food and can increase the risk of disease and health hazards. The food must be uncontaminated, wholesome and palatable for the animals. The licensee needs to remove the contaminated feed to protect the health and well-being of the dogs. The licensee needs to establish and maintain a program to ensure that food is protected from contamination and that measures are taken to ensure that there is no molding or insect contamination of the feed at all times

Correct by November 2, 2017.

### 3.11(b)

#### **CLEANING, SANITIZATION, HOUSEKEEPING, AND PEST CONTROL.**

\*In buildings 96 and 97 there were two levels of enclosures in each of the rooms. The waste pan under the top enclosure was several inches from the top of lower enclosure. Typically the waste flowed into a PVC pipe from the metal pan. However, in these buildings the seal around the pan and pipe of the waste-pan for the top level enclosure was broken. There was waste from the top enclosure that was dripping down the wall of the lower enclosure and was collecting on the wall. There was brown staining on the majority of the lower enclosure walls in the these buildings.

\*In buildings 96 and 97 there are several rooms that have are currently not being used and are under construction. In these buildings there are several areas where food and waste are present in the enclosures. There are a large number dead roaches on the floor of these rooms. The presence of food sources for these insects may contribute to infestation of animal housing areas. Roaches were found dead throughout the building in lower numbers, however live roaches were noted to be present in active animal areas.

\*In building 97 the feed room had not been swept and kept clean. There was dust and evidence of pests throughout the room. There was evidence of rodent feces along the back wall as well as beetles and insect larvae were found within the food bins. The scoops that were located within the food bins was caked with food material.

\*In building 96 and 97 the tops of the enclosures had a build-up of dirt and dust. The areas had not been cleaned in

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**Prepared By:**

**NEAFSEY MICHAEL**

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**Title:** VETERINARY MEDICAL OFFICER 6094

**Date:**

05-OCT-2017

**Received By:**

**Title:**

**Date:**

05-OCT-2017



## Inspection Report

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a while per the Site Director and area supervisor.

\*The majority of the white plastic whelping boxes in buildings 96 and 97 have been chewed on the corners. There is a buildup of brown material and hair on the chewed corners. These items can not be appropriately cleaned and sanitized.

\*In the G1 building there was a buildup of fecal material under the flooring of each enclosure. This buildup was several inches deep. On the top of the buildup there was white and black mold present. The animals did not immediately appear to be affected. Fecal build-up with mold contamination can have deleterious effects on the dogs' health. Removal of waste material under the dogs' enclosures must occur frequently enough that it will not have a potential adverse effect on the animals. After speaking with the Site Director, the building was designed to flush under the enclosures, however the fecal material is not dislodged during the flushing process. Once every six months the area is manually scraped.

\*The auger system for the food in all areas of the property had not been cleaned and sanitized. There was a heavy buildup of food material in the white tubes of the auger system. The Site Director was unsure of when the last time these areas had been cleaned and disinfected.

\*In all of the buildings there was chipping and unsealed concrete as well as chipping paint. These areas are unable to be appropriately cleaned and sanitized and may harbor pathogens.

\*In all of the buildings the areas that used galvanized materials for the chain-linked fence, the metal was rusting. In some of the galvanized tubes the rust was beginning to chip.

\*The tenderfoot flooring in buildings G1 and G2 the coating is breaking off and exposing the metal. The metal in many of these areas is heavily rusted and cannot be appropriately cleaned and sanitized.

Improper cleaning and sanitation of the animal areas contributes to disease hazards within the facility. This facility must establish and maintain a routine for proper cleaning and sanitation for the facility to include all wash downs.

Correct by September 2, 2017

This inspection was conducted on August 1-2, 2017 with the Attending Veterinarian and the Site Director.

The exit briefing was conducted on August 3, 2017 with the Attending Veterinarian and the Site Director.

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Prepared By:

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Title: VETERINARY MEDICAL OFFICER 6094

Date:

05-OCT-2017

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Date:

05-OCT-2017



## Inspection Report

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### Additional Inspectors

Mcbride Mary Ann, Veterinary Medical Officer

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**Prepared By:**

NEAFSEY MICHAEL

NEAFSEY MICHAEL     USDA, APHIS, Animal Care

**Title:**     VETERINARY MEDICAL OFFICER   6094

**Received By:**

**Title:**

**Date:**  
05-OCT-2017

**Date:**  
05-OCT-2017

## Exhibit B



## Inspection Report

Covance Laboratories Inc  
3301 Kinsman Boulevard  
Madison, WI 53704

Customer ID: **640**

Certificate: **35-R-0030**

Site: 001

COVANCE LABORATORIES, INC.

Type: ROUTINE INSPECTION

Date: 16-AUG-2017

### 2.38(f)(1)

#### MISCELLANEOUS.

On April 8, 2017 during a handling procedure a rabbit reportedly bound out of its enclosure and sustained a spinal injury. The rabbit was promptly evaluated by veterinary staff and humanely euthanized. This adverse incident was reported to the ACUC and appropriate measures were taken to prevent any further occurrences.

Correction: Ensure corrective actions are followed.

This inspection and exit interview were conducted with facility representatives.

Prepared By:

WELCH SCOTT, VMO

WELCH SCOTT, VMO USDA, APHIS, Animal Care

Title: VETERINARY MEDICAL OFFICER 6046

Date:

17-AUG-2017

Received By:

Title:

Date:

17-AUG-2017



## Inspection Report

Covance Laboratories Inc  
3301 Kinsman Boulevard  
Madison, WI 53704

Customer ID: **640**

Certificate: **35-R-0030**

Site: 001

COVANCE LABORATORIES, INC.

Type: ROUTINE INSPECTION

Date: Jun-27-2016

### 3.84 (c)

#### CLEANING, SANITIZATION, HOUSEKEEPING, AND PEST CONTROL.

Housekeeping for premises.

During inspection, two rooms had enclosures positioned so that non-human primates had been able to reach objects that were not intended for animal contact. In EB3348, a radio had been pulled off the shelf and at least one of the two cynomologous monkeys in the enclosure had been playing with the power cord. In W2442 an enclosure with three cynomologous monkeys was close enough to a plastic feed storage tote that at least one of the monkeys was found to have been chewing on the plastic liner bag. Enclosures placed so that animals can gain access to stored items in rooms could have adverse effects on animals.

Correction: The enclosure racks were moved immediately by staff during inspection so that the animals could no longer access stored items. To protect the safety and health of animals, the facility must ensure that animals do not have access to stored items in the rooms.

Inspection of animals and animal facilities was conducted on 6/27/2016 and records review and exit interview was conducted on 6/28/2016 with facility representatives.

Prepared By:

SCOTT WELCH, VMO

SCOTT M WELCH, VMO

USDA, APHIS, Animal Care

Date:

Title:

VETERINARY MEDICAL OFFICER Inspector 6046

Jun-28-2016

Received By:

Date:

Title:

Jun-28-2016



## Inspection Report

Covance Research Products Inc  
310 Swampbridge Road  
Denver, PA 17517

Customer ID: 281

Certificate: 23-A-0180

Site: 004

COVANCE RESEARCH PRODUCTS INC

Type: ROUTINE INSPECTION

Date: 06-JAN-2017

### 3.53(a)(1) CRITICAL

#### PRIMARY ENCLOSURES.

In early September 2016, a rabbit was found by staff with an enrichment device (bell) stuck in its mouth. Staff contacted the attending veterinarian and it was decided to euthanize the animal. The rabbit was eight months old and therefore at the end of its production cycle. It likely would have been euthanized within a week. This contributed to the decision to euthanize at this time. At post-mortem, the bell was removed with no other injuries apparent. Bells are hung from the ceilings of the rabbit enclosures on chains. The bells are attached to the chains with a metal circle. The ends of the circle are in close opposition to each other but do not overlap. It is suspected the bell had become detached from the chain and fell to the bottom of the enclosure allowing the rabbit push its lower jaw into the wide part of the bell where it became stuck. Though the facility plans to move to a more sturdy enrichment device, the bells have not been modified or replaced. On inspection today, one bell was seen lying on the enclosure floor of one rabbit. Enrichment devices which are not safe and secure can harm animal health. Primary enclosures, including enrichment items, shall be structurally sound and maintained in good repair to protect the rabbits from injury.

Correct by: March 1, 2017

This inspection and exit interview were conducted with the Attending and Clinical Veterinarians

Prepared By:

KERRY MCHENRY, D V M

KERRY MCHENRY USDA, APHIS, Animal Care

Title: SUPERVISORY ANIMAL CARE SPECIALIST 6024

Received By:

Title:

Date:

06-JAN-2017

Date:

06-JAN-2017





## Inspection Report

Covance Research Products Inc.  
P.O. Box 549  
Alice, TX 78333

Customer ID: **6906**

Certificate: **74-B-0332**

Site: 001

Covance Research Products Inc.

Type: ROUTINE INSPECTION

Date: 29-NOV-2016

### 2.40(b)(3) CRITICAL

#### ATTENDING VETERINARIAN AND ADEQUATE VETERINARY CARE (DEALERS AND EXHIBITORS).

Three non human primates over the last year acquired limb fractures prior to or shortly after arrival at the facility. The fractures were diagnosed when animals were sedated several days later for TB testing. A method must be developed to ensure that adequate observations are made by staff so that timely and accurate information on problems of animal health, behavior, and well-being is conveyed to the attending veterinarian.

CORRECT : IMMEDIATELY

The inspection and exit briefing was conducted with facility veterinarians and the Director of Animal Operations.

Prepared By:

ELIZABETH PANNILL, D V M

ELIZABETH PANNILL USDA, APHIS, Animal Care

Title: VETERINARY MEDICAL OFFICER 4018

Date:

27-JAN-2017

Received By:

Title:

Date:

27-JAN-2017



## Inspection Report

Covance Laboratories Inc  
3301 Kinsman Boulevard  
Madison, WI 53704

Customer ID: **640**

Certificate: **35-R-0030**

Site: 007

COVANCE LABORATORIES INC

Type: ROUTINE INSPECTION

Date: Mar-07-2016

### 2.33 (b) (3)

#### ATTENDING VETERINARIAN AND ADEQUATE VETERINARY CARE.

One macaque ( RA 1982 ) on an active study was observed to have generalized alopecia and diarrhea, Review of the clinical records indicate that this animal has experienced two episodes of collapse and was treated with IV fluids by a technician. The veterinarian present at time of the inspection said she was notified many hours after the episodes and has not seen this animal in over 2 weeks. There is no notation in the clinical record that the diarrhea or alopecia is being addressed. Clinical records that contain results of the physical exam and treatment plan are important to ensure adequate veterinary care is provided. Although daily observations may be done by someone other than the veterinarian a mechanism of direct and frequent communication is required so that timely and accurate information on problems of animal health, behavior, and well-being is conveyed to the attending veterinarian.

CORRECT BY : 3-9-16

The inspection and exit briefing was conducted by Dr. Pannill- USDA with facility employees.

Prepared By:

ELIZABETH PANNILL, D V M

ELIZABETH PANNILL, D.V.M. USDA, APHIS, Animal Care

Title: VETERINARY MEDICAL OFFICER Inspector 4018

Date:

Mar-08-2016

Received By:

Title:

Date:

Mar-08-2016



## Inspection Report

Covance Research Products Inc.  
P.O. Box 549  
Alice, TX 78333

Customer ID: **6906**

Certificate: **74-B-0332**

Site: 001

Covance Research Products Inc.

Type: ROUTINE INSPECTION

Date: Mar-07-2016

### 3.81 (b)

#### ENVIRONMENT ENHANCEMENT TO PROMOTE PSYCHOLOGICAL WELL-BEING.

Alopecia is an issue with many of the Cynomologus macaques housed individually at this facility. One male ( C 69023 ) housed indoors for the winter months was observed to have generalized alopecia.. At time of the inspection, food enrichment had been given but there were no enrichment devices in his enclosure. The alopecia may be an indication that the psychological /social needs of this animal are not currently being met. Enrichment devices such as forage feeding, puzzle devices and even visual barriers may improve the psychological well being for this animal and others.The facility does have a plan in place to address alopecia and enrichment however there is inconsistency in the way it is followed in different areas of the facility.The enrichment plan must be followed and include environmental enrichment for all animals.

CORRECT BY : 3-14-16

The inspection and exit briefing was conducted by Dr. Pannill - USDA with facility employees.

Prepared By:

ELIZABETH PANNILL, D V M

ELIZABETH PANNILL, D.V.M. USDA, APHIS, Animal Care

Title: VETERINARY MEDICAL OFFICER Inspector 4018

Date:

Mar-08-2016

Received By:

Title:

Date:

Mar-08-2016



## Inspection Report

Covance Laboratories Inc  
3301 Kinsman Boulevard  
Madison, WI 53704

Customer ID: **640**

Certificate: **35-R-0030**

Site: 001

COVANCE LABORATORIES, INC.

Type: ROUTINE INSPECTION

Date: Sep-21-2015

### 2.38 (f) (1)

#### MISCELLANEOUS.

Six incidents of serious orthopedic injuries in non-human primates have been identified by the facility this year. The facility has identified that a new handling technique being implemented was a factor in causing the injuries. Orthopedic injuries can be painful for animals and handling methods must not cause orthopedic injuries. Handling of animals must be done as carefully as possible to avoid physical harm to the animals.

Note: The affected animals received veterinary treatment. The Attending Veterinarian and IACUC were adequately and promptly notified of the injuries and appropriate steps are being taken to prevent further occurrences.

Correction: Ensure corrective actions are followed.

Exit interview conducted with facility representatives.

Prepared By:

SCOTT WELCH, VMO

SCOTT M WELCH

USDA, APHIS, Animal Care

Date:

Title:

VETERINARY MEDICAL OFFICER Inspector 6046

Sep-22-2015

Received By:

Date:

Title:

Sep-22-2015



Laboratory Corporation of America® Holdings  
531 South Spring Street  
Burlington, North Carolina 27215

January 8, 2018

**Rule 14a-8(i)(7)**  
**Rule 14a-8(i)(10)**

**VIA E-MAIL (shareholderproposals@sec.gov)**

Office of Chief Counsel  
Division of Corporation Finance  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

Re: Laboratory Corporation of America Holdings  
Shareholder Proposal of People for the Ethical Treatment of Animals

Dear Ladies and Gentlemen:

On behalf of Laboratory Corporation of America Holdings (the “**Company**”), I am submitting this letter pursuant to Rule 14a-8(j) under the Securities Exchange Act of 1934 to notify the Securities and Exchange Commission (the “**Commission**”) of the Company’s intention to exclude from its proxy materials for its 2018 annual meeting of shareholders (the “**2018 Annual Meeting**”) a shareholder proposal (the “**Proposal**”) submitted to the Company by People for the Ethical Treatment of Animals (the “**Proponent**”). The Company also requests confirmation that the staff of the Division of Corporation Finance (the “**Staff**”) will not recommend to the Commission that enforcement action be taken if the Company omits the Proposal from its 2018 proxy materials for the reasons discussed below.

A copy of the Proposal, together with other correspondence relating to the Proposal, is attached hereto as Exhibit A.

In accordance with Staff Legal Bulletin No. 14D (November 7, 2008) (“**SLB No. 14D**”), this submission is being delivered by e-mail to shareholderproposals@sec.gov. Pursuant to Rule 14a-8(j), a copy of this submission also is being sent to the Proponent. Rule 14a-8(k) and SLB No. 14D provide that a shareholder proponent is required to send to the Company a copy of any correspondence which the proponent elects to submit to the Commission or the Staff. Accordingly, we hereby inform the Proponent that, if the Proponent elects to submit additional



correspondence to the Commission or the Staff relating to the Proposal, the Proponent should concurrently furnish a copy of that correspondence to the undersigned.

Pursuant to the guidance provided in Staff Legal Bulletin No. 14F (Oct. 18, 2011), we ask that the Staff provide its response to this request to the undersigned via e-mail at the address noted in the last paragraph of this letter.

The Company intends to file its definitive 2018 Proxy Materials with the Commission more than 80 days after the date of this letter.

### **THE PROPOSAL**

The Proposal requests that the Company's stockholders approve the following resolution:

RESOLVED, that the Board issue an annual report to shareholders on the measures it is taking to correct and prevent further U.S. Department of Agriculture (USDA) citations for violations of animal protection laws.

### **BASES FOR EXCLUDING THE PROPOSAL**

We request that the Staff concur that the Company may exclude the Proposal on the following bases:

- Rule 14a-8(i)(7) because the Proposal deals with matters relating to the Company's ordinary business operations; and
- Rule 14a-8(i)(10) because the Proposal has been substantially implemented by the Company.

#### **I. Rule 14a-8(i)(7) – The Proposal Deals with a Matter Relating to the Company's Ordinary Business Operations**

Rule 14a-8(i)(7) permits a company to omit from its proxy materials a shareholder proposal that relates to the company's "ordinary business operations." According to the Commission, the underlying policy of the ordinary business exclusion is "to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholder meeting." Exchange Act Release No. 40018, Amendments to Rules on Shareholder Proposals, Fed. Sec. L. Rep. (CCH) 11 86,018, at 80,539 (May 21, 1998) (the "**1998 Release**").

In the 1998 Release, the Commission described two “central considerations” for the ordinary business exclusion. The first is that certain tasks are “so fundamental to management’s ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight.” The second consideration relates to “the degree to which the proposal seeks to ‘micro-manage’ the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.” *Id.* at 86,017-18 (footnote omitted).

*A. The Proposal Involves Ordinary Business Matters Because it Relates to the General Conduct of the Company’s Legal Compliance Program.*

The Proposal is excludable under Rule 14a-8(i)(7) because it relates to the general conduct of the Company’s legal compliance program. The Staff has consistently recognized that shareholder proposals addressing compliance with governmental laws and regulations may be excluded under Rule 14a-8(i)(7) because they infringe on a core management function. For example, in *Ford Motor Co.* (Mar. 19, 2007), the Staff permitted exclusion of a proposal requesting that the board of directors appoint an independent commission to investigate securities law violations because, in the Staff’s words, the proposal related to the “general conduct of a legal compliance program.” Similarly, in *General Electric Co.* (Jan. 4, 2005), a proposal requesting a report detailing NBC’s broadcast television stations’ efforts to meet their public interest obligations was deemed excludable under Rule 14a-8(i)(7) as relating to the “general conduct of a legal compliance program,” because the proposal related to compliance with Federal Communication Commission regulations. *See also Corrections Corporation of America* (Mar. 18, 2013) (permitting exclusion of a proposal that “relate[d] to plans ‘to comply with, and monitor compliance with, IRS rules governing REITS’” because “[p]roposals that concern a company’s legal compliance program are generally excludable under Rule 14a-8(i)(7).”); *Johnson & Johnson* (Feb. 22, 2010) (permitting exclusion of a proposal requesting that the company take specific actions to comply with employment eligibility verification requirements because it concerned the “company’s legal compliance program”); *FedEx Corp.* (Trowel Trades S&P 500 Index Fund) (Jul. 14, 2009) (permitting exclusion of a proposal requesting the preparation of a report discussing the company’s compliance with state and federal laws governing the proper classification of employees and independent contractors because it “relat[ed] to FedEx’s ordinary business operations (i.e., general legal compliance program)”); *AES Corp.* (Jan. 9, 2007) (permitting exclusion of a proposal seeking the creation of a board oversight committee to monitor company compliance with federal, state and local laws because the proposal “relat[ed] to [the company’s] ordinary business operations (i.e., general conduct of a legal compliance program)”).

The Proposal requests that the Company’s board of directors issue an annual report to shareholders on the measures it is taking to correct and prevent further U.S. Department of Agriculture (“USDA”) citations for violations of animal protection laws. As a life-sciences

company providing comprehensive clinical laboratory and end-to-end drug development services, the Company is subject to numerous federal, state and municipal laws and regulations. The Company's management is responsible for directing the Company's day-to-day operations, including overseeing the development and implementation of appropriate policies relating to compliance with applicable laws and regulations, including those related to animal welfare. Because the Company operates within a heavily regulated industry, one of the most fundamental tasks associated with the Company's management's ability to manage and supervise the Company's business operations is a focus on compliance with applicable laws and regulations. Indeed, the importance of this focus on compliance is reflected in the Company's Annual Report on Form 10-K, which includes a section on Regulation and Reimbursement in Item 1 of Part I that covers more than 25% of the total discussion in that Item. That discussion expressly references compliance with animal welfare laws, including the Animal Welfare Act.

The Company's management, and not its shareholders, is in the best position to understand the requirements imposed by applicable laws and regulations to administer the Company's compliance program. It would be impracticable to delegate to shareholders supervision of the Company's compliance with the varying and complex array of laws and regulations that govern pharmaceutical research and animal welfare. As a result, the Proposal does nothing more than seek to infringe upon and second-guess one of the Company's management's core functions of overseeing the Company's legal compliance program. As a result, the Proposal is a clear effort to micro-manage the Company's operations.

That the Proposal requests the Company prepare a report about legal compliance (rather than requesting action regarding legal compliance itself) does not mean that the Proposal does not seek to micro-manage the Company. The Commission has stated that a proposal requiring the dissemination of a report is excludable under Rule 14a-8(i)(7) if the substance of the report relates to the ordinary business of the issuer. *See* Exchange Act Release No. 20091 (Aug. 16, 1983). The Staff stated that it will "consider whether the subject matter of the special report . . . involves a matter of ordinary business; where [the report] does, the proposal will be excludable under" the ordinary business exception. *Id.* Because the requested report involves oversight of the Company's legal compliance program, a matter of the Company's ordinary business, it is excludable from the 2018 Proxy Materials.

*B. Regardless of Whether the Proposal Touches upon Significant Social Policy Issues, the Entire Proposal is Excludable Because it Addresses Ordinary Business Matters*

The Commission indicated in the 1998 Release that shareholder proposals relating to ordinary business operations but "focusing on sufficiently significant social policy issues . . . generally would not be considered to be excludable, because the proposals would transcend the day-to-day business matters and raise policy issues so significant that it would be appropriate for a shareholder vote." However, a proposal is not automatically exempt from Rule 14a-8(i)(7)



merely because it implicates a matter of significant policy. Instead, when the “thrust and focus” of the proposal involves ordinary business matters, the Staff has upheld exclusion even when the proposal touched upon significant policy issues. *See, e.g., Corrections Corporation of America* (Mar. 15, 2006) (permitting exclusion of a proposal because “although the proposal mentions executive compensation [a significant policy issue], the thrust and focus of the proposal [related to] other matters, including the ordinary business matter of general compensation.”); *General Motors Corp. (Wilson)* (Apr. 4, 2007) (permitting exclusion of a proposal requesting that the board institute an executive compensation program that tracks progress in improving the fuel economy of GM vehicles, noting “while the proposal mentions executive compensation [a significant policy issue], the thrust and focus of the proposal is on ordinary business matters”). There are numerous examples of proposals implicating animal welfare that the Staff has agreed are excludable because they related to matters of ordinary business. *See, e.g., Sea World Entertainment, Inc.* (Mar. 30, 2017) (permitting exclusion of a proposal submitted by the Proponent requesting the company retire its resident orcas to seaside sanctuaries because the proposal sought to micromanage the company’s ordinary business operations); *Home Depot, Inc.* (Jan. 24, 2008) (permitting exclusion of a proposal seeking to end the sale of glue traps “because they are cruel and inhumane to the target animals . . .,” because the proposal related to the company’s “ordinary business operations (i.e., the sale of a particular product)”; *Lowe’s Companies, Inc.* (Feb. 1, 2008) (same, despite the proponent’s assertion that animal welfare is a matter of significant social policy); *Pfizer Inc.* (Feb. 12, 2007) (permitting exclusion of a proposal seeking a report on the company’s justification for contributing to the advancement of animal-based testing because it related to the company’s ordinary business operations).

The thrust and focus of the Proposal is on the Company’s compliance with federal law, which, as discussed above, is a matter of ordinary business. The Proposal specifically discusses governmental citations and lists various examples of violations of law, and requests that the Company “correct and prevent” further citations. The Proposal does not suggest ways for the Company to adjust its animal welfare policies or practices, or request specific action regarding the Company’s animal research. Instead, it requests a report specifically about the Company’s legal compliance program, indicating that the thrust and focus of the proposal is on the Company’s ordinary business even though it may touch upon a social policy.

In addition, the Staff has previously permitted exclusion of a proposal relating to compliance with animal welfare laws when the scope of the laws referenced in the proposal was broader than a significant policy issue. In a fact pattern similar to the instant case, in *PetSmart, Inc.* (Mar. 24, 2011), the Staff permitted exclusion under Rule 14a-8(i)(7) of a proposal submitted by the same Proponent involving the company’s compliance with animal welfare laws. The *PetSmart* proposal requested that the company “require that its suppliers certify that they have not violated the Animal Welfare Act, the Lacey Act, or any state law equivalents.” The company argued that this proposal interfered with the company’s ordinary business, in part because the laws mentioned by the Proposal implicated a wide range of conduct beyond a

significant policy issue. The Staff agreed, noting in its concurrence that “[a]lthough the humane treatment of animals is a significant policy issue, we note your view that the scope of the laws covered by the proposal is ‘fairly broad in nature from serious violations such as animal abuse to violations of administrative matters such as record keeping.’”

As in *PetSmart, Inc.*, the Proposal implicates laws that extend beyond the policy issue of animal welfare. The Proposal only vaguely mentions that it applies to “animal protection laws,” and specifically, the USDA’s enforcement of such laws. The USDA administers the Animal Welfare Act and the Lacey Act, among others, each of which were also specifically mentioned in the *PetSmart, Inc.* proposal. As discussed in *PetSmart, Inc.*, while portions of these laws relate to animal welfare, the statutes also regulate a host of activities unrelated to animal welfare, from plant-based product classifications to administrative record keeping functions. The Proposal therefore implicates the Company’s compliance with laws unrelated to any social policy. Thus, the principal thrust and focus of the Proposal is on the Company’s ordinary business matters, namely the Company’s compliance with federal law, and therefore the entire Proposal may be excluded under Rule 14a-8(i)(7).

## **II. Rule 14a-8(i)(10) – The Proposal Has Been Substantially Implemented**

### *A. Rule 14a-8(i)(10)*

Rule 14a-8(i)(10) permits a company to exclude a shareholder proposal from its proxy materials if the company has substantially implemented the proposal. In explaining the scope of a predecessor to Rule 14a-8(i)(10), the Commission said that the exclusion is “designed to avoid the possibility of shareholders having to consider matters which already have been favorably acted upon by the management.” *Exchange Act Release No. 12598* (Jul. 7, 1976) (discussing the rationale for adopting the predecessor to Rule 14a-8(i)(10), which provided as a substantive basis for omitting a shareholder proposal that “the proposal has been rendered moot by the actions of the management”). At one time, the Staff interpreted the predecessor rule narrowly, considering a proposal to be excludable only if it had been “‘fully’ effected” by the company. *See Exchange Act Release No. 19135* at § II.B.5. (Oct. 14, 1982). By 1982, however, the Commission recognized that the Staff’s narrow interpretation of the predecessor rule “may not serve the interests of the issuer’s security holders at large and may lead to an abuse of the security holder proposal process,” in particular by enabling proponents to argue “successfully on numerous occasions that a proposal may not be excluded as moot in cases where the company has taken most but not all of the actions requested by the proposal.” *Id.* Accordingly, the Commission proposed in 1982 and adopted in 1983 a revised interpretation of the rule to permit the omission of proposals that had been “substantially implemented.” *See Exchange Act Release No. 20091*, at § II.E.6. (Aug. 16, 1983) (indicating that the Staff’s “previous formalistic application of” the predecessor rule “defeated its purpose” because the interpretation allowed proponents to obtain a

shareholder vote on an existing company policy by changing only a few words of the policy). The Commission later codified this revised interpretation in *Exchange Act Release No. 40018* at n.30 (May 21, 1998). Thus, when a company has already taken action to address the underlying concerns and essential objectives of a shareholder proposal, the proposal has been “substantially implemented” and may be excluded. *See, e.g., Exelon Corp.* (Feb. 26, 2010); *Exxon Mobil Corp. (Burt)* (Mar. 23, 2009); *Anheuser-Busch Companies, Inc.* (Jan. 17, 2007); *ConAgra Foods, Inc.* (Jul. 3, 2006); *Talbots Inc.* (Apr. 5, 2002); *Exxon Mobil Corp.* (Jan. 24, 2001); *The Gap, Inc.* (Mar. 8, 1996).

Applying this standard, the Staff has noted that “a determination that the company has substantially implemented the proposal depends upon whether [the company’s] particular policies, practices and procedures compare favorably with the guidelines of the proposal.” *Texaco, Inc.* (Mar. 28, 1991). For example, in *Apple, Inc.* (Dec. 11, 2014) the Staff concurred in the exclusion of a proposal that requested the establishment of a Public Policy Committee where the company had existing systems and controls, including an audit and finance committee, designed to oversee the matters listed in the proposal. *See also Entergy Corporation* (Feb. 14, 2012) (concurring in the exclusion of a proposal that requested establishment of a committee to conduct a special review of certain nuclear matters when the company had an existing nuclear committee responsible for the proposed matters); *Covance Inc.* (Feb. 22, 2008) (concurring in the exclusion of a proposal that requested a report on the feasibility of establishing environmental enrichment committees at the company’s laboratories where the company already had institutional animal care and use committees fulfilling the proposed committees’ functions); *International Business Machines Corp.* (Jan. 4, 2010) (concurring in the exclusion of a proposal that requested periodic reports of the Company’s “Smarter Planet” initiative where the Company had already reported on those initiatives using a variety of different media, including the Company’s “Smarter Planet” web portal).

*B. The Information Requested by the Proposal is Already Made Available by the Company*

The Proposal requests that the Company issue an annual report to shareholders on the measures it is taking to correct and prevent violations of animal protection laws. The supporting statement of the Proposal concludes with the statement that “failure to comply with animal welfare regulations could harm the Company’s reputation and business. It is in our Company’s interest that it . . . provides transparency to its shareholders on steps it is taking to address animal welfare concerns.” In fact, as discussed below, the Company has already provided shareholders with the information requested by the Proposal, and provides precisely the transparency about the “steps it is taking to address animal welfare concerns” that the Proposal requests.



The Company's business segment Covance Drug Development ("Covance"), which is discussed extensively in the Proposal, provides end-to-end drug development services, and is the only segment of the Company that performs animal research and provides purpose-bred animals to biopharmaceutical companies, university research centers and contract research organizations. Covance provides extensive information on its website regarding its commitment to animal welfare,<sup>1</sup> providing the transparency about animal welfare concerns sought by the Proposal. For example, the Covance website includes at least six different webpages related to the company's animal research practices. These webpages discuss the lifesaving scientific discoveries that have been made possible through animal research and the Company's work in establishing and maintaining a corporate culture that makes animal welfare a top priority. Copies of these webpages are attached hereto as Exhibit B.

Notably, the information on the Covance website also addresses the Company's compliance with applicable laws and regulations related to animal welfare, which is exactly the information requested by the Proposal. The Company notes that it works "diligently to ensure that we – and our suppliers – adhere to all applicable animal welfare government regulations." For example, under a caption entitled "Meeting Requirements and Striving to Do More," the Company discusses the regulations applicable to its business, including "the European Council Directive 2010/63/EU, the U.S. Animal Welfare Act and the requirements set forth by the United States Department of Agriculture (USDA) and the U.S. Public Health Service Policy on the Humane Care and Use of Laboratory Animals."<sup>2</sup> The Company lists several examples of how it complies with these applicable rules, including employing more than 30 veterinarians with expertise and experience in ensuring the health and well-being of research animals; having a veterinarian on call 24 hours a day, 365 days a year at each of the Company's animal facilities; and requiring training for each employee who works with laboratory animals, with such training including how to observe animals for signs of pain, distress or health issues and an overview of industry standards and all applicable regulations that govern animal care and use. In addition, the website states examples where the company has gone above and beyond mere legal compliance to provide for animal welfare, noting, for example, that "[t]hree years before the European Commission issued its current regulations on animal habitats, we increased the size of the pens for primates living in our labs in Germany in order to provide them with a more comfortable setting."

The Company also makes available its Code of Respect on its website,<sup>3</sup> applicable to all employees, which relates to the Company's efforts to comply with animal protection laws. The tenets of the Code of Respect include:

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<sup>1</sup> <https://www.covance.com/commitment/animal-welfare/our-commitment.html>

<sup>2</sup> <https://www.covance.com/commitment/animal-welfare/impact-on-results.html>

<sup>3</sup> <https://www.covance.com/commitment/animal-welfare/code-of-respect/animal-welfare.html>



- “We will treat animals in our care humanely and with respect.”
- “We will follow all applicable laws and regulations for animal treatment and will require our suppliers to adhere to the same standards.”
- “We will employ alternative scientific methods to animal use where appropriate and consistent with applicable regulations and scientific validity.”
- “We will take steps to ensure that we and our processes meet these regulations and standards.”

As a means to implement this Code of Respect, the Code provides that Covance will “apply appropriate controls to ensure that these procedures and techniques and this Code of Respect are followed,” and it will “encourage our co-workers to report any misconduct or failure to adhere to this Code of Respect.” Such measures provide a reasonable and well-tailored basis for the Company to comply with applicable animal welfare laws.

Additionally, as called for by the Proposal, the website lists meaningful steps the Company has taken to correct and prevent violations of animal protection laws.<sup>4</sup> For example, the website describes Covance’s Global Animal Welfare Organization, led by its vice president of animal welfare and comparative medicine, which sets, implements and monitors global animal welfare standards at Covance. The website reports that this team conducts regular audits of all the Company’s animal facilities and vendors, to evaluate compliance with applicable animal welfare laws. In addition, the website describes Covance’s Institutional Animal Care and Use Committees and other animal welfare review boards, which include veterinarians, scientists, members of Covance’s professional staff and at least one member of the public. These Committees periodically review Covance’s animal care and use program, inspect research facilities, and investigate any animal welfare concerns. Finally, as stated on the website, once every three years, the Company submits a comprehensive program description to the Association for Assessment and Accreditation of Laboratory Animal Care (AAALAC) that details Company policies, animal housing and management, veterinary care and facilities. AAALAC representatives then conduct thorough onsite assessments, and their findings are further evaluated by the AAALAC Council on Accreditation. The website reports that all ten Covance biomedical research sites are accredited by AAALAC.

The Company also issues a Corporate Responsibility Report that is available on the Covance website.<sup>5</sup> The Corporate Responsibility Report expressly discusses the importance of animal welfare, identifying applicable laws and highlighting the importance of compliance with regulations. Furthermore, consistent with the action called for by the Proposal, the Corporate Responsibility Report identifies that in 2016 the Company participated, along with other

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<sup>4</sup> <https://www.covance.com/commitment/animal-welfare/beliefs-in-action.html>

<sup>5</sup> <https://www.covance.com/commitment/corporate-responsibility.html>

members of the European Federation of Pharmaceutical Industries and Associations (EFPIA) in the Culture of Care for Animal Research Survey. As the Corporate Responsibility Report notes, the “purpose of the survey was to get a sense of employees’ opinions across EFPIA members about the current standards of care, potential gaps, and expectations.” Through the Corporate Responsibility Report, the Company is already “provid[ing] transparency to its shareholders on steps it is taking to address animal welfare concerns,” which is how the Proponent concludes its argument set forth in its supporting statement.

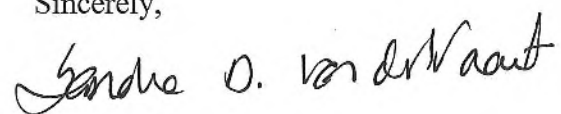
All of the above information provides clear examples of measures the Company is taking to correct and prevent violations of animal protection laws, as requested by the Proposal. It is unclear what, if any, information the Proposal’s requested report would include that is not already covered by the publicly available information on the Company’s website. Accordingly, the Company has already taken action to address the underlying concerns and essential objectives of the Proposal, meaning the Proposal has been “substantially implemented” and may be excluded from the Company’s 2018 Proxy Materials.

### CONCLUSION

For the reasons discussed above, the Company believes that it may omit the Proposal from its 2018 proxy materials. We request the Staff’s concurrence in our view or, alternatively, confirmation that the Staff will not recommend any enforcement action to the Commission if the Company excludes the Proposal.

If you have any questions or need additional information, please feel free to contact me at (336) 436-5042 or [vaarts@labcorp.com](mailto:vaarts@labcorp.com), or William Intner at Hogan Lovells at (410) 659-2778 or [william.intner@hoganlovells.com](mailto:william.intner@hoganlovells.com). When a written response to this letter is available, I would appreciate your sending it to me by e-mail at [vaarts@labcorp.com](mailto:vaarts@labcorp.com).

Sincerely,



Sandra D. van der Vaart  
Senior Vice President and  
Deputy Chief Legal Officer

Office of Chief Counsel  
Division of Corporation Finance  
U.S. Securities and Exchange Commission  
January 8, 2018  
Page 11

Enclosures

cc: William I. Intner, Hogan Lovells US LLP  
Jared S. Goodman, People for the Ethical Treatment of Animals

**Exhibit A**

**Copy of the Proposal and Related Correspondence**





PEOPLE FOR  
THE ETHICAL  
TREATMENT  
OF ANIMALS

November 29, 2017

F. Samuel Eberts III  
Secretary  
Laboratory Corporation of America Holdings  
358 South Main Street  
Burlington, North Carolina 27215

**Via UPS Next Day Air Saver**

Dear Mr. Eberts:

Attached to this letter is a shareholder proposal submitted for inclusion in the proxy statement for the 2018 annual meeting. Also enclosed is a letter from People for the Ethical Treatment of Animals' (PETA) brokerage firm, RBC Wealth Management, confirming ownership of 39 shares of Laboratory Corporation of America Holdings common stock, which were acquired at least one year ago. PETA has held at least \$2,000 worth of common stock continuously for more than one year and intends to hold at least this amount through and including the date of the 2018 shareholders meeting.

Please communicate with PETA's authorized representative Jared S. Goodman if you need any further information. Mr. Goodman can be reached at Jared S. Goodman, PETA Foundation, 2154 W. Sunset Blvd., Los Angeles, CA 90026, by telephone at (323) 210-2266, or by e-mail at [JaredG@PetaF.org](mailto:JaredG@PetaF.org). If Laboratory Corporation of America Holdings will attempt to exclude any portion of this proposal under Rule 14a-8, please advise Mr. Goodman within 14 days of your receipt of this proposal.

Sincerely,

Sara Britt, Corporate Liaison  
PETA Corporate Affairs

Enclosures: 2018 Shareholder Resolution  
RBC Wealth Management letter

Washington, D.C.  
1536 16th St. N.W.  
Washington, DC 20036  
202-483-PETA

Los Angeles  
2154 W. Sunset Blvd.  
Los Angeles, CA 90026  
323-644-PETA

Norfolk  
501 Front St.  
Norfolk, VA 23510  
757-622-PETA

Oakland  
554 Grand Ave.  
Oakland, CA 94610  
510-763-PETA

[Info@peta.org](mailto:Info@peta.org)  
PETA.org

**Affiliates**

- PETA India
- PETA Australia
- PETA Germany
- PETA Asia-Pacific
- PETA Netherlands
- PETA Foundation (U.K.)



**Wealth  
Management**

99 Almaden Boulevard  
Suite 300  
San Jose, CA 95113-1603

Office: 408.292.2442  
Toll Free: 800.421.2746  
Fax: 408.298.8295

November 29, 2017

Tracy Reiman  
Executive Vice President  
People for the Ethical Treatment of Animals  
501 Front Street  
Norfolk, VA 23510

Re: Verification of Shareholder Ownership in Laboratory Corporation of America Holdings

Dear Ms. Reiman:

This letter verifies that People for the Ethical Treatment of Animals (PETA) is the beneficial owner of 39 shares of Laboratory Corporation of America Holdings common stock and that PETA has continuously held at least \$2,000.00 in market value for at least one year prior to and including the date of this letter.

Should you have any questions or require additional information, please contact me at (408) 947-3322.

Sincerely,

Thach Nguyen  
Registered Client Associate to Joshua Levine  
Senior Vice President – Financial Advisor  
RBC Wealth Management

## **Tackle Animal Welfare Problems in Our Company's Laboratories**

RESOLVED, that the Board issue an annual report to shareholders on the measures it is taking to correct and prevent further U.S. Department of Agriculture (USDA) citations for violations of animal protection laws.

### **Supporting Statement**

According to federal reports, Covance, which is owned by Laboratory Corporation of America, held or used nearly 29,000 animals in 2015—including 4,214 dogs, 6,865 monkeys, 14,777 rabbits, and hundreds of other animals—including pigs, hamsters, cats, horses, and ferrets. More than 7,000 of these animals were used in painful experiments. These figures do not include tens of thousands of mice and rats who are not legally required to be counted but suffer as well.

Notwithstanding its stated “primary concern” for animal welfare, Covance has a long history of animal welfare violations. An eyewitness investigation of Covance conducted by People for the Ethical Treatment of Animals in 2004/2005 documented on video monkeys held in small, barren cages—circling frantically in their cages, pulling out their hair, and biting their own flesh. Employees abused monkeys, striking them and throwing them against cages. As a result, the government cited and fined Covance for numerous violations of federal laws. In 2016, Covance was again cited and fined after thirteen monkeys baked to death when a thermostat malfunctioned, in two separate incidents, and no one noticed. Monkeys also suffered when Covance ordered that they be transported via air and truck without rest or water despite malfunctioning air conditioning.

Animals continue to suffer abuse and neglect at Covance. Recent federal inspections of Covance facilities document serious violations of animal welfare regulations, including the following:

- Beagles at Covance’s dog breeding facility were denied adequate veterinary care. One beagle had an orange-sized ulcerated mass on her mammary glands. Another had inflamed skin on the inside of both ears, on his abdomen, groin and armpits, around his lips, and on his paws and toes—a condition that can lead to significant itching, pain, and debilitation. Several young beagles were noted to have a thinning hair coat—possibly indicative of poor nutrition and care. Nearly one-fifth of the dogs had excessively long nails; in one case, the nails had curled back to touch the paw pads.
- An 8-month-old rabbit had to be euthanized after she was found with a bell stuck in her mouth. Another rabbit had to be euthanized after she sustained a spinal injury.
- Covance failed to provide veterinary care to monkeys who had sustained limb fractures and suffered from alopecia and diarrhea; and failed to handle monkeys humanely, resulting in serious orthopedic injuries.

Our Company acknowledges that failure to comply with animal welfare regulations could harm the Company’s reputation and business. It is in our Company’s interest that it

implements a zero tolerance policy for scofflaw behavior and provides transparency to its shareholders on steps it is taking to address animal welfare concerns.  
We urge shareholders to vote FOR this socially and ethically important proposal.

**Exhibit B**

**Copy of Covance Animal Welfare Webpages**

































# 2016

LabCorp

## Corporate Responsibility Report





Covance's principles are outlined in its [Code of Respect](#). You can read more about animal welfare at Covance at [Our Commitment to Animal Welfare](#).

## Animal Welfare

Covance is committed to ensuring the welfare of animals we use in research. Animal research is critical to developing new, safe, and effective medicines that save and improve the lives of people and animals, and it is required as part of the regulatory approval process for new therapies. The conduct of animal research, and the care and use of animals at Covance facilities, must be in compliance with applicable laws and regulations, including those regarding licensing and registration.

Institutional Animal Care and Use Committees and other animal welfare review boards in every country oversee the use of animals in research. In addition, all Covance sites that house animals are accredited by the Association for Assessment and Accreditation of Laboratory Animal Care (AAALAC) International.

- Covance's principles are outlined in its Code of Respect. You can read more about animal welfare at Covance at Our Commitment to Animal Welfare.
- Covance works diligently to ensure that we — and our suppliers — adhere to all applicable government regulations on animal welfare. We have maintained a strong record of compliance with animal welfare regulations, including the European Council Directive 2010/63/EU, the U.S. Animal Welfare Act, the U.S. Public Health Service Policy on Humane Care and Use of Laboratory Animals, and similar applicable national, state, and local laws and regulations.
- In addition to Covance's strong culture of care, we actively support the development and evaluation of new technologies that have the potential to reduce or replace the use of animals in research, such as Organs-on-Chips and virtual models that can replicate human and non-human responses.

*We actively support the development and evaluation of new technologies that have the potential to reduce or replace the use of animals in research, such as organs-on-chips and virtual models that can replicate human and non-human responses.*

## Animal Welfare (Continued)

### Culture of Care Survey

In 2016, Covance, along with other members of the European Federation of Pharmaceutical Industries and Associations (EFPIA), participated in the Culture of Care for Animal Research survey. The purpose of the survey was to get a sense of employees' opinions across EFPIA members about the current standards of care, potential gaps, and expectations. Covance surveyed 1,000 employees globally, including veterinarians, animal welfare compliance staff, animal technicians, and other operational staff in our non-clinical business.

The feedback from staff was very positive, and employees feel that there is a culture of care for the research animals within Covance. Many employees translate a culture of care as respect, comfort, and minimizing stress for the animals used in research. Building on this excellent foundation, Covance is using this feedback from staff to develop and launch an enhanced culture of care program in 2017.

### Animal Adoption

Where permitted by law, Covance offers suitably experienced and trained staff members the opportunity to adopt a variety of animal species under the oversight of their local Institutional Animal Care and Use Committee and other animal welfare review boards. During 2016, the Covance Animal Welfare Executive Council (CAWEC) sponsored a project to investigate the feasibility of expanding this program to include dogs. After extensive consultation with organizations that have successful dog adoption programs, the CAWEC has established a working group that will build on past efforts and introduce a global dog adoption policy during 2017.

### Organs-on-Chips

In 2016, LabCorp entered into a strategic collaboration with a privately held company to explore how Organs-on-Chips technology can be incorporated into preclinical drug evaluation and testing services. This technology attempts to recreate the natural physiology of human tissues and organs, and is designed to provide a predictive model of human response to diseases, medicines, chemicals, and foods with greater precision and detail than other preclinical options. The goal of the collaboration is to qualify this technology as a potential platform to enhance preclinical drug development for pharmaceutical and biotechnology companies.

With a mission to improve health and improve lives, LabCorp delivers world-class diagnostic solutions, brings innovative medicines to patients faster and uses technology to improve the delivery of care.

## About Us

LabCorp (NYSE: LH), an S&P 500 company, is a leading global life sciences company that is deeply integrated in guiding patient care, providing comprehensive clinical laboratory and end-to-end drug development services. With a mission to improve health and improve lives, LabCorp delivers world-class diagnostic solutions, brings innovative medicines to patients faster and uses technology to improve the delivery of care. LabCorp reported net revenues of nearly \$9.5 billion for 2016. To learn more about LabCorp, visit [www.labcorp.com](http://www.labcorp.com), and to learn more about Covance Drug Development, visit [www.covance.com](http://www.covance.com).

### Our Impact

- LabCorp processes tests on approximately 500,000 patient specimens daily. The company offers a menu of more than 4,800 tests and in 2016, introduced more than 100 new assays. Its scientists contributed to more than 450 peer-reviewed publication articles and presentations at scientific meetings.
- LabCorp provides diagnostic, drug development and technology-enabled solutions for more than 110 million patient encounters per year.
- LabCorp has participated in the development of approximately three-quarters of the companion diagnostics on the market to help physicians and patients select the right medicine at the right time and the right dosage for the treatment of cancers and other serious diseases.
- Through our Covance Drug Development business, LabCorp generates more safety and efficacy data to support drug approvals than any other company.
- Covance collaborated on 100 percent of all novel oncology drugs and approximately 95 percent of drugs for rare and orphan diseases that were approved in 2016.
- The company has been involved in the development of all current top 50 drugs on the market as measured by sales revenue.