ON THE MOVE

2014 IN REVIEW
ON THE MOVE

CHPA was on the move in 2014, propelling our initiatives forward with FDA, on Capitol Hill, in the states, and with consumers across the country.
A MESSAGE FROM
the president and chairman

We are pleased to present a summary of CHPA’s accomplishments during 2014, a highly dynamic and eventful year for the U.S. consumer healthcare industry. As evidenced by heightened activity in the regulatory arena, increasing industry consolidation, and a new board-driven focus on industry growth, 2014 was clearly a year of progress on many fronts. It is with this in mind that “On the Move” is the theme of this year’s annual report. It aptly describes the attitude that guided your association’s work over these past 12 months, and it accurately reflects the highly dynamic environment in which CHPA is operating on your behalf.

On the Move in the Regulatory Environment: The FDA was particularly active in 2014, holding a series of public meetings on matters of critical importance to our industry – including a March hearing on the future of the OTC Monograph System. While FDA’s leadership has been increasingly critical of the regulatory framework that governs most OTC medicines, we testified that the Monograph System can be improved without undermining a framework that has served the public well for over four decades. Moreover, this year CHPA participated in six Nonprescription Drug Advisory Committee meetings – a record – on matters as diverse as sunscreens, antiseptics, bronchodilators, and Rx-to-OTC switch applications. Clearly, the role of CHPA to influence regulatory policy and decision making has never been more important.

On the Move to Grow the Industry: This year we witnessed a continued elevation of the role of self-care in our nation’s evolving healthcare system. Increasingly, consumers are incented to treat with cost-effective self-care options, and they are looking to our industry’s products for relief. CHPA has grown the role of its meetings, too, and this year held two highly successful retail immersions with prominent retailers touting the growing importance of health and wellness options at their stores. And your association held its first-ever International Self-Care Day event on Capitol Hill, raising awareness of our industry and its role in providing convenient, cost-effective healthcare to millions of consumers each and every day.
In 2014, CHPA adopted a growth mindset as well. This year your association undertook a comprehensive consumer insight research initiative to identify and isolate those areas where CHPA can focus resources to support industry-wide growth. We’ll begin converting insight to action in the coming months and we will keep the membership appraised as to its impact.

**On the Move, Literally:** We recently relocated CHPA’s offices to a new Washington, D.C., location – 1625 Eye Street – that will better serve the membership and provide a solid home base for the industry as it confronts the challenges and opportunities that lie ahead. With close proximity to the White House and Capitol Hill, CHPA is well-positioned to represent the industry and help promote a favorable business environment for your company.

CHPA thus ends the year in a very strong position and we are optimistic about the future. The association’s visibility and influence is higher than ever, and there is tremendous potential for our industry to take on a greater role in the rapidly evolving healthcare environment. We appreciate your continued support of CHPA.
ON THE MOVE...
TOWARDS INDUSTRY GROWTH
Fighting to Reinstate OTC Medicines in FSAs and HSAs

To drive our initiative to restore over-the-counter (OTC) medicines in flexible spending arrangements (FSAs) and health savings accounts (HSAs) through the “Restoring Access to Medication Act” (S. 1647 and H.R. 2835), CHPA hosted an International Self-Care Day breakfast briefing on Capitol Hill on July 24. Our room in the Cannon House Office Building was at maximum capacity as Hill staffers engaged with our speakers.

Our speakers included:

Rep. John Barrow
(D-Ga.)

Dr. Zhenyu Guo
Chair and Founder, International Self-Care Foundation

Jim Mackey
Senior Vice President, U.S. Region Head, Bayer HealthCare, and Chair, CHPA

Erica Mann
Head of Consumer Care Division, Bayer HealthCare, and Chair, World Self-Medication Industry

Scott Melville
CHPA President and CEO

Steven Taylor
CEO, Sjogren’s Syndrome Foundation

From left: Guo, Mann, Melville, Mackey, Taylor

Rep. John Barrow (D-Ga.)
U.S. Senate Resolution 515 declaring July 24 as Self-Care Day in the U.S. and citing CHPA data about the value of OTC medicines.

ENGAGEMENT
Ongoing engagement with members of Congress before, during, and after the event, including a “Dear Colleague” letter from the “Restoring Access to Medication Act” bill sponsors to all members of Congress encouraging them to cosponsor the legislation.

55,000 constituent emails
sent to Congress in support of the FSA/HSA legislation via our grassroots mobilization platform. 10,000 advocates further “opted in” to receive regular information and engagement opportunities from CHPA.

FEATURE
USA Today article featuring new Nielsen data showing the vast majority of consumers want OTC eligibility reinstated in FSAs and HSAs and they have not altered their use of FSAs as the government had anticipated, underscoring that the government isn’t saving money on this provision as it had intended.

USA TODAY FEATURE

USA Today article featuring new Nielsen data showing the vast majority of consumers want OTC eligibility reinstated in FSAs and HSAs and they have not altered their use of FSAs as the government had anticipated, underscoring that the government isn’t saving money on this provision as it had intended.
Discovering Consumer Insights for Industry Growth

CHPA collaborated with IRI this year on research with consumers and healthcare professionals to define the influencers of self-care and unearth areas that could potentially accelerate industry growth.

Top research findings included:

- Consumers and healthcare professionals define self-care as a set of empowerment actions in patients’ health and wellness management – a concept much broader than any category of products.

- When it comes to consumer healthcare products, consumers value the established core benefits of OTC medicines, including time savings and 24-hour accessibility, closely followed by cost savings.

- There are opportunities to shore up consumer trust in the science behind OTC medicines.

In the year ahead, we will convert our insights into select growth initiatives that will help deliver a tailwind of momentum for our members’ brand-specific marketing and contribute to overall OTC growth for all members.

More to come in 2015.
ON THE MOVE...

TO SPUR REGULATORY ACTION
In March, CHPA testified during the U.S. Food & Drug Administration’s (FDA) hearing on the OTC Monograph System. We underscored that the system has been demonstrably effective for more than 40 years; improving it and finalizing incomplete elements does not require a major overhaul that would abandon the fundamental underpinnings. We also filed written comments that called for more transparency in support of finalizing unfinished monographs.

**THE WALL STREET JOURNAL**

**FDA to Revamp Approval Path for OTC Drugs**

The Washington Post

FDA wants to revamp its nonprescription drug regulations
Participating in Nonprescription Drugs Advisory Committee Meetings

This year, FDA used the Nonprescription Drugs Advisory Committee (NDAC) much more extensively than in past years to provide guidance on a range of topics, including Rx-to-OTC switches and the safety of OTC ingredients, as well as an updated safety framework for certain ingredients to be considered Generally Recognized as Safe (GRAS) and therefore eligible for inclusion in the OTC Monograph System.

CHPA proactively played an integral role in six advisory committee meetings throughout the year by attending the hearings, providing testimony, and/or working with CHPA members and allied groups to provide comments.

February 10-11
Non-aspirin, non-steroidal anti-inflammatory drugs (NSAIDs)

February 25
Epinephrine inhalation aerosol (Primatene HFA)

February 26
Bronchodilators

May 2
Montelukast 10 milligram (mg) tablets (SINGULAIR Allergy)

September 3
Antiseptic hand washes

September 4-5
Sunscreens

Requesting Changes for Nutrition and Supplement Facts Labeling

In August, CHPA took the initiative to submit comments on FDA’s proposed rule on changes affecting Nutrition and Supplement Facts labeling.

In the comments, we requested:

- to retain interchangeable use of the terms “folic acid” and “folate” for dietary supplement labeling;
- for the agency to use a previously-adopted list of beneficial physiological effects when qualifying certain carbohydrates as dietary fiber; and
- to include both vitamin K2 (as well as vitamin K1) as allowable sources of vitamin K in Supplement Facts labeling.
Responding to Citizen Petition on Antihistamines

In June, CHPA responded to a citizen petition requesting additional warning information on the label of all nonprescription antihistamine drug products to indicate that these products can cause a confusional state. Our comments noted that the petition did not provide sufficient justification for the addition of a warning to OTC antihistamines, pointing out a number of limitations including a lack of applicability to antihistamines used in the OTC setting and insufficient patient population size.

Accelerating Monograph Modernization with New USP-OTC Project Team

CHPA created a project team to continue a more formal and fluid dialogue between CHPA members, USP, and FDA regarding the process and framework for modernization of product monographs for OTC drugs. The project team provides guidance and feedback on the proposed USP group monograph approach, monograph revision prioritization, ways to encourage our industry to support method development by USP, and communications for OTC-related initiatives to industry, regulators, and other stakeholders.
ON THE MOVE...

TO OPTIMIZE THE DIGITAL SPACE
Expanding CHPA’s Social Presence

CHPA grew our social media ecosystem by adding Pinterest and LinkedIn channels in 2014, along with implementing integrated, creative efforts to grow our Twitter, YouTube, and Flickrr platforms. These platforms engage CHPA members, policymakers, media, third-party groups, and consumers.

- **330% increase in follower growth**
- **300,000 people reached through shareable content**
- **Nearly 1,600 views**
- **More than 650 photos shared of CHPA events**
- **430 community members engaged**

More than 500 photos shared of CHPA events

CHPA grew our social media ecosystem by adding Pinterest and LinkedIn channels in 2014, along with implementing integrated, creative efforts to grow our Twitter, YouTube, and Flickr platforms. These platforms engage CHPA members, policymakers, media, third-party groups, and consumers.

- **330% increase in follower growth**
- **300,000 people reached through shareable content**
- **Nearly 1,600 views**
- **More than 650 photos shared of CHPA events**
- **430 community members engaged**
#ToMyTeen

In October, we amplified our key messages during National Medicine Abuse Awareness Month and launched a groundbreaking co-creation campaign called #ToMyTeen. The campaign mobilized parents to share words of encouragement about their teens on a dedicated microsite. Launched October 1, the campaign has been hugely successful.

- **12,000** visits to ToMyTeen.org
- Promoted by **16** top parent bloggers
- Twitter party with more than **300** participants
- Tweeted by parents more than **2,100** times using #ToMyTeen

**353 MILLION**

We reached parents of tweens and teens more than 353 million times with our educational content, including infographics, brochures, and blog posts.

Mobilizing Parents to Prevent Teen Cough Medicine Abuse

Through our comprehensive parent educational campaign, Stop Medicine Abuse, CHPA spread awareness of teen cough medicine abuse.
Educating Teens About the Social Disapproval of Cough Medicine Abuse

Jumping to the teen landscape, CHPA moved into year three of its hard-hitting digital campaign targeting those teens most likely to consider cough medicine abuse in their social sphere. Through edgy, engaging content that hammers home both the physical risk and social disapproval of cough medicine abuse, we continue to have real impact.

This year, we added to our social teen outreach by launching a new educational mobile app called DXMLabworks and a revamped, mobile- and search-optimized website called WhatIsDXM.com.

30 MILLION:
The number of times we’ve reached target teens in their social and digital space through our integrated campaign.

5.5 MILLION:
The number of teens who have directly engaged with our campaign content by watching, downloading, playing, sharing, and commenting.

26,000:
The number of downloads for our new DXMLabworks app.

120,000:
The number of website visits to WhatIsDXM.com.
ON THE MOVE...
IN THE HALLS OF LEGISLATURES
Ensuring Continued Access to Cold and Allergy Medicines

Through intense advocacy and 24/7 action, CHPA worked with states to continue to ensure consumers have access to their convenient, affordable cold and allergy medicines containing pseudoephedrine (PSE) while minimizing criminals’ ability to divert these medicines.

- We worked to defeat 22 prescription bills in 10 states and no federal prescription bill was introduced. We also effectively contained legislation loosening the restrictions under the Combat Meth Act.

- 31 states have chosen real-time, stop-sale technology over prescription-only policies, all but one choosing the CHPA member-sponsored National Precursor Log Exchange (NPLEx). NPLEx is a system which blocks the illegal sale of PSE at the point of sale, in real-time, and across state lines. The number of states on the NPLEx network is up from 25 states in 2012 to 30 states in 2014, with the latest addition being South Dakota.

- We partnered with retailers to provide law enforcement training on NPLEx throughout the year in several states.

**OKLAHOMA**

became the sixth state to participate in our voluntary retail anti-smurfing public awareness campaign. Since 2012, we’ve worked with attorneys general, governors, senate presidents, and other state lawmakers to implement anti-smurfing efforts in Alabama, Indiana, Kentucky, Missouri, and Tennessee.
Advancing Age-Restriction Laws for Dextromethorphan

In 2014, CHPA lobbied successfully for swift passage of four state age-restriction laws. The sale of dextromethorphan to minors (under 18) is now unlawful in Arizona, Louisiana, Virginia, and Washington. These states join California and New York who previously enacted age restrictions for dextromethorphan sales. Similar legislation is pending in New Jersey. In addition, at CHPA’s urging, the Attorney Generals in Kentucky and Louisiana recognized National Medicine Abuse Awareness Month. Washington Governor Jay Inslee, Arizona Governor Janice Brewer, and the Pennsylvania legislature also signed proclamations in recognition of the month.

At the federal level, a House bill, the Preventing Access to Cough Medicine Treatment (PACT) Act (H.R. 3969) was introduced for the first time and gained co-sponsorship of 15 members of Congress; a companion Senate bill (S. 644) secured seven cosponsors.

Further supporting the PACT Act


85,000 emails to congress

We generated more than 85,000 emails to members of Congress in support of the PACT Act from almost 30,000 constituents through an online advocacy campaign.
Implementing Drug Take-Back Strategies

Drug take-back debates continued to progress at both the state and local levels nationwide. In 2014, CHPA filed litigation in federal court in King County, Wash., to challenge the constitutionality of a local ordinance mandating manufacturer-funded drug take-back programs. We are continuing to work in coordination with PhRMA, GPhA, and BIO to develop viable alternatives to local mandates.

We also promoted consumer drug disposal programs, including DEA’s National Drug Take-Back Day through the CHPA Educational Foundation’s website OTCsafety.org.

Designer Anabolic Steroid Control Act Introduced in the House

This year, the Designer Anabolic Steroid Control Act (H.R. 4771) was introduced in the House by Reps. Joe Pitts (R-Penn.) and Frank Pallone (D-N.J.) and unanimously approved on September 15, 2014. CHPA supports this legislation, which also has the backing of the U.S. Anti-Doping Agency (USADA) and the other dietary supplement trade associations. A Senate companion bill (S. 2012) is pending.

Donating through CHPA PAC

The CHPA Political Action Committee (PAC) is having its most successful two-year election cycle in its history, on pace to raise more than $80,000 by the end of the year. This is the highest amount ever raised by CHPA PAC. Additionally, in 2014, CHPA PAC hosted the most-ever industry events with members of Congress, and made campaign contributions to more than 40 candidates who are aligned with our pro-business, pro-consumer healthcare agenda. CHPA PAC is a bipartisan political action committee raising donations from individual contributors from employees of CHPA member companies, CHPA member company PACs, and CHPA staff.
ON THE MOVE...
WITH MEMBERS
Optimizing Online Education

CHPA initiated online education for more than 100 member and non-member companies with six webinars throughout the year:

- **RX to OTC Switch Part I:** Making the Case for a Switch Development Program
- **RX to OTC Switch Part II:** How to Successfully Make the Switch
- **OTC Product Sampling:** Best Practices to Drive Conversions with the Metrics to Prove It
- **Total Market Strategy:** How to Win with Hispanic Consumers
- **Analyzing Consumer Insights:** How to Drive Industry Growth
- **A Deep Dive into Understanding California’s Proposition 65 and Green Chemistry Laws**

### Securing New Members

Ramping up our recruiting efforts, CHPA added six manufacturer and 26 associate members in 2014 through targeting, opportunity assessment, and prospective member development.

- **6 MANUFACTURER MEMBERS** growing to 77 total
- **26 ASSOCIATE MEMBERS** growing to 151 total

CHPA membership represents nearly all OTC manufacturers in the U.S. consumer healthcare industry.
Creating an AEC Mobile App Community

During another first-class AEC conference, we launched a mobile app that generated 12,000 in-app actions from nearly 400 attendees. The app received coverage in technology blog posts and was nominated for “Best Use of Tech for Audience Participation” in the Event Technology Awards.

Engaging the Retail & Manufacturer Communities

Building on 2013 momentum, CHPA held three immersion events in 2014 with retailer and manufacturer partners. The immersions provided an intimate look into how our partners do business and offered a forum for our members to learn more about how to win business with these companies.

January

We collaborated with Rite Aid Corporation in Harrisburg, Penn., for a Retail Immersion, giving members insights and access to a key U.S. chain drug retailer.

September

We partnered with Boehringer Ingelheim in Parsippany, N.J., for a Manufacturer Immersion, which allowed our associate members unprecedented access to a key CHPA manufacturer member.

October

We held our second 2014 Retail Immersion with Target Corporation in Minneapolis, Minn., which featured a unique expo format, giving members a hands-on experience to learn about Target’s merchandising and marketing initiatives.
Increasing Regulatory, Scientific, & Quality Conference Participation

In May, more than 250 CHPA members joined in Washington, D.C., for our 2014 Regulatory, Scientific & Quality (RSQ) conference, a 20 percent increase in attendees over 2013. The business program covered the entire process of delivering self-care products — from consumer need, to manufacturing, distribution, retail, consumer use, and product disposal. Attendees heard from keynote speakers including Former Head of OIRA Cass Sunstein and FDA CDER’s Sandra Kweder.

Launching New Stability Workshop

Following the RSQ event, CHPA launched a “GMP-Compliant Stability Program for the OTC Industry: How to Successfully Predict the Future” for 43 members from 17 companies. The comprehensive workshop featured Merck Consumer Care’s David Wiggins, J&J’s Karen Lucas, and McNeil Consumer Healthcare’s Jing Capucao, who provided insights and updates on pre- and post-market stability guidelines, requirements, data, and protocols related to the OTC sector.
ON THE MOVE...

TO A FOUNDATION WITH IMPACT
In 2014, we reprioritized and refocused the CHPA Educational Foundation, anchoring our work in educating consumers about responsible use, storage, and disposal of OTC medicines and dietary supplements. With a new mission and vision in mind, we appointed a new board of directors, developed and implemented a strategic plan, and increased overall donor engagement. The foundation is currently developing a new brand identity to reflect our clarity of purpose and to better connect with our consumer audience. We will launch the new brand in 2015, which will include a redesigned consumer website to replace OTCsafety.org. While solidifying our new structure, the foundation continued to connect with consumers through several channels, advancing our mission to be a trusted source of information on appropriate use.
Responsible Handling of OTC Medicines: Connecting with Consumers Across the Country

200 MILLION TIMES
We reached consumers more than 200 million times with messages of safe use, storage, and disposal.

We partnered with trusted voices to amplify our message:

▶ 4 GOVERNMENT AGENCIES
  including FDA and CDC

▶ 42 NATIONAL ORGANIZATIONS
  representing doctors, nurses, physicians assistants, pharmacists, and consumers

▶ 29 BLOGGERS WHO OFFERED
  compelling personal stories to reinforce the importance of informed OTC decisions

MORE THAN 3 MILLION
consumers interacted with our messages more than 3 million times in the digital space.

1,401,000
educational brochures were ordered or downloaded for use in clinics, schools, and homes.

4,710
RETAIL STORES IN EVERY STATE THROUGHOUT THE COUNTRY
Consumers’ One-Stop Resource

The foundation’s communications hub, OTCsafety.org, continued to share seasonally relevant guidance and shareable information to consumers of all ages on topics ranging from cough and cold, allergies, pain relief, and skin care.

Mobilized parents to share OTCsafety blogger posts more than

- **4,200** times on Facebook
- **600** times on Twitter
- **2,200** times on Pinterest

**5.5 MILLION**

We promoted the April 26 National Drug Take-Back Day, reaching consumers more than 5.5 million times and driving more than 14,000 visits to OTCsafety.org through online advertising and the OTCsafety blogger ambassadors.

**74 MILLION**

We reached consumers more than 74 million times through an active presence in social media, online content sponsorship, and our blogger ambassador program.

**159%** increase in Twitter followers

**72%** increase in OTCsafety Facebook likes
Acetaminophen Safety

An initiative of the Acetaminophen Awareness Coalition (AAC), the Know Your Dose campaign continued to educate consumers about the safe use of the most commonly used drug ingredient.

The AAC issued a comprehensive report on how acetaminophen is used, preventing overdose, and the successful impact of ongoing education campaigns to drive safe use.

Impact of education:
Through educational initiatives such as the Know Your Dose campaign and others, more know that acetaminophen can be found in many OTC and Rx pain medicines.

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>80%</td>
</tr>
<tr>
<td>2013</td>
<td>87%</td>
</tr>
</tbody>
</table>

New research showed that consumer awareness of what constitutes safe use behavior is on the rise as a result of educational initiatives including Know Your Dose.

4,600 aisles and pharmacy counters

For the second consecutive year, Walmart requested to use Know Your Dose educational materials in 4,600 aisles and pharmacy counters.

26 PARTNER ORGANIZATIONS

Know Your Dose gained three new campaign partners, for a total of 26 partner organizations mobilized.

Healthcare providers ordered more than 1 million Know Your Dose educational materials for placement in offices and pharmacies.
Safe Medicine Storage

In partnership with the CDC and the PROTECT Initiative, CHPA Educational Foundation’s Up and Away and Out of Sight campaign continued to activate parents, grandparents, and caregivers with critical information they need to practice safe medicine storage and keep children safe from accidental ingestions.

The Up and Away campaign equipped PROTECT partners and 6 new organizations with communications toolkits to drive conversation about safe medicine storage. Government agencies demonstrated greater commitment by sharing campaign information via their consumer channels throughout the year.

Nearly 86,000 parents and grandparents engaged with campaign messages and imagery, reinforcing the importance of keeping medicines up and away this year.

16 BLOGGERS

Teaming up with 16 different parent bloggers — and for the first time — grandparent bloggers, Up and Away gave a voice to those with compelling personal stories to share about the importance of safe medicine storage.

Independent drugs stores in upstate NY held 440 pharmacist-led educational sessions for children and their parents on safe medicine storage.

Working with the Alliance for Aging Research, we sent Up and Away materials to 20,000 community centers, churches, and libraries in 50 states.
On the Move...

In July, CHPA moved its headquarters to 1625 Eye St., Suite 600, in Washington, D.C. Our new location is closer to Capitol Hill, hotels, and member company D.C. offices. It has a functional, flexible, and modern design that will be ideally suited to serve as the hub of the consumer healthcare industry for at least the next 12 years. In November, we hosted an open house to showcase our new space. More than 150 dignitaries attended, including the CHPA Board of Directors, third-party allies, vendors, and staff.

CHPA EXECUTIVE COMMITTEE

James J. Mackey (Chair)  
Bayer HealthCare LLC

Patrick Lockwood-Taylor (Chair Elect)  
The Procter & Gamble Company

Christopher D. DeWolf (Immediate Past Chair)  
Lil’ Drug Store Products, Inc.

Marylou W. Arnett  
Matrixx Initiatives, Inc.

Timothy G. Hayes  
Bayer HealthCare LLC

Richard R. Lloyd  
Novartis Consumer Health, Inc.

Colin I. Mackenzie  
GlaxoSmithKline

Matthew M. Mannelly  
Prestige Brands Holdings, Inc.

Roberto Marques  
Johnson & Johnson

Jeffrey R. Needham  
Perrigo Company

Mitchell Singer  
PL Developments
CHPA SENIOR MANAGEMENT TEAM

Scott M. Melville  
President and CEO

Barbara A. Kochanowski, Ph.D.  
Vice President, Regulatory & Scientific Affairs

Emily E. Skor  
Vice President, Communications and Executive Director, CHPA Educational Foundation

Brian P. Green  
Vice President, Finance and Operations & Chief Financial Officer

Theodore L. Peterson  
Vice President, Corporate Development

David C. Spangler, Esq.  
Senior Vice President, Policy, and General Counsel & Secretary

John F. Gay  
Vice President, Government Affairs

Emily E. Skor  
Vice President, Communications and Executive Director, CHPA Educational Foundation

David C. Spangler, Esq.  
Senior Vice President, Policy, and General Counsel & Secretary

John F. Gay  
Vice President, Government Affairs