

Whereas, we believe in full disclosure of AbbVie’s lobbying activities and expenditures to assess whether AbbVie’s lobbying is consistent with its expressed goals and in stockholder 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

Drugmakers spend more to lobby Washington than any other industry.¹ AbbVie spent \$48,650,000 from 2013 – 2020 on federal lobbying. AbbVie also lobbies at the state level where disclosure is uneven or absent, lobbying in 15 states in 2020 and spending \$2,412,703 on lobbying in California from 2013 – 2020.

AbbVie fails to disclose its third-party payments to trade associations and social welfare organizations, or the amounts used for lobbying, to stockholders. Companies can give unlimited amounts to third party groups that spend millions on lobbying and often undisclosed grassroots activity, and these groups may be spending “at least double what’s publicly reported.”² For example, the Pharmaceutical Research and Manufacturers of America (PhRMA) has given millions to controversial “dark money” social welfare groups like the American Action Network.³ Grassroots lobbying does not get reported at the federal level, and disclosure is uneven or absent in states.

AbbVie sits on the board of PhRMA and belongs to the Chamber of Commerce, which together have spent over \$2.1 billion on lobbying since 1998, and supports social welfare organizations that lobby, like the Alliance for Patient Access, “which claims to be pro-consumer but consistently advocates against policies to lower drug prices.”⁴

We are concerned AbbVie’s lack of disclosure presents reputational risk when its lobbying contradicts company public positions. For example, AbbVie states it supports more affordable medicines, yet funds PhRMA’s opposition to

¹ <https://www.opensecrets.org/news/2021/04/vaccine-access-pharma-lobbying-fight/>.

² <https://theintercept.com/2019/08/06/business-group-spending-on-lobbying-in-washington-is-at-least-double-whats-publicly-reported/>.

³ <https://www.opensecrets.org/news/2019/11/big-pharma-bankrolled-conservative-groups-tax-returns-show/>.

⁴ <https://prospect.org/power/astroturf-campaign-attacks-discount-drug-program-for-poor/>.

lower drug prices.⁵ And AbbVie is committed to diversity and inclusion, yet the Chamber lobbied against protecting voting rights.⁶

⁵ <https://www.opensecrets.org/news/2021/09/pharmaceutical-industry-backs-democratic-holdouts-on-drug-pricing-plan/>.

⁶ <https://thehill.com/business-a-lobbying/business-a-lobbying/554430-watchdog-group-launches-campaign-to-pressure?rl=1>.