



DIVISION OF
CORPORATION FINANCE

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

April 14, 2026

Ning Chiu
Davis Polk & Wardwell LLP

Re: McKesson Corporation (the "Company")
Incoming Letter dated March 24, 2026

Dear Ning Chiu:

This letter is in response to your correspondence concerning the shareholder proposal (the "Proposal") submitted to the Company by The Oklahoma Tobacco Settlement Endowment Trust for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders.

The Company represents that it has a reasonable basis to exclude the Proposal. Based solely on that representation, we will not object if the Company excludes the Proposal from its proxy materials.

Copies of all of the correspondence on which this response is based will be made available on our website.

Sincerely,

Division of Corporation Finance
Office of Chief Counsel

cc: Jerry Bowyer
Bowyer Research, Inc.

March 24, 2026

VIA ELECTRONIC SUBMISSION

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

Ladies and Gentlemen:

On behalf of McKesson Corporation, a Delaware corporation (the “**Company**”), and in accordance with Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), we are filing this letter with respect to the shareholder proposal (the “**Proposal**”) submitted by Bowyer Research, Inc. (the “**Representative**”) on behalf of The Oklahoma Tobacco Settlement Endowment Trust (the “**Proponent**”) for inclusion in the proxy materials the Company intends to distribute in connection with its 2026 Annual Meeting of Shareholders (the “**2026 Proxy Materials**”). The Proposal is attached hereto as Exhibit A.

Pursuant to the Statement Regarding the Division of Corporation Finance’s Role in the Exchange Act Rule 14a-8 Process for the Current Proxy Season on November 17, 2025 (the “**Division Statement**”)¹, the Company represents without qualification that it has a reasonable basis to exclude the Proposal based on the provisions of Rule 14a-8, prior published guidance and/or judicial decisions, for the reasons set forth below. We request that the Division respond to this letter that it will not object to the omission of the Proposal from the 2026 Proxy Materials, in accordance with the Division Statement.

In accordance with relevant Staff of the Division of Corporation Finance (the “**Staff**”) guidance, we are submitting this letter and its attachments to the Staff through the Staff’s online Shareholder Proposal Form. In accordance with Rule 14a-8(j), we are simultaneously sending a copy of this letter and its attachments to the Proponent as notice of the Company’s intent to omit the Proposal from the 2026 Proxy Materials. This letter constitutes the Company’s statement of the reasons it deems the omission of the Proposal to be proper. We have been advised by the Company as to the factual matters set forth herein.

THE PROPOSAL

The Proposal states:

Resolved: Shareholders request that the Board of Directors of McKesson Corporation issue a report, at reasonable cost and excluding proprietary information, evaluating the legal, regulatory, reputational, and other relevant risks associated with the distribution of mifepristone. The report

¹ <https://www.sec.gov/newsroom/speeches-statements/statement-regarding-division-corporation-finances-role-exchange-act-rule-14a-8-process-current-proxy-season>

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should also assess whether continuing to distribute this product aligns with the company's fiduciary duty to shareholders, given its minimal contribution to revenue.

Background

The Company distributes branded, generic, specialty, biosimilar and over-the-counter pharmaceutical drugs, and other healthcare-related products in the United States to customers, including retail pharmacies, hospitals and other healthcare providers. The Company delivers over 40,000 packages of medicine each day – approximately one-third of America's total pharmaceutical volume. The Company is committed to ensuring access to the medications that its customers need by stocking and shipping products in response to orders from customers in accordance with applicable statutes and regulations. As such, the medications the Company distributes are in response to orders by customers. Mifepristone is one of thousands of drug products that the Company distributes to its customers.

The Proposal May Be Excluded Under Rule 14a-8(i)(5) Because It Relates to Operations That Account for Less Than 5% of the Company's Total Assets, Earnings and Sales, and Is Not Otherwise Significantly Related to the Company's Business.

Rule 14a-8(i)(5) provides that a shareholder proposal may be excluded "[i]f the proposal relates to operations which account for less than 5% of the company's total assets at the end of its most recent fiscal year, and for less than 5% of its net earnings and gross sales for its most recent fiscal year, and is not otherwise significantly related to the company's business."

In Staff Legal Bulletin No. 14M (Feb. 12, 2025) ("**SLB 14M**"), the Staff noted that the "analysis will focus on a proposal's significance to the company's business when it otherwise relates to operations that account for less than 5% of total assets, net earnings and gross sales. Under this framework, proposals that raise issues of social or ethical significance may be excludable, notwithstanding their importance in the abstract, based on the application and analysis of each of the factors of Rule 14a-8(i)(5) in determining the proposal's relevance to the company's business."

The Proposal Relates to Operations That Account for Less Than 5% of Each of the Company's Total Assets, Net Earnings and Gross Sales.

The Proposal relates to operations that account for less than 5% of each of the Company's total assets, net earnings and gross sales. The Company reported total assets of approximately \$75 billion, net income of approximately \$3.3 billion and revenues of approximately \$359 billion for the fiscal year ended March 31, 2025. See the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2025.

For the fiscal year ended March 31, 2025, the Company's revenue related to distributing mifepristone to its customers was less than 0.007% of any of total assets, net earnings and gross sales for the fiscal year ended March 31, 2025.

Moreover, the Company expects these activities to continue to represent significantly less than 5% of any of total assets, net earnings and gross sales for the fiscal year 2026, with the anticipated amount attributed to the distribution of mifepristone in fiscal year 2026 to be comparable to fiscal year 2025. Accordingly, it is clear that the Proposal does not relate to Company operations that are economically significant to the Company and therefore may be excludable under the first prong of the Rule 14a-8(i)(5) test.

The Proposal Is Not Otherwise Significantly Related to the Company's Business.

Rule 14a-8(i)(5) provides that a proposal may not be excluded if it is "otherwise significantly related to the company's business." Consistent with SLB 14M, the Company believes that the Proposal is not significantly related to the Company's business after considering various factors, including that:

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- As the Proposal itself notes, the Company's revenue and expenses related to distributing mifepristone to customers are economically insignificant to the Company. The Proposal acknowledges that revenue from the Company's distribution of mifepristone is a "negligible financial return."
- The supporting statement of the Proposal references potential litigation risks, impacts to federal contracts and grants, and reputational harm associated with engaging in certain politically sensitive issues. The Company distributes mifepristone to fulfill customer orders in states where it is lawful to do so. The Company is committed to complying with applicable legal requirements. "The mere possibility of reputational or economic harm alone will not demonstrate that a proposal is 'otherwise significantly related to the company's business.'" SLB 14M. The reference to "serious concerns about risk exposure" and "significant legal risks" in the Proposal is not relevant to the Company. The Staff recently concurred with the exclusion on the basis of Rule 14a-8(i)(5) of the same proposal in *CVS Health Corporation* (Mar. 25, 2025). *CVS Health Corporation* similarly argued that the proposal focused on the potential risks to the company from dispensing mifepristone, including potential legal liability under federal law, and that the proposal had failed to carry its burden of demonstrating that it is otherwise significantly related to the company's business.
- As in *CVS Health Corporation*, the Proposal also fails to adequately explain how any potential legal liability or negative reactions resulting from distributing mifepristone, a product which is subject to extensive Food and Drug Administration protocols, are inconsistent with or more significant than the kinds of risks the Company ordinarily monitors with respect to any of the other drugs that the Company distributes. The economic and legal risks identified in the Proposal are not unusual and they are not risks which the Company's management, with oversight of the Board, cannot properly oversee as part of its customary risk management process.

The Proposal May Be Excluded Under Rule 14a-8(i)(7) Because the Proposal Deals with Matters Related to the Company's Ordinary Business Operations and Is Not Significant to the Company.

Rule 14a-8(i)(7) allows a company to omit a shareholder proposal from its proxy materials if such proposal deals with a matter relating to the company's ordinary business operations. The general policy underlying 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 shareholders meeting." See Exchange Act Release No. 34-40018 (May 21, 1998) (the "**1998 Release**"). The 1998 Release also identified two central considerations that underlie this policy: (i) that "[c]ertain 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" and (ii) the "degree to which the proposal 'micromanages' 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.'" As demonstrated below, the Proposal implicates the first consideration.

The Proposal Relates to the Company's Assessment and Management of Risks Related to Product Sales.

The Staff has previously taken the position that shareholder proposals that focus primarily on a company's risk management for, or sale of, a particular product are excludable under Rule 14a-8(i)(7) as relating to a company's ordinary business operations. See *The Kroger Co.* (Apr. 25, 2023) (proposal requesting the company join the Fair Food Program which would bind the company to source tomatoes from only certain suppliers in order to prevent human rights abuses in its supply chain); *Amazon.com, Inc.* (Apr. 3, 2019) (proposal requesting the company conduct a human rights assessment for at least three food products it sold that presented a high risk of adverse human rights impacts); *Walgreens Boots Alliance, Inc.* (Nov. 7, 2016) (proposal requesting a report assessing the financial, legal and reputational risks of continued sales of tobacco products); *Mondelez International, Inc.* (Feb. 23, 2016) (proposal requesting a report on nanomaterials in the company's products and packaging and their associated risks); *Ball Corporation* (Feb.

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4, 2016) (proposal requesting a report on the company's plans to reduce a chemical in their products due to reputational and regulatory risks associated with it).

The Proposal, viewed in its entirety with the supporting statement, seeks to direct the manner in which the Company manages risks related to the distribution of mifepristone. The supporting statement discusses potential liability and reputational concerns arising from dispensing mifepristone. The assessment and management of risks associated with the products the Company offers and distributes fall squarely within the central considerations for the ordinary business exception – a complex issue fundamental to management's ability to run the Company on a day-to-day basis. The full text of the supporting statement, which almost exclusively focuses on the alleged risks associated with mifepristone, indicates that the focus of the Proposal is to supplant the business decisions of management regarding identifying, mitigating and managing risks involved in day-to-day operations.

The Proposal Concerns the Sale of a Particular Product.

The Staff has consistently acknowledged that shareholder proposals that relate to the products and services offered by a company are excludable under Rule 14a-8(i)(7). See, e.g., *HCA Healthcare, Inc.* (Mar. 10, 2025) (proposal requesting a report on the feasibility of offering plant-based meals as the primary option for patients); *Select Medical Holdings Corporation* (Mar. 4, 2025) (same); *Encompass Health Corporation* (Mar. 21, 2024) (same); *TJX Companies* (Apr. 16, 2018) (proposal requesting the board to develop an animal welfare policy applying to all of the company's stores, merchandise and suppliers because it concerned the company's products and services for sale); *The Home Depot, Inc.* (Mar. 21, 2018) (proposal encouraging the company to end sales of glue traps because it related to the products and services offered for sale by the company); *McKesson Corporation* (June 1, 2017) (proposal requesting a report describing distribution systems to prevent diversion of the Company's medicines for use in executions, and the monitoring and reporting processes); and *Pfizer Inc.* (Mar. 1, 2016) (proposal requesting a report describing steps taken by the company to prevent the sale of its medicines for use in executions).

As in the precedents described above, the Proposal relates to the Company's distribution of mifepristone, as well as the use of such product by end users. The decision whether, in the Company's case, to distribute individual FDA-approved products, such as mifepristone, is fundamental to the Company's day-to-day operations and cannot, as a practical matter, be subject to direct shareholder oversight.

The Company distributes a range of branded, generic, specialty, biosimilar and over-the-counter pharmaceutical drugs and other healthcare-related products. The selection of products offered in the Company's distribution network is inherently in the realm of the Company's ordinary business operations and requires management to consider, among other things, the needs of the Company's customers, the product's legal and regulatory landscape, and the strategy and product offerings of the Company's competitors.

The Proposal Does Not Raise Significant Social Policy Issues That Transcend the Company's Ordinary Business Operations.

In the 1998 Release, the Commission expressed that while proposals relating to ordinary business matters "but focusing on sufficiently significant social policy issues generally would not be excludable" under Rule 14a-8(i)(7), the Staff has indicated that proposals that relate to both ordinary business matters and significant social policy issues may be excludable if the proposals do not "transcend the day-to-day business matters." According to SLB 14M, when evaluating whether the significant social policy exception applies, the Staff will make determinations as to excludability of proposals "on a case-by-case basis, taking into account factors such as the nature of the proposal and the circumstances of the company to which it is directed" and will thus "take a company-specific approach in evaluating significance."

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The Staff has consistently permitted the exclusion of shareholder proposals where the proposal focused on ordinary business matters, even though it also related to a potential significant policy issue. For example, in *Amazon.com, Inc.* (Feb. 3, 2015), the Staff permitted exclusion under Rule 14a-8(i)(7) of a proposal requesting that the company “disclose to shareholders reputational and financial risks it may face as a result of negative public opinion pertaining to the treatment of animals used to produce products it sells” where the proposal argued that Amazon’s sale of foie gras implicated a significant policy issue (animal cruelty). In granting no-action relief, the Staff determined that “the proposal relates to the products and services offered for sale by the company.”

Here, the Proposal is not significant to the Company’s business and has no nexus to the Company’s operations. Mifepristone is one of thousands of products that the Company distributes. As such, given that it constitutes only a very small percentage of the Company’s product offerings, this demonstrates that the Proposal does not raise a policy issue that transcends the Company’s ordinary business operations.

For the reasons set forth above, we believe that the Proposal may be excluded from the Company’s 2026 Proxy Materials pursuant to Rule 14a-8(i)(5) and Rule 14a-8(i)(7).

Respectfully yours,



Ning Chiu

Attachment

cc w/ att: Michele Lau, Executive Vice President and Chief Legal Officer
Saralisa Brau, Corporate Secretary and Assistant General Counsel
Jerry Bowyer, Bowyer Research, Inc.

Proposal

Report on Risks Related to Mifepristone Distribution

Whereas: McKesson's core mission is to deliver safe, effective healthcare products while maximizing shareholder value. However, the company's decision to distribute mifepristone, a drug used in chemical abortions, raises serious concerns about risk exposure and fiduciary responsibility.

According to McKesson's own disclosures,¹ revenue from distributing mifepristone in fiscal year 2024 was less than \$100, a figure that is insignificant relative to total assets, net earnings, and gross sales. This negligible financial return does not justify the substantial legal and reputational risks associated with the product.

Retailers and distributors offering mifepristone have already faced backlash. A coalition of investors² managing over \$100 billion in assets, including \$172 million in shares of McKesson, warned the company and its peers (Costco, Walmart, Kroger, Albertsons) that selling mifepristone exposes them to brand damage and legal risk. These concerns are not hypothetical: companies like Target, Disney, and Bud Light have suffered prolonged reputational harm after engaging in politically charged issues.³ The abortion debate is even more divisive, and mifepristone, which accounts⁴ for 63% of all abortions, is at its center.

McKesson should also heed the significant legal risks of distributing mifepristone. Fourteen states already have laws protecting unborn life, with four others protecting it after 6 weeks. Further action to distribute mifepristone could trigger political backlash in these and other states. Furthermore, state attorneys general have issued warnings⁵ to companies distributing abortion drugs, citing potential violations of federal law such as the Comstock Act.

If the Trump administration reinterprets the Comstock Act, this raises serious litigation risk and puts in peril valuable federal contracts and grants. After a new study from the Ethics and Public Policy Center showed that mifepristone is far more dangerous than previously indicated, the FDA promised to do a complete review of mifepristone and its approval.⁶ While some would argue that low-revenue products logically imply a low degree of risk, the opposite is true in the case of distributing drugs like mifepristone, a practice that carries massive contingent liability for the company.

When the product in question contributes almost nothing to the company's bottom line, the risk-reward calculus becomes indefensible. McKesson should not jeopardize its reputation, incur legal costs, or invite regulatory or political scrutiny for a product that offers no meaningful financial upside.

McKesson's fiduciary duty is to act in the best interest of shareholders. Selling a controversial product that generates virtually no profit while exposing the company to regulatory scrutiny, litigation, and reputational harm is inconsistent with that duty.

Resolved: Shareholders request that the Board of Directors of McKesson Corporation issue a report, at reasonable cost and excluding proprietary information, evaluating the legal, regulatory, reputational, and other relevant risks associated with the distribution of mifepristone. The report should also assess

¹ <https://www.sec.gov/files/corpfin/no-action/14a-8/andersnmckesson42825-14a8.pdf>

² <https://www.bloomberg.com/news/articles/2024-08-06/walmart-costco-pressured-by-investor-group-over-abortion-pills>

³ <https://bowyerresearch.com/docs/Corporate%20Political%20Activism%20and%20Shareholder%20Value.pdf>

⁴ <https://www.gutmacher.org/2024/03/medication-abortion-accounted-63-all-us-abortions-2023-increase-53-2020>

⁵ <https://www.cnn.com/2023/02/01/politics/cvs-walgreens-medication-abortion-republicans>

⁶ <https://www.cbsnews.com/news/fda-review-mifepristone-abortion-pill-access/>

whether continuing to distribute this product aligns with the company's fiduciary duty to shareholders, given its minimal contribution to revenue.