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**CITING MOUNTING RISKS, SHAREHOLDERS CALL FOR FULLER DISCLOSURE ON PRICE HIKES FROM
LEADING PHARMA COMPANIES**

Multiple shareholder resolutions for the 2017 proxy point to economic and societal risks in requests for justification for continued increases on key drugs.

NEW YORK, NY, TUESDAY, OCTOBER 24TH, 2016 – Investors and members of the Interfaith Center on Corporate Responsibility who for over 20 years have been engaging the pharma sector to increase the access and affordability of essential medicines, announced they have filed multiple [shareholder resolutions](#) with leading drug companies seeking more comprehensive disclosure about the rationale for price increases.

The investor group announced that resolutions on drug pricing have been filed with 11 of the top U.S. drug companies and a letter with a nearly identical request is being sent to an additional 6 drug companies headquartered outside of the U.S.

The resolutions call for the drug companies to disclose the *rationale and criteria* used for price increases in excess of 10%, and assess the legislative, regulatory, reputational and financial risks that these price increases represent. ICCR members believe that this information is not only material to shareholders, but is a critical first step in developing strategies to understand value and create healthy competition.

The group of investors leading the initiative comprises faith based institutions, including health care organizations, and other socially responsible investors who have been in dialogue with major pharma companies for years about the economic and societal impacts of runaway drug prices. As prices continue to climb, investors say they have grown frustrated by a lack of transparency on the part of the industry and believe a stronger message needed to be sent.

Said Donna Meyer of Mercy Investment Services and lead filer of resolutions with Amgen and Eli Lilly, ***“Every company we speak to about this claims they are committed to improving the access and affordability of their medicines, but when we ask for information that justifies the unrelenting increases they are unwilling to provide it, which, of course, casts doubt on the entire sector. As a whole, the pharma industry seems more committed to protecting information than they are to delivering healthcare solutions, and as long-term shareholders we are concerned about the financial***

risk to our companies because we know this lack of transparency is not sustainable. Beyond the risk to the sector, we are of course concerned about impacts rapidly increasing prices are having on public health - especially among women and children.”

The pharma industry has been plagued with multiple drug pricing scandals that have been the subject of congressional hearings and have prompted the introduction of bills in at least 12 states that would mandate greater transparency on drug pricing. Investors argue that the reputation of the entire industry has been tarnished and its business model called into question by policymakers, the medical community, public health advocacy groups, and the public at large.

“These risks threaten the health of these companies and, in turn, our investments,” said Cathy Rowan of Trinity Health and lead filer with BMS, Gilead, J & J, Pfizer and Vertex. ***“But they are even more significant when you consider their systemic implications for the health care sector, the greater economy, and society, particularly the economically vulnerable. As representatives of health care systems and religious organizations with health care ministries many ICCR members understand that access to affordable medicines can be a life or death issue for people who struggle to fill a prescription because of the high price or split their pills in half to cut their medication costs.”***

In addition to the drug pricing resolution there are a subset of companies that are also receiving resolutions requesting fuller disclosure of lobbying expenditures, with a third resolution calling for a separation of the Board Chair and CEO roles.

Said Tim Smith of Walden Asset Management, ***“When Pfizer spends over \$9.4 million on lobbying in 2015, investors seek to understand the goals of such lobbying whether it is done directly or through trade associations such as PhRMA or the U.S. Chamber of Commerce. Such resolutions seek a breakdown of hidden lobbying dollars directed through trade associations as well as lobbying priorities and oversight. Investors fear that company funds spent directly or through trade organizations protect pharma companies from authentic negotiations meant to price medicines more realistically.”***

Further background on the shareholder initiative, including the texts of the resolutions and letter, can be [found here](#). If unchallenged, the resolutions will appear on the ballot and be voted on by all shareholders at annual meetings at pharma companies in the spring.

About the Interfaith Center on Corporate Responsibility (ICCR)

Celebrating its 45th year, ICCR is the pioneer coalition of shareholder advocates who view the management of their investments as a catalyst for social change. Its 300 member organizations comprise faith communities, socially responsible asset managers, unions, pensions, NGOs and other socially responsible investors with combined assets of over \$200 billion. ICCR members engage hundreds of corporations annually in an effort to foster greater corporate accountability on questions such as climate change, corporate water stewardship, sustainable food production, human trafficking and slavery in global supply chains and increased access to financial and health care services for communities in need. www.iccr.org