

Responsible Investing joins the fight against the opioid crisis

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The rampant opioid crisis – involving escalating addictions to opioid prescription pain relievers, heroin and synthetic opioids, like fentanyl – has taken a toll on many American communities. Sadly, the human impacts are widespread and devastating.

- Overdose deaths from prescription opioids have increased five-fold from 2000 to 2016.¹
- Opioids accounted for more than 60% of overdose deaths in 2014, according to data from the CDC.²
- The number of opioid prescriptions exceeds the population in some U.S. states.³

An entirely man-made epidemic

Today's opioid crisis traces its roots to the late 1990s when certain pharmaceutical companies misled the medical community into believing patients would not become addicted to prescription opioid pain relievers, encouraging doctors to prescribe opioids to treat all kinds of pain. Health care providers began to prescribe them at greater rates.



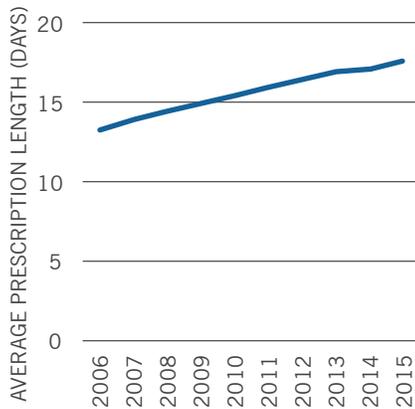
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¹National Center for Health Statistics, CDC, 2017. ²"Increases in Drug and Opioid-Involved Overdose Deaths — United States, 2010–2015," CDC, 12/30/16. ³U.S. State Prescribing Rates, CDC, 2016.

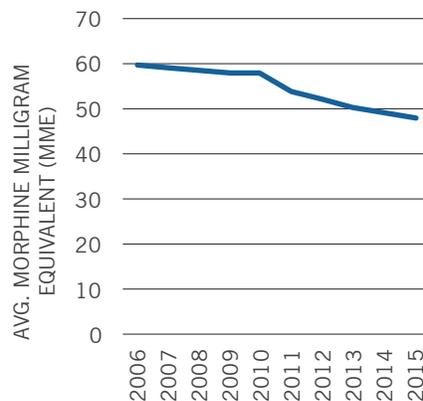


Exhibit A

America's problem with opioid prescriptions

**Too many days**

Average prescription length increased 33% (2006 to 2015).

**Too high a dose**

Despite declining averages, current daily dosage of 50 MME doubles the risk of overdose death versus 20 MME.



3 WEEKS

Too many prescriptions

In 2015, the opioids prescribed were enough to medicate all Americans – **308 million people** – around the clock for 3 weeks.

Source: Vital Signs, CDC, July 2017

Today, one out of five patients with non-cancer pain or pain-related diagnoses are now being prescribed opioids in office-based settings.⁵

The CDC reports that roughly a quarter of patients prescribed opioids for chronic pain misuse them. Not surprisingly, there has been a related surge in the use of heroin and synthetic opioids, like fentanyl. According to the CDC, about 80% of people who use heroin first misused prescription opioids, indicating that the transition from prescription opioid use to illicit drug use may be part of the progression of addiction.⁷

The addicts next door

The opioid epidemic cuts across many age groups and income levels, particularly those with historically low rates of drug use: women, the privately insured, and those with higher incomes.

- Older adults (aged 40 years and older) are more likely to use prescription opioids than adults aged 20-39.⁸

- Americans 50-69 years represent the fastest-growing population of opioid addicts.⁹
- Women are more likely to use prescription opioids than men.⁸
- About 47% of heroin users and 45% of prescription drug abusers are high school graduates, and 22% and 30%, respectively, are college educated.⁹

Public policy uses big tobacco as its guide

While the federal response to the crisis has been slow, there has been significant recent progress. In 2017, the Centers for Disease Control and Prevention released new guidelines for doctors prescribing opioids to limit the circumstances, quantity, and duration of any prescriptions they give to patients. At the same time, cities, counties and states across the country are increasingly turning to the courts.

- The U.S. Department of Justice has settled lawsuits with at least six manufacturers or distributors of opioid drugs over

⁵Prescription Opioid Overdose Data, CDC, 2017. ⁷"Opioid Overdose Crisis," National Institute on Drug Abuse, February 2018. ⁸Prescribing Data, CDC, 2017. ⁹Medscape Medical News, 2014. ¹⁰U.S. Department of Justice, 05/14/15, 12/23/16, 02/12/16, 01/17/17, 01/19/17, 07/11/17. ¹¹"Ohio AG 'encouraged' after start of opioid lawsuit talks," ABC news, 01/31/18.



the past three years for failure to monitor or report suspicious orders or for unlawful dispensation.¹⁰

- More than 250 lawsuits have been filed by U.S. states, counties, cities and territories against manufacturers and distributors, and settlement talks are ongoing as of this writing.¹¹

Calvert believes responsible investors can play an important role

From individuals to institutions, interest in environmental, social and governance (ESG) strategies is rapidly gaining ground. U.S. assets invested in ESG strategies climbed to an all-time high of \$8.7 trillion in 2016, an increase of 33% since 2014, according to US SIF Foundation’s 2016 biennial report on US Sustainable, Responsible, and Impact Investing Trends. That means that one of every five dollars that is professionally managed is in some form of responsible investing.

Calvert Research and Management (Calvert) believes that responsible investing is a stewardship-based approach that includes analyzing companies based on non-financial information, including their ESG factors, as well as evaluating financial data and information. We focus on finding companies that demonstrate leadership and create positive impact in society through their business operations and

overall activities, while producing competitive investment returns.

Those companies with exposure to misconduct in the marketing and distribution of opioids may face legal, operational and reputational repercussions, which has impact on investors. As a responsible investor, Calvert considers these factors in both our security selection and engagement process.

Broadly speaking, Calvert’s response to the crisis is a two-pronged one: integration into the research process and undertaking new initiatives.

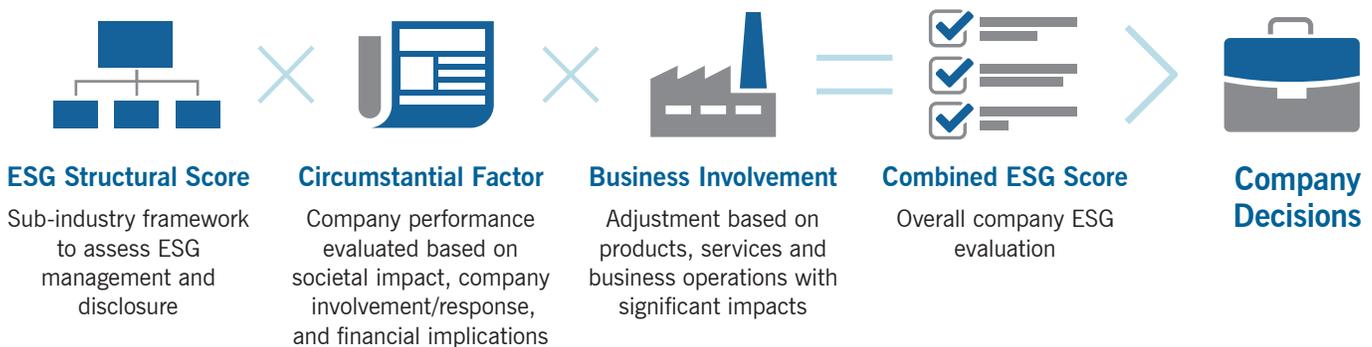
Integrating opioid exposure into the research process

Calvert’s investment process combines traditional financial research with in-depth ESG analysis. Calvert’s scoring models integrate a company’s management of ESG risks and their involvement with controversial issues:

- First, Calvert differentiates companies by analyzing their management of material ESG issues, using a metrics-based system that allows us to normalize information and rate companies.
- Second, Calvert complements the assessment of management by incorporating material current events into our company scoring. Our framework examines the societal

Exhibit B

Three components of Calvert’s research process



impact of events, the company's involvement and response, and the impact on the company.

- Third, Calvert assesses whether a company's business operations pose significant environmental or societal impacts and applies adjustments to scores.
- This research process means Calvert's views of companies are constantly evolving to reflect changing risk factors.

Taking into account a company's role in the opioid crisis, Calvert applies a discount to pharmaceutical, distribution and benefit manager companies that have benefited from unlawfully promoting opioid drugs, disregarded regulations and caused billions of dollars of economic loss to society.¹²

Undertaking new engagement initiatives

Calvert joined the Investors for Opioid Accountability (IOA) shortly after its formation to be part of a coalition engaging with companies involved in the manufacture, marketing or

distribution of opioid drugs. The IOA brings together 44 asset owners, asset managers and consultants with more than \$2.2 trillion in assets under management as of February 2018.

Through the IOA, Calvert is pushing for corporate reform to adopt sound governance practices and policies to increase transparency and accountability and to deter misconduct.

Bottom line: We want to help stem the crisis

The opioid crisis is one of the biggest challenges facing our society today. As responsible investors, our research process and engagement agenda seeks to:

- Assess the risks associated with companies' involvement in the opioid epidemic.
- Hold companies accountable for any role they may have played in perpetuating the crisis.

¹²"The Underestimated Cost of the Opioid Crisis," The Council of Economic Advisers, Executive Office of the President of the United States, November 2017.

About Calvert Research and Management

Calvert Research and Management is a leader in Responsible Investing, with approximately \$11.2 billion of mutual fund and separate account assets under management as of December 31, 2017. The company traces its roots to Calvert Investments, which was founded in 1976 and in 1982 became the first fund family to launch a mutual fund to avoid investment in companies doing business in apartheid-era South Africa. Today, the Calvert Funds are one of the largest and most diversified families of responsibly invested strategies, encompassing actively and passively managed strategies, U.S. and international equity strategies, fixed-income strategies and asset allocation strategies. For more information, visit calvert.com.

About Eaton Vance

Eaton Vance is a leading global asset manager whose history dates to 1924. With offices in North America, Europe, Asia and Australia, Eaton Vance and its affiliates offer individuals and institutions a broad array of investment strategies and wealth management solutions. The Company's long record of providing exemplary service, timely innovation and attractive returns through a variety of market conditions has made Eaton Vance the investment manager of choice for many of today's most discerning investors. For more information about Eaton Vance, visit eatonvance.com.

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