

**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**

AbbVie spent \$41,580,000 from 2013 – 2019 on federal lobbying. This does not include state lobbying, where AbbVie also lobbies but disclosure is uneven or absent. For example, AbbVie had at least 67 lobbyists in 14 states in 2019 (followthemoney.org) and spent \$2,346,703 on lobbying in California from 2013 – 2019.

AbbVie belongs to the Chamber of Commerce, which has spent over \$1.6 billion on lobbying since 1998, and sits on the board of the Pharmaceutical Research and Manufacturers of America (PhRMA). AbbVie does not disclose the portions of its payments to trade associations and social welfare organizations that are used for lobbying, including grassroots. Grassroots lobbying does not get reported at the federal level under the Lobbying Disclosure Act, and disclosure is uneven or absent in states.

We are concerned AbbVie’s payments to third party groups are potentially being used for undisclosed grassroots lobbying. For example, PhRMA, which brought in \$459 million in revenue for 2018, has given millions to “dark money” social welfare groups which then “advocated policies favored by drugmakers.”<sup>1</sup> And AbbVie is a member of the Alliance for Patient Access, a nonprofit with a “consumer-friendly vibe that pushes drugmakers’ message.”<sup>2</sup>

AbbVie’s lack of disclosure presents reputational risk when its lobbying contradicts company public positions. For example, AbbVie believes patients need access to affordable medicines, yet funds PhRMA’s opposition to lower drug price initiatives.<sup>3</sup> And AbbVie publicly supported COVID-19 efforts, but the Chamber of Commerce directly lobbied against using the Defense Production Act to speed production of personal protective equipment for workers.<sup>4</sup>

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<sup>1</sup> <https://www.opensecrets.org/news/2019/11/big-pharma-bankrolled-conservative-groups-tax-returns-show/>.

<sup>2</sup> <https://apnews.com/article/7c8d0728c38345cd8dfc0fe1abd456ae>.

<sup>3</sup> <https://www.cnn.com/2019/01/23/health/phrma-lobbying-costs-bn/index.html>

<sup>4</sup> <https://chamberofcommercewatch.org/2054-2/>.