



DIVISION OF
CORPORATION FINANCE

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

March 22, 2023

William I. Intner
Hogan Lovells US LLP

Re: Laboratory Corporation of America Holdings (the "Company")
Incoming letter dated January 9, 2023

Dear William I. Intner:

This letter is in response to your correspondence concerning the shareholder proposal (the "Proposal") submitted to the Company by People for the Ethical Treatment of Animals for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders.

The Proposal requests the board report to shareholders annually on the species and numbers of nonhuman primates transported by the Company within the U.S. and measures the Company is taking to mitigate public health risks.

We are unable to concur in your view that the Company may exclude the Proposal under Rule 14a-8(i)(7). In our view, the Proposal transcends ordinary business matters and does not micromanage the Company.

We are unable to concur in your view that the Company may exclude the Proposal under Rule 14a-8(i)(10). Based on the information presented, it appears that the Company's public disclosures do not substantially implement the Proposal.

Copies of all of the correspondence on which this response is based will be made available on our website at <https://www.sec.gov/corpfm/2022-2023-shareholder-proposals-no-action>.

Sincerely,

Rule 14a-8 Review Team

cc: Mary Maerz
People for the Ethical Treatment of Animals

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

BY ELECTRONIC MAIL

January 9, 2023

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, N.E.
Washington, D.C. 20549
shareholderproposals@sec.gov

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

To the Staff of the Division of Corporation Finance:

We are submitting this letter on behalf of Laboratory Corporation of America Holdings (the "**Company**"), pursuant to Rule 14a-8(j) under the Securities Exchange Act of 1934 (the "**Exchange Act**") to notify the Securities and Exchange Commission (the "**Commission**") of the Company's intention to exclude from its proxy materials for its 2023 annual meeting of shareholders (the "**2023 Proxy Materials**") a shareholder proposal (the "**Proposal**") submitted by People for the Ethical Treatment of Animals (the "**Proponent**").

We also request 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 2023 Proxy Materials for the reason discussed below.

A copy of the Proposal is attached hereto as Exhibit A.

In accordance with Staff Legal Bulletin No. 14D (Nov. 7, 2008) ("**SLB No. 14D**"), this letter and its exhibits are being e-mailed to shareholderproposals@sec.gov. In accordance with Rule 14a-8(j), a copy of this letter and its exhibits also are being sent to the Proponent. Rule 14a-8(k) and SLB No. 14D provide that a shareholder proponent is required to send the company a copy of any correspondence that the proponent elects to submit to the Commission or the Staff. Accordingly, the undersigned hereby informs the Proponent that, if the Proponent elects to submit additional correspondence to the

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

The Company currently intends to file its 2023 Proxy Materials with the Commission on or about March 30, 2023.

THE PROPOSAL

On November 29, 2022, the Company received a letter submitting the Proposal for inclusion in the 2023 Proxy Materials. The Proposal requests that the Company's shareholders approve the following:

RESOLVED: that the Board report to shareholders annually on the species and number of nonhuman primates transported by the Company within the U.S. and measures the company is taking to mitigate public health risks.

BASIS 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 matters relating to the Company's ordinary business operations.**

A. Background on the Ordinary Business Standard

A shareholder proposal may be excluded under Rule 14a-8(i)(7) if "the proposal deals with a matter relating to the company's ordinary business operations."

The term "ordinary business" refers to matters that are not necessarily "ordinary" in the common meaning of the word; instead the term "is rooted in the corporate law concept of providing management with flexibility in directing certain core matters involving the company's business and operations." See Securities Exchange Act Release No. 34-40018 (May 21, 1998) (the "**1998 Release**"). In the 1998 Release, the Commission explained that the ordinary business exclusion rests on two central considerations: first, 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 second, the degree to which the proposal attempts to “micromanage” a 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.” In essence, a shareholder proposal may be excluded under Rule 14a-8(i)(7) if it pertains to *matters involving the company’s business and operations* that are traditionally and properly the domain of management and board discretion and judgment.

B. The proposal relates to the Company’s ordinary business matters

The Commission has stated that a proposal requesting the dissemination of a report is excludable under Rule 14a-8(i)(7) if the substance of the proposal involves a matter of ordinary business of the company.¹ As the Staff explained in Staff Legal Bulletin No. 14E (Oct. 27, 2009) (“**SLB No. 14E**”), it has viewed proposals and supporting statements that relate as a whole to a company engaging in an evaluation of risk as relating to a company’s ordinary business operations.

In SLB No. 14E, the Staff provided this framework for evaluating shareholder proposals requesting an evaluation of risks:

[R]ather than focusing on whether a proposal and supporting statement relate to the company engaging in an evaluation of risk, we will instead focus on the subject matter to which the risk pertains or that gives rise to the risk.... [S]imilar to the way in which we analyze proposals asking for the preparation of a report, the formation of a committee or the inclusion of disclosure in a Commission-prescribed document—where we look to the underlying subject matter of the report, committee or disclosure to determine whether the proposal relates to ordinary business—we will consider whether the underlying subject matter of the risk evaluation involves a matter of ordinary business to the company.

Consistent with this framework, the Staff has repeatedly concurred with the exclusion of proposals seeking risk assessments when the subject matter concerns ordinary business operations.²

¹ See Exchange Act Release No. 34-20091 (Aug. 16, 1983) (stating that “the staff will consider whether the subject matter of the special report or the committee involves a matter of ordinary business; where it does, the proposal will be excludable under Rule 14a-8(c)(7)”; see also *Netflix, Inc.* (Mar. 14, 2016) (permitting exclusion under Rule 14a-8(i)(7) of a proposal that requested a report describing how company management identifies, analyzes and oversees reputational risks related to offensive and inaccurate portrayals of Native Americans, American Indians and other indigenous peoples, how it mitigates these risks and how the company incorporates these risk assessment results into company policies and decision-making, noting that the proposal related to the ordinary business matter of the “nature, presentation and content of programming and film production”).

² See *The TJX Companies, Inc.* (Mar. 29, 2011) (concurring with the exclusion of a proposal under Rule 14a-8(i)(7) requesting an annual assessment of the risks created by the actions the company takes to avoid or minimize U.S. federal, state, and local taxes and provide a report to shareholders on the assessment);

The Proposal here should be excluded because it relates to management of the ordinary business of the Company, in this case, risks associated with the Company's transport of animals and compliance with applicable laws and regulations. The Supporting Statement cites a September 2022 U.S. Department of Agriculture citation relating to the transport of monkeys. However, this was not a failure on the Company's part to provide proper health checks, but rather, health checks were performed, but there was a delay in transport of animals that led to the transport falling just outside of the requirement to provide health check signoff within ten days of transport. The required health checks were provided and the animals were found healthy; the matter at issue here was in a small administrative error, an ordinary course business risk. Further, as the Supporting Statement of the Proposal itself notes, the Company identifies related risks in its risk factors, clearly supporting that risks related to animals are ordinary course risks in the business of the Company.

That the Proponent asks for the report to contain the species and number of nonhuman primates transported by the Company within the U.S. each year does not change the underlying nature of the request, which is to issue a report addressing risk of the transport of monkeys. Indeed, the Supporting Statement notes at its conclusion that the rationale for providing the requested information is "to provide its shareholders with transparency" relating to the extent of monkey transport, because the Supporting Statements asserts that monkey transport bears some risk to the Company. But, whether that information should be provided to shareholders is not a proper subject of a shareholder proposal because it relates to the ordinary course management of risk.

As the substance of the Proposal involves a matter of ordinary business of the Company, it should be excluded under Rule 14a-8(i)(7).

C. The Proposal seeks to micromanage the Company

The Staff has consistently concurred with the exclusion of proposals attempting to micromanage a company by probing too deeply into matters of a complex nature upon which shareholders, as a group, are not in a position to make an informed judgment.³ A proposal probes too deeply into matters of a complex nature if it "involves intricate detail, or seeks to impose specific time-frames or methods for implementing complex policies." 1998 Release. Recently, in Staff Legal Bulletin No. 14L (Nov. 3, 2021) ("**SLB No. 14L**"), the Staff articulated that a proposal can be excluded for micromanagement based "on the

Amazon.com, Inc. (Mar. 21, 2011) (same); *Wal-Mart Stores, Inc.* (Mar. 21, 2011) (same); *Lazard Ltd.* (Feb. 16, 2011) (same); *Pfizer Inc.* (Feb. 16, 2011) (same).

³ See 1998 Release; see also, e.g., *The Coca-Cola Co.* (Feb. 16, 2022); *Deere & Co.* (Jan. 3, 2022); *JPMorgan Chase & Co.* (Mar. 22, 2019); *Royal Caribbean Cruises Ltd.* (Mar. 14, 2019); *Walgreens Boots Alliance, Inc.* (Nov. 20, 2018).

level of granularity sought in the proposal and whether and to what extent it inappropriately limits discretion of the board or management.”

The Proposal seeks to micromanage the Company by seeking to evaluate the specific risks of animal transport, and asking for granular detail on the species and number of nonhuman primates transported by the Company within the U.S. Furthermore, this is a very small portion of the Company’s business; the Company is not responsible for transporting nonhuman primates from suppliers; it only transports nonhuman primates in the rare circumstance that an animal needs to be moved between site locations for study needs or retirement (for example, to a sanctuary). Accordingly, the Proposal should be excluded under Rule 14a-8(i)(7).

D. The Proposal does not focus on any significant social policy issues that transcend the Company’s ordinary business operations

The Commission clarified in the 1998 Release that proposals “focusing on” significant social policy issues may not be excludable under Rule 14a-8(i)(7), as these “transcend the day-to-day business matters” discussed in the proposals. In SLB No. 14L, the Staff articulated the Staff’s “return to a case-by-case analytical approach” that focuses on “the social policy significance of the issue that is the subject of the shareholder proposal” rather than “the nexus between a policy issue and the company.” In SLB No. 14L, the Staff cited to Release No. 34-12999 (Nov. 22, 1976) (the “**1976 Release**”), which stated, in part that “proposals of that nature [relating to the economic and safety considerations of a nuclear power plant], as well as others that have major implications, will in the future be considered beyond the realm of an issuer’s ordinary business operations.” Consistent with this, in SLB No. 14L, the Staff stated that it will focus on the issue that is the subject of the shareholder proposal and determine whether it has “a broad societal impact, such that [it] transcend[s] the ordinary business of the company.”

There is nothing to suggest that the matters raised in the Proposal are significant social issues. Even prior to the Staff’s rearticulation of the standard for broad societal impact, instances where the Staff had previously declined to grant no-action relief under Rule 14a-8(i)(7) in circumstances involving animals are not consistent with the proposal at issue here. For example, the Staff found that a “significant social policy issue” is raised by: (i) animal testing (*Revlon, Inc.* (Mar. 18, 2014)); (ii) killing animals for their fur (*Coach, Inc.* (Aug. 19, 2010)); (iii) performing medically unnecessary surgeries on animals (*DeVry Inc.* (Sept. 25, 2009)); and (iv) the inhumane killing of animals (*Wendy’s International, Inc.* (Feb. 8, 2005); *Hormel Foods Corp.* (Nov. 10, 2005)). In each of these cases, the social issues being raised related to animal cruelty, which is not the issue raised in the Proposal. Here the Proponent is focused on operational risks to the Company arising from the potential for health risks related to animal transport. The social issues that the Staff has focused on in the past are not present.

The Proposal clearly relates to the Company's ordinary business operations and does not relate to a significant social policy issue that transcends those business operations. The Proposal should be excluded.

II. Rule 14a-8(i)(10) – The Proposal has been substantially implemented.

A. Background on Substantial Implementation Standard

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). In 1983, the Commission adopted a revised interpretation of the rule to permit the omission of proposals that had been “substantially implemented.”⁴ 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.⁵

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.⁶ In

⁴ See *Exchange Act Release No. 20091*, at § II.E.6. (Aug. 16, 1983) (indicating that the Staff's “previous formalistic application of” a 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).

⁵ 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).

⁶ 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); *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) and *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). While the Staff's decision in *Covance* was made prior to the Company's acquisition of Covance Inc., Covance Inc.'s business is substantially similar to the Company's Drug Development operations today, though its use of animals has been significantly reduced.

Laboratory Corp. of America Holdings (Feb. 15, 2018), the Proponent in this Proposal sought a report from the Company on measures to correct and prevent USDA citations for violations of animal protections laws, and the Staff concurred that the proposal in that matter could be excluded on the basis of Rule 14a-8(i)(10) where the Company's public disclosures compared favorably with the Proposal.

As discussed above, that the Proponent also asks for the report to contain the species and number of nonhuman primates transported by the Company within the U.S. each year does not change the underlying nature of the request, which is to issue a report addressing the risks of transporting monkeys, risks which relate directly to the health of the monkeys. As discussed further below, the Company has substantially implemented the request.

B. The information requested by the Proposal is already made available by the Company

The Proponent's Supporting Statement begins with a paragraph addressing a citation received by the Company citing the Company for violation of the requirements to conduct proper veterinary inspections as required under the Animal Welfare Act. The Supporting Statement builds on the alleged failure to conduct an inspection and citation to discuss the potential for health risks and related matters. The underpinning concept and rationale of the Proposal and Supporting Statement seems to be that shareholders should have information on risks to the Company due to the potential for violations of federal law or otherwise because of risks related to animal health. The Company already expressly and directly addresses these matters. Indeed, the Proposal notes USDA requirements, the Animal Welfare Act, and compliance with federal law, and the Company addresses each of these in its public disclosures and the information it makes generally available.

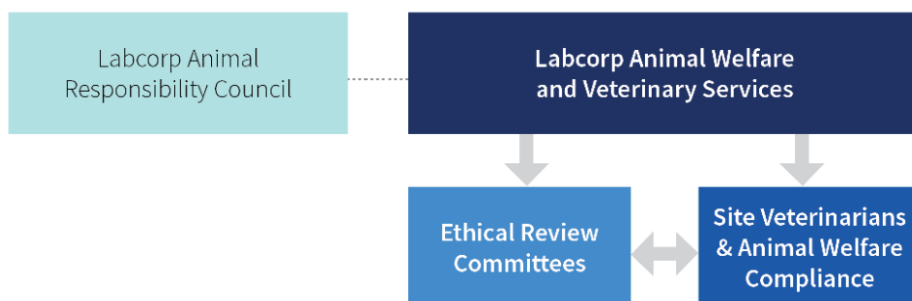
The Company's Drug Development business segment ("***Drug Development***"), provides end-to-end drug development services, and is the only segment of the Company that performs animal research. Drug Development provides extensive information on its website regarding its commitment to animal welfare and compliance,⁷ providing the transparency about animal compliance matters sought by the Proposal. For example, the Drug Development website includes multiple 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 and compliance with applicable policies and regulations a top priority. Copies of these webpages are attached hereto as Exhibit B.

Notably, the information on the Drug Development website also addresses the Company's compliance with applicable laws and regulations related to animals, which is

⁷ <https://drugdevelopment.labcorp.com/about-labcorp-drug-development/animal-welfare.html>

consistent with the information requested by the Proposal. For example, the Company, in describing how it puts its belief into action,⁸ provides specific examples that provide shareholders with an understanding of steps that the Company takes to mitigate risks related to animals:

- Our Labcorp Animal Responsibility Council sets global animal welfare standards in partnership with colleagues and monitors animal welfare performance at Labcorp globally.+
- Our Animal Welfare and Veterinary Services works closely with our Operations team and conducts regular audits of all our animal facilities and vendors.
- Our global Labcorp Animal Responsibility Council regularly provides global oversight for animal welfare at Labcorp.



- Our Institutional Animal Care and Use Committees (IACUC) and other animal welfare review boards include veterinarians, scientists, members of our professional staff and at least one member of the public. These teams consider whether a study is necessary, and whether animals need to be involved. They then review and approve or make changes to study designs before any research can begin. They also periodically review Labcorp’s animal care and use program, inspect our research facilities, and investigate any animal welfare concerns.
- Labcorp participates in the voluntary accreditation program of [AAALAC](https://www.aaalac.org/) International, which includes triennial on-site visits to ensure that we are meeting or exceeding prescribed standards of policies, animal housing and management, veterinary care and facilities.
- We are regularly inspected by animal welfare regulatory authorities.

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 its

⁸ <https://drugdevelopment.labcorp.com/about-labcorp-drug-development/animal-welfare/beliefs-in-action.html>

excellent record of compliance with animal welfare regulations, 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.”⁹ On this same webpage, under the heading “Focus, Commitment and Training”, the Company reports on concrete steps it has taken to address risks relating to animal health and welfare, including employing more than 20 veterinarians with expertise and experience in ensuring the health and well-being of animals and having a veterinarian on call 24 hours a day, 365 days a year at each of the Company’s animal facilities. The Company also reports that it has experienced, highly qualified operations managers and support staff that focus exclusively on ensuring the safety and well-being of the animals, every day, and it reports that all Labcorp employees who work with laboratory animals complete extensive training to ensure proper management and care, and provides details on that training.

The Company also reports on its commitment to Animal Welfare on its website, noting that “Animal welfare is of primary concern for all of us at Labcorp Drug Development, from our CEO to our employees at facilities around the world.”¹⁰ The Company also includes a direct quote from the Chief Executive Officer of Labcorp Drug Development that addresses animal welfare, specifically identifying ways in which the Company works to address animal welfare and health:

The health and wellness of the animals in our care is of primary concern to Labcorp, from our senior executives to the leaders and individuals working directly with animals at our facilities around the world.

In fact, Labcorp has a highly experienced global team, led by our Global Head of Animal Welfare and Veterinary Services, dedicated to the establishment of high standards of care and welfare. We monitor animal welfare performance company-wide, ensuring that Labcorp and its vendors treat research animals with the respect and compassion they deserve, every day, 24 hours a day, 365 days a year.

The Company’s 2021 Corporate Responsibility Report, “Creating A Healthier Tomorrow” (the “**Company CRR**”), which is available on the Drug Development website¹¹, sets forth the Company’s approach to animal welfare, noting that Animal Care and Welfare is one of 18 identified ESG issues as central to Labcorp. The Company CRR also further reports on the Labcorp’s animal care and welfare policy.

⁹ <https://drugdevelopment.labcorp.com/about-labcorp-drug-development/animal-welfare/impact-on-results.html>

¹⁰ <https://drugdevelopment.labcorp.com/about-labcorp-drug-development/animal-welfare.html>

¹¹ <https://drugdevelopment.labcorp.com/about-labcorp-drug-development/corporate-responsibility.html>

All of the above information provides clear examples of measures the Company publicly reports detailing its actions to address animal health and well-being across its operations, including to mitigate the risks attendant to its animal business, which includes transportation of animals. (For further discussion of these risks, see the descriptions of the broad scope of regulations that the Company must comply with, as well as applicable risks, including on pages 27, 38, and 48 of the Company's Annual Report on Form 10-K for the year-ended December 31, 2021.) In addition to the detailed information on these matters included in the Company's Form 10-K, on the Drug Development website, the Company expressly reports the following under the heading "Transporting Animals Safely":

Our focus on animal welfare extends to the time before they arrive at our facilities. We ensure they are transported by environmentally controlled vehicles or airplanes, and their care during transit is regulated by various agencies throughout the world. We select only those carriers that comply with regulations and have the ability to provide appropriate care. Our staff and Labcorp veterinarians monitor the carriers to help ensure animal welfare.

Other than specific information on the species and number of nonhuman primates transported by the Company within the U.S., it is unclear what, if any, information the Proposal's requested report would include that is not already covered by the publicly available information. 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 2023 Proxy Materials.

CONCLUSION

For the reasons set forth above, the Company believes that the Proposal may be excluded under Rule 14a-8(i)(7) and Rule 14a-8(i)(10). The Company respectfully requests the Staff's concurrence in the Company's view or, alternatively, confirmation that the Staff will not recommend any enforcement action to the Commission if the Company so excludes the Proposal from its 2023 Proxy Materials.

U.S. Securities and Exchange Commission
Office of Chief Counsel
Division of Corporation Finance
January 9, 2023
Page 11

We would be happy to provide the Staff with any additional requested information and answer any questions related to this subject. Please do not hesitate to contact the undersigned at (410) 659 2778 or william.intner@hoganlovells.com.

Sincerely,

A handwritten signature in black ink, appearing to read "William I. Intner". The signature is written in a cursive, slightly slanted style.

William I. Intner

Attachment

cc: Sandra van der Vaart, Laboratory Corporation of America Holdings
Jared Goodman, Authorized Representation of People for the Ethical Treatment
of Animals

Exhibit A
Copy of the Proposal

PEOPLE FOR
THE ETHICAL
TREATMENT
OF ANIMALS

November 29, 2022

Sandra D. van der Vaart
Executive Vice President, Chief Legal Officer, Chief Compliance Officer, and
Corporate Secretary
Laboratory Corporation of America Holdings
358 South Main Street
Burlington, North Carolina 27215

Via UPS Next Day Air Saver

Dear Ms. van der Vaart:

Attached to this letter is a shareholder proposal submitted for inclusion in the Laboratory Corporation of America Holdings proxy statement for the 2023 annual meeting. Also enclosed is a letter from People for the Ethical Treatment of Animals' (PETA) brokerage firm, RBC Wealth Management, confirming the requisite common stock ownership, which PETA intends to hold at least this amount through and including the date of the 2023 shareholders meeting.

PETA is available to meet in person or via teleconference within 10-30 calendar days from the date of this letter, including the following in EST:

- 12/12: 1-2 p.m. & 4-5 p.m.
- 12/13: 2-3 p.m. & 3:30-5 p.m.
- 12/14: 12-1 p.m. & 4-5 p.m.
- 12/15: 2-4 p.m.
- 12/16: 12-2 p.m. & 4-5 p.m.

If there are any issues with this proposal being included in the proxy statement or if you need any further information, please contact PETA's authorized representative Jared Goodman at 2154 W. Sunset Blvd., Los Angeles, CA 90026, +1 [REDACTED] or [REDACTED] [@PetaF.org](mailto:[REDACTED]@PetaF.org).

Sincerely,

Carrie Edwards, Executive Assistant
PETA Corporate Responsibility

Enclosures: 2023 Shareholder Proposal
RBC Wealth Management letter

Washington
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

Info@peta.org
PETA.org

Entities:

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

Report on Transport of Nonhuman Primates Within the U.S.

RESOLVED, that the Board report to shareholders annually on the species and numbers of nonhuman primates transported by the company within the U.S. and measures the company is taking to mitigate public health risks.

Supporting Statement

Our company moves thousands of monkeys every year on U.S. highways, often over thousands of miles. Federal law requires that a veterinarian examine monkeys transported across state lines within 10 days prior to shipment. In September 2022, the U.S. Department of Agriculture cited our company for transporting monkeys from its Wisconsin facility to Envigo Global Services in Texas without proper veterinary inspections as required under the federal Animal Welfare Act.¹

Our company's failure to conduct timely veterinary inspections should concern all shareholders, given that on February 25, 2022, our company reported the following to the U.S. Securities and Exchange Commission in relation to its Drug Development (DD) segment:

Animal populations may suffer diseases that can damage DD's inventory, harm its reputation, or result in other liability.

It is important that research products be free of diseases, including infectious diseases. The presence of diseases can distort or compromise the quality of research results, cause loss of animals in DD's inventory, result in harm to humans or outside animal populations if the disease is not contained to animals in inventory, or result in other losses. Such results could harm DD's reputation or have an adverse effect on DD's financial condition, results of operations, and cash flows.²

Monkeys can carry tuberculosis, deadly diarrheal pathogens, West Nile virus, malaria, herpes B, and other diseases and infectious agents that are transmissible to humans.

The threat is significant: In January 2022, after a truck carrying 100 monkeys crashed in Pennsylvania, three of those monkeys escaped. They were shot by order of the Centers for Disease Control and Prevention, as they posed a public health risk. Transporting monkeys across the U.S.—particularly when federal laws are broken—could harm our company's reputation and business. It is in the company's interest to provide its shareholders with transparency regarding the extent of its monkey transport within the U.S.

We urge our fellow shareholders to support this responsible resolution.

¹Scott Welch, D.V.M., United States Department of Agriculture inspection report on Labcorp Early Development Laboratories Inc., September 16, 2022, <https://www.peta.org/wp-content/uploads/2022/10/2022-09-13-labcorp-usda-ir-monkey-1.pdf>.

²Laboratory Corporation of America annual report to the U.S. Securities and Exchange Commission for fiscal year 2021, February 25, 2022, accessed November 23, 2022, <https://ir.labcorp.com/static-files/129475f0-f71c-45de-985d-1c74cfb5cabc>.




Exhibit B

Webpage Excerpts



Our Commitment to Animal Welfare

[Contact Us](#)

-  **We treat the animals we work with in biomedical research humanely, with care, compassion and respect.**
-  **We adhere to strict standards of ethical conduct in providing for their welfare.**
-  **We believe that taking good care of our animals is not only good science but the right thing to do.**

We are committed to ensuring the welfare of animals we work with in research. Animal research is critical to developing new, safe and effective medicines, devices and products that protect and save the lives of people and animals.

The Why & How of Animal Research



Following Are Our Commitments:

Animal welfare is of primary concern for all of us at Labcorp Drug Development, from our CEO to our employees at facilities around the world.

“The health and wellness of the animals in our care is of primary concern to Labcorp, from our senior executives to the leaders and individuals working directly with animals at our facilities around the world.

In fact, Labcorp has a highly experienced global team, led by our Global Head of Animal Welfare and Veterinary Services, dedicated to the establishment of high standards of care and welfare. We monitor animal welfare performance company-wide, ensuring that Labcorp and its vendors treat research animals with the respect and compassion they deserve, every day, 24 hours a day, 365 days a year.

Whether you are a Labcorp partner, public official, journalist or private citizen, the fact that you are visiting this website tells me that animal welfare is important to you. We’ve developed this website with you in mind. We want to provide you with information that will help you understand, what animals are used for, how our research animals are cared for at Labcorp and encourage you to share our commitment to ensuring their welfare.

Please take a few moments to visit the rest of the site. You’ll see why animal research is so critical to improving human ... and animal health.”

— Paul Kirchgraber, M.D., Chief Executive Officer

PUTTING COMMITMENTS INTO ACTION



Caring for our animals with the utmost compassion



Actively pursuing advances in animal welfare, enrichment and the 3Rs



Delivering high-quality work and recognizing contributions to our Culture of Care



Educating and engaging with colleagues, clients and the community on our Culture of Care in an open and honest manner



Raising any questions or concerns about the care or use of animals through available channels



Always meeting, and whenever possible, exceeding our regulatory responsibilities

Animal Welfare Resources

We encourage you to also visit the many independent, nonprofit organizations that provide valuable information on animal welfare and animal research. These include:

- [Americans for Medical Progress - Animal Research \(AMP\)](#).
- [Association for Assessment and Accreditation of Laboratory Animal Care \(AAALAC\)](#).
- [Basel Declaration](#)
- [European Animal Research Association \(EARA\)](#).
- [Foundation of Biomedical Research \(FBR\)](#).
- [National Association of Biomedical Research \(NABR\)](#).
- [National Centre for the Reduction, Refinement & Replacement of Animals in Research \(NC3R\)](#).
- [Pro-Test Germany](#).
- [Research4Life](#)
- [Speaking of Research](#)
- [Understanding Animal Research](#)

ABOUT US SECTION

Animal Welfare

Corporate Responsibility

Press News

CONNECT

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[Combatting Modern Slavery & Human Trafficking Statement](#)



How We Put Our Beliefs Into Action

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Over the past 30 years, we've established and maintained a [corporate culture that makes animal welfare a top priority](#). From our commitment to the 3Rs to our careful adherence to government regulations, we strive every day to make sure we treat our research animals humanely and with respect.

Culture of CARE

Recently our Culture of CARE has taken a new focus on an all-inclusive culture, where **C**lients, **A**nimals, **R**esearch, and **E**mployees are at the heart of our attention and respect. To mark this event, we held a global rollout including renewed commitments, vision statement, and a new animal welfare awareness training.



Our vision is a culture where staff and stakeholders are united in a strong commitment to CARE, which is firmly founded on the 3Rs and embraces innovative advances in animal welfare.

We're Committed to the 3Rs:

We continue to develop and implement technologies that advance our commitment to innovation and the 3Rs:



REDUCE

We're resourceful in finding, developing and applying techniques that decrease the number of animals used in research.

REFINE

We proactively support refinement in our studies including using appropriate anesthetics and analgesics, by training animals to cooperate with procedures, such as blood sampling, and providing animals with appropriate housing that allows the expression of species-specific behaviors, such as nesting opportunities for mice.

REPLACE

We draw on our scientific expertise to develop and use alternatives to animal research when appropriate to achieve the same high-quality results.

Proper and humane care for research animals is not just the right thing to do, it's also fundamental to ensuring the safety and effectiveness of new medicines that improve and save the lives of people and animals all over the world. We've taken meaningful steps toward building and maintaining a corporate culture that makes animal welfare a top priority.

Our global 3Rs Working Group: Great Science and Animal Welfare

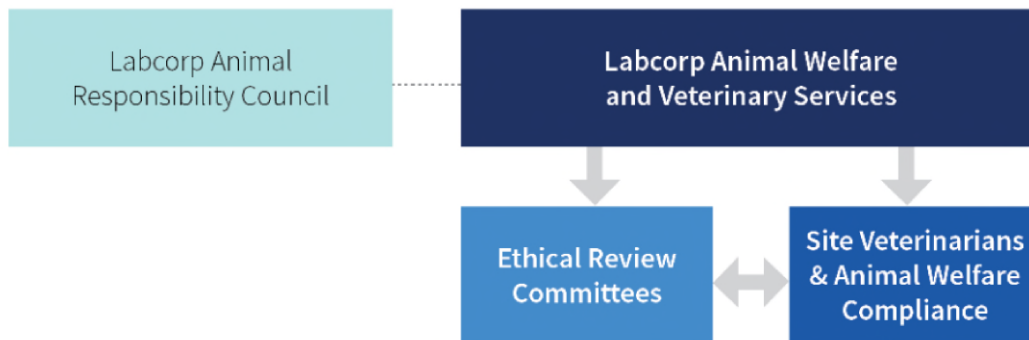
Employee representatives from around the world contribute to our Global 3Rs Working Group, fostering respect and compassion for research animals. The group communicates directly with fellow employees to reiterate the clear links between excellent animal welfare, great science and commercial success. The group also conducts our Global 3Rs Recognition Program.

Global 3Rs Recognition of Employee Commitment to Animal Welfare

Our Global 3Rs Recognition Program celebrates employees who have developed innovative ways to improve animal welfare and research results. It also establishes role models within the company. Winners of our Global 3Rs Recognition Awards draw on their inventiveness and scientific expertise to help ensure high-quality research, while finding new and more efficient ways to improve how we use and care for research animals. Submissions have more than doubled in recent years.

Here Are Just a Few Examples of Putting our Beliefs into Action:

- Our Labcorp Animal Responsibility Council sets global animal welfare standards in partnership with colleagues and monitors animal welfare performance at Labcorp globally.
- Our Animal Welfare and Veterinary Services works closely with our Operations team and conducts regular audits of all our animal facilities and vendors.
- Our global Labcorp Animal Responsibility Council regularly provides global oversight for animal welfare at Labcorp.



- Our Institutional Animal Care and Use Committees (IACUC) and other animal welfare review boards include veterinarians, scientists, members of our professional staff and at least one member of the public. These teams consider whether a study is necessary, and whether animals need to be involved. They then review and approve or make changes to study designs before any research can begin. They also periodically review Labcorp’s animal care and use program, inspect our research facilities, and investigate any animal welfare concerns.
- Labcorp participates in the voluntary accreditation program of [AAALAC](#) International, which includes triennial on-site visits to ensure that we are meeting or exceeding prescribed standards of policies, animal housing and management, veterinary care and facilities.
- We are regularly inspected by animal welfare regulatory authorities

Did You Know?

We constantly strive to improve the range of in vitro testing as an alternative to animal research, and we work with organizations and agencies all over the world, including [The National Centre for the Replacement, Refinement & Reduction of Animals in Research \(NC3Rs\)](#) and others that promote alternative in vitro testing. At all our research and development sites, we offer in vitro testing from the Discovery phase through to the Pre-Clinical phase of the drug development process. Computer modeling and in vitro, or cell-based, testing can help us distill the plethora of possible compounds down to those few with the best chance of helping patients. Wherever possible, we promote the routine use of in vitro testing and have already replaced some animal testing with in vitro methods.

[European Federation of the Pharmaceutical Industry and Associations \(EFPIA\) 3Rs brochure](#)

We Believe Transparency Increases Understanding

Whether you are a Labcorp partner, private citizen or public official, you want to be assured that we are open about our commitment to respectful and caring treatment of research animals.

Transparency about the use and treatment of animals in our care is critical to our relationships with others in the scientific community.

Concordat on Openness on Animal Research

Labcorp is among the more than 70 original signers of the United Kingdom's [Concordat on Openness on Animal Research](#). These include pharmaceutical companies, universities, contract research organizations, nonprofit associations, and related organizations. We are committed to abiding by the Concordat's guidelines and fulfilling its four commitments to enhance our communications about our use of animals.

Transporting Animals Safely

Our focus on animal welfare extends to the time before they arrive at our facilities. We ensure they are transported by environmentally controlled vehicles or airplanes, and their care during transit is regulated by various agencies throughout the

world. We select only those carriers that comply with regulations and have the ability to provide appropriate care. Our staff and Labcorp veterinarians monitor the carriers to help ensure animal welfare.

Continued Proactive Improvement to Animal Welfare

Some activities that demonstrate our appreciation for Animal Care and welfare include:

- Enrichment Committees that focus on ways to enrich our animal's quality of life through environmental improvements, food and treats, and toys and puzzles.
- Global 3Rs recognition program.
- Compassion Fatigue Committees devoted to supporting staff. Creation of Memory Gardens by staff to provide an area for reflection and to commemorate the animals they have worked with.
- Adoption program where retired canines and felines find homes with employees.

ANIMAL WELFARE SECTION

Why Animal Research

Impact on Results

Beliefs in Action

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Animal Welfare Is Vital to Achieving High-Quality Results

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Like many of you who visit this website, we care deeply about animals and strive to treat them humanely and respectfully – always.

Caring and Respect

Ensuring proper care and treatment of our research animals is the right thing to do and critical to our business.

A healthy research animal that is properly cared for will provide more reliable scientific results. Achieving the best possible results helps to ensure the safety of new medicines for patients, as well as for pets, livestock and other animals. To improve quality of life, we provide enrichment activities, socially arranged housing, and playtime for the animals in our care.

Appropriate habitat
+ **Reduced stress**
+ **Improved quality of life**

**= Confidence of data
quality and reporting**

Focus, Commitment and Training

We employ more than 20 veterinarians with expertise and experience in ensuring the health and well-being of the animals. To help ensure animal welfare, a veterinarian is on call 24 hours a day, 365 days a year at each of our animal facilities. Our experienced, highly qualified operations managers and support staff focus exclusively on ensuring the safety and well-being of the animals, every day.

All Labcorp employees who work with laboratory animals complete extensive training to ensure proper management and care. This training includes:

- An interactive awareness module on Animal Welfare and our commitment to a Culture of Care.
- An overview of industry standards and all applicable regulations that govern animal care and use
- The unique needs of each species, including behavioral, psychological and nutritional

- How to humanely and safely handle the animals
- How to observe animals for signs of discomfort, pain, distress or health issues and then minimize them.

Meeting Requirements and Striving to Do More

We work diligently to ensure that we – and our suppliers – adhere to all applicable animal welfare government regulations. In our more than 30 years of animal research, we have maintained an excellent record of compliance with animal welfare regulations, 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](#) .

European Union regulations, for example, mandate that all research involving animals conducted in Europe be vetted by government agencies to confirm that animal research is the only alternative currently available.

Did You Know?

Most animals that Labcorp works with are purpose-bred specifically for research. They are not wild caught or sourced from animal shelters. Our team of veterinarians audits the suppliers on a regular basis to help ensure humane treatment and infection-free mandates are upheld to eliminate factors that could alter the outcome of the research conducted.

Myth v. Fact

Fact: More than 95 percent of the animals used in basic biomedical research are mice and rats.* Rodents are the most frequently used species to test the safety of new medicines, although government regulations require some testing in non-rodent species.

Minipigs are beginning to replace the use of dogs in some types of research. Most research primates are macaques or marmosets, and these are used in relatively small numbers—about 0.05 percent of studies—helping enable many important medical advances such as the polio vaccine and life support systems for premature babies. The website [Understanding Animal Research](#) has more information about research using primates.

* [EU statistical data on the use of animals for scientific purposes](#)

ANIMAL WELFARE SECTION

Why Animal Research

Impact on Results

Beliefs in Action

CONNECT

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Labcorp is a leading global life sciences company that includes contract research and developmental services to the pharmaceutical, medical technology , crop protection and chemical industries.



Our Commitment to Animal Welfare

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-  **We treat the animals we work with in biomedical research humanely, with care, compassion and respect.**
-  **We adhere to strict standards of ethical conduct in providing for their welfare.**
-  **We believe that taking good care of our animals is not only good science but the right thing to do.**

We are committed to ensuring the welfare of animals we work with in research. Animal research is critical to developing new, safe and effective medicines, devices and products that protect and save the lives of people and animals.

The Why & How of Animal Research



Following Are Our Commitments:

Animal welfare is of primary concern for all of us at Labcorp Drug Development, from our CEO to our employees at facilities around the world.

“The health and wellness of the animals in our care is of primary concern to Labcorp, from our senior executives to the leaders and individuals working directly with animals at our facilities around the world.

In fact, Labcorp has a highly experienced global team, led by our Global Head of Animal Welfare and Veterinary Services, dedicated to the establishment of high standards of care and welfare. We monitor animal welfare performance company-wide, ensuring that Labcorp and its vendors treat research animals with the respect and compassion they deserve, every day, 24 hours a day, 365 days a year.

Whether you are a Labcorp partner, public official, journalist or private citizen, the fact that you are visiting this website tells me that animal welfare is important to you. We’ve developed this website with you in mind. We want to provide you with information that will help you understand, what animals are used for, how our research animals are cared for at Labcorp and encourage you to share our commitment to ensuring their welfare.

Please take a few moments to visit the rest of the site. You’ll see why animal research is so critical to improving human ... and animal health.”

— Paul Kirchgraber, M.D., Chief Executive Officer

PUTTING COMMITMENTS INTO ACTION



Caring for our animals with the utmost compassion



Actively pursuing advances in animal welfare, enrichment and the 3Rs



Delivering high-quality work and recognizing contributions to our Culture of Care



Educating and engaging with colleagues, clients and the community on our Culture of Care in an open and honest manner



Raising any questions or concerns about the care or use of animals through available channels



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ABOUT US SECTION

Animal Welfare

Corporate Responsibility

Press News

CONNECT

 [Contact Us](#)

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Corporate Responsibility

The steps we take to create a cleaner, safer, healthier planet can be traced back to our corporate values.

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We are committed to making a positive difference in our global community. Identifying new approaches and anticipating tomorrow's challenges, each of us is dedicated to improving lives through science, while working toward a healthier, safer, and cleaner world.

[UK Gender Pay Report](#)

We are committed to an inclusive and inspiring environment where benefits-related rewards, including pay, are based on an individual's performance, skills and qualifications.

[CARE Rwanda](#)

In 2007, we celebrated our 10th anniversary of partnering with CARE to sponsor the creation and launch of an early childhood development model in Rwanda. This [online book](#) is a testament to the program's success.

[CARE Nepal](#)

Along with CARE Nepal, we launched in 2012 **Saving Mothers' and Infants' Lives (SMILE)**, a three-year project designed to improve the quality of pregnancy and delivery care services in the weakest parts of two of Nepal's poorest districts, Rupandehi and Nawalparasi.

[UK Tax Strategy](#)

Social Responsibility Resources

- [UK Gender Pay Report](#)
- [2018 Corporate Social Responsibility Report](#)
- [2017 Corporate Social Responsibility Report](#)
- [2016 Corporate Social Responsibility Report](#)
- [2015 Corporate Social Responsibility Report](#)

- [2014 Corporate Social Responsibility Report](#)
- [2013 Corporate Social Responsibility Report](#)
- [2012 Corporate Social Responsibility Report](#)
- [2011 Corporate Responsibility Report](#)

ABOUT US SECTION

Animal Welfare

Corporate Responsibility

Press News

CONNECT

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January 23, 2023

Via e-mail

Office of Chief Counsel
 Division of Corporation Finance
 Securities and Exchange Commission
shareholderproposals@sec.gov

Re: Laboratory Corporation of America Holdings 2023 Annual Meeting
 Shareholder Proposal Submitted by People for the Ethical Treatment of Animals

Dear Sir or Madam:

I am writing on behalf of People for the Ethical Treatment of Animals (PETA) and pursuant 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 2023 annual shareholders meeting.

As discussed below, Labcorp's request for a no-action letter should be denied because each ground the Company asserts to support its requested relief fails: the Proposal does not deal with a matter relating to the company's ordinary business operations because it does not focus on an issue "fundamental to management's ability to run a company on a day-to-day basis;" the Proposal does not seek to micromanage the company; and the Company has not "substantially implemented" the Proposal. *See* Rules 14a-8(i)(7),(10); Release No. 34-40018 (May 21, 1998). Furthermore, the Proposal transcends the Company's ordinary business operations by focusing on the significant social policy issue of risks to public health by the Company's activities. *See* Rule 14a-8(i)(7). Labcorp's arguments mischaracterize the nature of the Proposal and ignore its central public health focus entirely. In effect, most of the Company's no-action letter request fails to challenge the actual Proposal at issue.

I. Background

PETA's resolution ("Proposal") provides:

RESOLVED, that the Board report to shareholders annually on the species and numbers of nonhuman primates transported by the company within the U.S. and measures the company is taking to mitigate public health risks.

The Supporting Statement then references a September 2022 event in which the U.S. Department of Agriculture cited the Company for transporting monkeys

PEOPLE FOR
 THE ETHICAL
 TREATMENT
 OF ANIMALS
 FOUNDATION

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 202-483-PETA

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 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

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.)

from its Wisconsin facility to Envigo Global Services in Texas without proper veterinary inspections as required under the federal Animal Welfare Act (AWA).¹ The statement also notes that the failure to conduct timely veterinary inspections should concern all shareholders, given that the Company previously reported to the U.S. Securities and Exchange Commission that “animal populations may suffer diseases that can damage its [Drug Development’s] inventory, harm its reputation, or result in other liability.”²

The Supporting Statement emphasizes that the threat of zoonotic disease in nonhuman primates used in laboratories is significant. Monkeys can carry dangerous and infectious agents that are transmissible to humans, including tuberculosis, deadly diarrheal pathogens, West Nile virus, malaria, and herpes B. Transporting monkeys across the U.S., particularly when federal laws are broken, could harm the Company’s reputation and business. This is exemplified by a January 2022 event in which a truck carrying 100 monkeys crashed in Pennsylvania and three of those monkeys escaped. On the order of the Centers for Disease Control and Prevention (CDC), those monkeys were shot and killed because of the significant public health risk they posed. Accordingly, the Supporting Statement concludes that it is in the Company’s interest to provide its shareholders with transparency regarding the extent of its monkey transport within the U.S.

II. The Proposal 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). The Commission has explained that the policy underlying this rule rests on two central considerations.

The first consideration is whether the proposal relates to the Company’s ordinary business matters. The reasoning behind this basis for exclusion 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.” *Id.* 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.” *Id.*

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 stockholders, as a group, would not be in a position to make an informed judgment.” Release No. 34-40018 (May 21, 1998). Labcorp unconvincingly asserts that the Proposal is excludable under both prongs of Rule 14a-8(i)(7).

¹ The AWA requires that a veterinarian examine monkeys transported across state lines within 10 days prior to shipment. 9 C.F.R. § 2.38(h)(1)(i). *See also* Scott Welch, D.V.M., U.S. Dept. of Agriculture, Inspection Report for Labcorp Early Dev. Laboratories Inc. (Sept. 16, 2022), <https://www.peta.org/wp-content/uploads/2022/10/2022-09-13-labcorp-usda-ir-monkey-1.pdf>.

² Lab’y Corp. of America, Annual Report (Form 10-K) (Feb. 25, 2022), <https://ir.labcorp.com/static-files/129475f0-f71c-45de-985d-1c74cfb5cabc>.

A. The Proposal Does Not Implicate the Ordinary Business Exception

The Proposal does not implicate Rule 14a-8(i)(7) because it does not involve issues “fundamental to management’s ability to run a company on a day-to-day basis.” Rather, the Proposal simply requests a report on the species and numbers of nonhuman primates transported by the company to indicate to shareholders the extent of the public health risks that this transport creates, and measures the company is taking to mitigate those public health risks. The Company remarkably asserts that providing information on monkey transport by the business “is not a proper subject of a shareholder proposal because it relates to the ordinary course management of risk,” and that “risks related to animals are ordinary course risks in the business of the Company.” No-Action Request, at 4.

However, the Company later in its request seemingly admits that transporting monkeys is not, in fact, an ordinary business practice. The Company states that transporting monkeys “is a very small portion of the Company’s business ... [and] it only transports nonhuman primates in the rare circumstance that an animal needs to be moved between site locations for study needs or retirement.” *Id.* at 5. Therefore, the Company acknowledges that the transportation of monkeys is *not* “fundamental to [the Company’s] ability to run a company on a day-to-day basis,” as required by the ordinary business exception.

Additionally, the “rare” transportation of nonhuman primates is an issue that can, as a practical matter, be subject to direct shareholder oversight. In fact, in light of the September 2022 event for which the Company was cited for violations of the federal Animal Welfare Act (AWA) and the clear, known risks monkeys kept in laboratories and transported present to public health identified below, information on the transport of monkeys is important and appropriate for shareholders so that they may assess future market risks to the Company.

Lastly, in apparent acknowledgment of this fact, the Company mischaracterizes the Proposal in an effort to fit it within the ordinary business exception. The response broadly notes that “risks associated with the Company’s transport of animals and compliance with applicable laws and regulations,” and “risks related to animals” relate to ordinary business operations, *id.* at 4, but the Company fails to directly challenge or address the Proposal’s request that the Company provide information to shareholders regarding its efforts taken to mitigate risks to public health.

Moreover, the Company’s argument that its disclosure of unrelated “risks related to animals” in its 2021 annual report means that “risks related to animals are ordinary course risks” is baseless. *Id.* Its annual report includes factors that could potentially be catastrophic to the Company—such as the mass spread of COVID-19, violations of anti-fraud and abuse laws, and violations of state and federal medical regulations—and cannot be categorized as “ordinary risks” related to day-to-day business practices.³ The Staff has recently found that proposals dealing with “risks” even far more closely connected to the day-to-day operations of the subject company than those at issue in the Proposal were not excludable under the ordinary business exception. *See Alphabet Inc.*, (Apr. 15, 2022) (declining to exclude proposed that the company publish an annual report explaining how the board is managing risks associated with user data collection, privacy, and security). It is telling that the only prior Staff decisions Labcorp cites in support of its position are a series of proposals relating to a company’s tax strategies.

³ *Id.* at 34-49.

The Company, as noted, continues to misconstrue the Proposal as a measure directed towards “animal welfare.” However, at no point does the Proposal or Supporting Statement address animal welfare concerns. The Company virtually ignores the public health concerns at the center of the Proposal, and it provides no specific argument under Rule 14a-8(i)(7) or any Rule as to why reporting its efforts to mitigate public health risks should be excluded.

B. The Proposal Raises a Significant Social Policy Issue That Transcends Day-To-Day Business Matters.

In Staff Legal Bulletin (“SLB”) No. 14H, the agency provided guidance on the significant policy exception to the ordinary business exclusionary standard, reasoning:

[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.”

SLB No. 14H (citing Release No. 34-40018). “In making this determination, the staff will consider whether the proposal raises issues with a broad societal impact, such that they transcend the ordinary business of the company.” SLB No. 14L. Also pursuant to this exception, “[t]he Division has noted many times that the 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.

The Company’s only argument that the Proposal does not raise a significant social policy issue is that the “social issues that the Staff has focused on in the past are not present,” with respect to animal cruelty-related proposals. No-Action Request, at 5. While the Company lists a litany of decisions by the Staff that animal welfare concerns are significant social policy issues, it fails to even address the actual social policy raised in the Proposal—public health. There is precedent for the Staff deeming public health concerns as significant social policy issues: *Occidental Petroleum Corp.* (Feb. 26, 2009) (declining to exclude proposal that requested assessment of policies in the company’s overseas operations with respect to their adequacy to protect the environment, health, and human rights of indigenous populations); *United Tech. Corp.* (Jan. 31, 2008) (declining to exclude proposal recommending the board of directors adopt principles of comprehensive health care reform); *Chubb Ltd.* (Mar. 26, 2022) (declining to exclude proposal that requested the board adopt and disclose new climate change policies); *PNC Financial Services Group, Inc.* (Feb. 13, 2013) (declining to exclude proposal because climate change is a significant social policy). The Staff has also explicitly recognized the importance of the spread of disease. *See Pfizer Inc.* (Feb. 23, 2022); *Moderna, Inc.* (Feb. 8, 2022); and *Johnson & Johnson* (Feb. 8, 2022).

Public health concerns relating to the transportation of monkeys used in laboratories are substantial and increasingly well-documented. Just prior to the global SARS-CoV-2 pandemic, in an effort to assess the risk of spillover events associated with particular species, scientists assessed the presence of zoonotic viruses in mammals, noting that rodents, bats, and primates

accounted for three-fourths of the zoonotic viruses that have been described to date—with primates and bats being the species most likely to be involved in spillover events.⁴

Further investigation of the inherent zoonotic disease risks associated with the international animal trade determined that trade in two primate species—*Macaca fascicularis* (long-tailed macaque) and *Macaca mulatta* (rhesus macaque)—carried the greatest potential for zoonotic disease.⁵ Subsequently, a 2022 publication acknowledged that recent importations of these species have been associated with “increased exposure to naturally occurring pathogens,” all of which are zoonotic.⁶

The Company’s contention that its federal law violations were “a small administrative error” ignores the fact that its conduct violated AWA requirements designed to protect the public from major health risks. The “administrative error” increased the potential for the spread of disease. Inappropriate veterinary inspections and the failure to comply with federal law increases the public health risk for staff transporting the monkeys, staff at the receiving institutions, and potentially the public at large if, as evidenced by the January 2022 incident in Pennsylvania,⁷ the primates gain access to the general public during transport.

The trauma and stress associated with international importation, warehousing, and subsequent domestic transport guarantees that monkeys arrive and move throughout the U.S. with compromised immune systems.⁸ Primates used in testing and experimentation frequently carry unintended and/or undetected zoonotic diseases, including those listed on the CDC notifiable diseases list, such as campylobacteriosis, cholera, cryptosporidiosis, salmonellosis, shigellosis, measles, hepatitis A, tuberculosis, and malaria. The primate-experimentation community continues to acknowledge that screening assays for tuberculosis, in particular, lack sensitivity and specificity⁹ and that opportunistic zoonotic infections—including those caused by simian type D retroviruses, simian foamy virus, simian immunodeficiency virus, adenoviruses, parvoviruses, fungi, *Trypanosoma cruzi*, giardia, *Yersinia enterocolitica*, *Shigella flexneri*, *Helicobacter* spp., West Nile virus, listeria, tularemia, and alpha, beta, and gamma herpesviruses—are particularly common in immunocompromised primates.¹⁰

Many of these infectious agents and the threats that primates pose would fall under Category A Live animals may not be used to transport infectious substances unless such substances cannot be sent by any other means. An animal containing or contaminated with an infectious substance

⁴ C.K. Johnson et al., *Global shifts in mammalian population trends reveal key predictors of virus spillover risk*, 287(1924):20192736 4 PROC BIOL SCI. (2020).

⁵ S. Borsky et al., *CITES and the zoonotic disease content in international wildlife trade*, 76 ENVIRON RES ECON. 1001-1017 (2020).

⁶ A.L. Johnson et al., *Common and not-so-common pathologic findings of the gastrointestinal tract of rhesus and cynomolgus macaques*, TOXICOL PATHOL (Apr. 1, 2022).

⁷ The January 2022 truck crash that resulted in three monkeys escaping and subsequently killed for public health reasons is noted in the Supporting Statement of the Proposal. See also Dennis Romero, *3 monkeys that escaped, were captured after Pennsylvania crash have been euthanized*, NBC News (Jan. 24, 2022), <https://www.nbcnews.com/news/us-news/3-monkeys-escaped-captured-pennsylvania-crash-euthanized-rcna13416>

⁸ J.A. Roberts & K. Andrews, *Nonhuman primate quarantine: Its evolution and practice*, 49(2) ILAR J. 145-156 (2008).

⁹ J.L. Yee et al., *Tuberculosis detection in nonhuman primates is enhanced by use of testing algorithms that include an interferon- γ release assay*, 83(1) AM J. VET RES. 15-22 (2021).

¹⁰ V.G. Sasseville & K.G. Mansfield, *Overview of known non-human primate pathogens with potential to affect colonies used for toxicity testing*, 7(2) J. IMMUNOTOXICOL. 79-92 (2010).

must be transported under terms and conditions approved by the Associate Administrator for Hazardous Materials Safety.¹¹

According to a 2017 study¹² assessing the risk of infectious disease introduction into human communities: “Approximately one-quarter of human deaths caused by infectious disease and nearly 60% of infectious diseases are considered zoonotic (pathogens transmissible between animals and humans) [and] most of these (>70%) are caused by pathogens of wildlife origin.” The study continues: “[M]odern transportation allows emerging diseases to spread along various globally connected networks in a manner of days.”

The CDC has directly acknowledged the exact public health risk concerns at issue:

NHPs [nonhuman primates] may carry infectious diseases that are dangerous and sometimes fatal to humans. These infections include those caused by Shigella, Salmonella, Ebola virus, herpes B virus, Mycobacterium tuberculosis complex (bacteria that cause tuberculosis, or TB), yellow fever virus, and many others. People working in temporary or long-term NHP holding facilities or involved in transporting NHPs (e.g., cargo handlers and inspectors) are especially at risk for infection.¹³

Furthermore, the Staff has recognized that “the 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). While the COVID-19 pandemic initiated enormous public debate regarding public health, the transmission of diseases, and zoonotic diseases, the January 2022 crash itself was covered extensively by international media and generated debate specific to the very issue addressed in the Proposal.¹⁴

C. The Proposal Does Not Seek to Micromanage the Company

Similarly, the Company seeks exclusion of the Proposal under Rule 14a-8(i)(7) because “the Proposal seeks to micromanage the Company by probing too deeply into matters of a complex nature.” No-Action Request, at 4. A proposal probes too deeply into matters of a complex nature if it “involves intricate detail, or seeks to impose specific time-frames or methods for implementing complex policies.” 1998 Release. Recently, in SLB No. 14L, the Staff articulated that a proposal can be excluded for micromanagement based “on the level of granularity sought in the proposal and whether and to what extent it inappropriately limits discretion of the board or management.”

The Proposal does not “probe too deeply into matters of a complex nature” because it does not seek intricate details or to impose any complex policies or any specific timeframe. Rather, it asks

¹¹ 49 C.F.R. § 173.196(c).

¹² K.M. Smith et al., *Summarizing US wildlife trade with an eye toward assessing the risk of infectious disease introduction*, 14(1) ECOHEALTH, 29-39 (2017).

¹³ CDC, FAQs About CDC Regulations for the Importation of Nonhuman Primates (NHPs) into the U.S., <https://www.cdc.gov/importation/laws-and-regulations/nonhuman-primates/nprm/qa-general.html>.

¹⁴ See, e.g., Bill O. Boyle, *Beyond the Byline: Was monkey crash handled properly?*, Times Leader (Jan. 23, 2022), <https://www.timesleader.com/news/1536186/beyond-the-byline-was-monkey-crash-handled-properly> (discussing concerns regarding the health and precautions related thereto of the monkeys being transported). See also Julia Musto, *Woman who helped monkeys in Pennsylvania crash experiencing health issues: report*, Fox News (Jan. 25, 2022), <https://www.foxnews.com/health/woman-monkeys-pennsylvania-crash>.

for the disclosure of information regarding activities the Company is already engaged in. In fact, the Company's only argument that the Proposal should be excluded due to micromanagement is the brief assertion that it "seek[s] to evaluate the specific risks of animal transport, and ask[s] for granular detail on the species and number of nonhuman primates transported by the Company within the U.S." No-Action Request, at 5. Requesting an annual report of the number and species of nonhuman primates transported in the U.S. hardly requires "granular detail." It does not request information on the primates' origin, destination, or any details about the manner in which they were or will be used. Further, the Company makes no attempt to argue that the Proposal's request that the Company report on the steps it takes to mitigate public health risk is micromanagement and should be excluded.

As noted above, the Company also includes in its "micromanagement" argument that its transportation of monkeys is "rare." If the Company proclaims that it transports these animals so infrequently and such transportation makes up a "very small portion of the Company's business," it is entirely clear that providing a report that simply details the number and species of nonhuman primates that are transported annually is a matter the Company should not find difficult to comply with. Furthermore, the Proposal seeks these records to disclose to shareholders the significance of the public health risks that the Company may be failing to take adequate measures to prevent. Informing themselves about the public health risks posed by the Company's animal transportation activities does not equate to shareholders probing too deeply into matters of a complex nature, and public health risk is a matter in which shareholders are in a position to make an informed judgment. The Proposal's request for records presumably already kept by the Company in some form does not seek to control or alter the Company's activities. Therefore, the Proposal clearly does not seek any type of "granular detail" or to "impose specific time-frames or methods for implementing complex policies," nor does it limit the board's discretion in any decision-making.

III. The Proposal Has Not Been Substantially Implemented

The Company argues that the Proposal should be excluded under Rule 14a-8(i)(10), under which a shareholder proposal may be properly excluded from a company's proxy materials "if the company has already substantially implemented the proposal." Here, the Company argues extensively but irrelevantly that its animal welfare policies and standards and disclosure thereof fulfill this exclusionary rule.

While it may be debatable whether the Company actually follows the policies it highlights, that argument is unnecessary in this context. *InterDigital, Inc.* (Mar. 31, 2010) ("In other words, substantial implementation under Rule 14a-8(i)(10) requires a company's actions to have addressed the proposal's essential objective satisfactorily, even when the manner by which it is implemented does not correspond precisely to the actions sought by the shareholder proponent.") (citing Exchange Act Release No. 20091 (Aug. 16, 1983))). The Company's entire argument under Rule 14a-8(i)(10) is that its animal welfare policy and standards are sufficient and disclosed to shareholders. No-Action Request, at 6-10.

However, as noted throughout this response, the Proposal at issue *does not involve animal welfare standards or policies*. Instead, it requests that the Company provide records of nonhuman primate transportation and measures the Company takes to mitigate *public health*

risks. At no point in its letter does the Company address this concern. The Company does not point to any standards or policies directly related to public health risks from laboratory animals and their transportation. Not one of the cited policies even touches upon this issue, let alone “compare[s] favorably” with the Proposal’s request. Therefore, the Company raises no viable argument that the Proposal has “been substantially implemented,” rendering the request’s Rule 14a-8(i)(10) argument ineffective and invalid.

IV. Conclusion

We respectfully request that the Staff decline to issue no-action relief to Labcorp and inform the Company that it may not omit the Proposal from its proxy materials. Should you need any additional information in reaching your decision, please contact me at your earliest convenience. If you intend to issue a no-action letter to Labcorp, we would welcome the opportunity to discuss this matter further before that response is issued.

Thank you.

Very truly yours,

A handwritten signature in cursive script that reads "Mary Maerz".

Mary Maerz
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cc: Jared Goodman, PETA Foundation