

Whereas, we believe in full disclosure of AbbVie’s direct and indirect lobbying activities and expenditures to assess whether AbbVie’s lobbying is consistent with its expressed goals and in the best interests of stockholders.

Resolved, the stockholders of AbbVie request the preparation of a report, updated annually, disclosing:

1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.
2. Payments by AbbVie used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.
3. AbbVie’s membership in and payments to any tax-exempt organization that writes and endorses model legislation.
4. Description of management’s decision-making process and the Board’s oversight for making payments described in section 2 above.

For purposes of this proposal, a “grassroots lobbying communication” is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. “Indirect lobbying” is lobbying engaged in by a trade association or other organization of which AbbVie is a member.

Both “direct and indirect lobbying” and “grassroots lobbying communications” include efforts at the local, state and federal levels.

The report shall be presented to the Public Policy Committee and posted on AbbVie’s website.

Supporting Statement

Investors urge transparency in AbbVie’s use of funds to lobby. AbbVie spent \$32,360,000 from 2013 – 2018 on federal lobbying. This does not include lobbying expenditures to influence legislation in states, where AbbVie also lobbies but disclosure is uneven or absent. For example, AbbVie had at least 68 lobbyists in 19 states in 2018 (followthemoney.org) and spent \$2,269,103 on lobbying in California and \$433,961 on lobbying in New York from 2013 – 2018. AbbVie also lobbies abroad, spending between €200,000 – 299,000 on lobbying in Europe for 2018.

AbbVie is a member of the Chamber of Commerce, which has spent over \$1.5 billion on lobbying since 1998, and sits on the board of the Pharmaceutical Research and Manufacturers of America (PhRMA), which spends millions lobbying against drug pricing measures.¹ AbbVie does not disclose the portions of its payments to trade associations that are used for lobbying.

We are concerned that poor lobbying disclosure presents significant reputational risk, especially when AbbVie’s lobbying contradicts company public positions. For example, AbbVie believes patients need access to affordable medicines, yet it helps fund PhRMA’s opposition to lower drug price initiatives.² Media outlets such as CNBC have highlighted AbbVie’s claims to support policies that lower the cost of medicines, while AbbVie helps to fund PhRMA’s opposition to initiatives aimed at lowering drug prices.³

We believe the reputational damage stemming from this misalignment between general policy positions and actual direct and indirect lobbying efforts harms long-term value creation by AbbVie. Therefore, we urge AbbVie to expand its lobbying disclosure.

¹ <https://www.opensecrets.org/news/2019/09/big-pharma-invests-millions-drug-pricing-bills/>

² <https://www.cnn.com/2019/01/23/health/phrma-lobbying-costs-bn/index.html>

³ <https://www.cnbc.com/2019/02/26/pharma-execs-offer-senate-ideas-to-lower-drug-costs-except-price-cuts.html>