



CONTACT:

Susana McDermott

ICCR, Director of Communications

212-870-2938

smcdermott@iccr.org

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Strong Votes for Shareholder Resolutions at Five Major Pharma Cos Signal Increasing Concern over Board Oversight of Drug Price Risks.

NEW YORK, NY, FRIDAY, JUNE 15TH, 2018 – The last of five resolutions with major pharma companies requesting a report on the links between executive compensation arrangements and drug price increases came to a vote at Biogen's annual meeting this morning.

The result at Biogen - 28% of shareholders voted in favor – was the strongest of the campaign and further affirmation that this first-time [resolution](#) resonated strongly with pharma investors who are increasingly concerned about drug price increases during a period of heightened public scrutiny.

The proposal was filed by investor members of the Interfaith Center on Corporate Responsibility (ICCR) at five drug companies: Abbvie (ABBV), Amgen (AMGN), Biogen (BIIB), Bristol-Myers Squibb (BMY) and Eli Lilly (LLY) and urged their Board Compensation Committees to report annually to shareholders on the extent to which risks related to public concern over drug pricing strategies are integrated into the companies' incentive compensation policies, plans and programs for senior executives.

The investors' concerns sprang from a 2017 Credit Suisse report which concluded that executive incentives were often almost exclusively tied to price increases on existing products as opposed to adding value through new product innovations.

All five resolutions withstood SEC challenges and further received the support of proxy advisor ISS.

The final vote tallies are as follows:

Abbvie: 21%

Amgen: 26%

Biogen: 28%

Bristol-Myers Squibb: 23%

Eli Lilly: 27%

“When PhRMA launched its multimillion dollar “Go Boldly” advertising campaign last year it was an attempt to rebuild public trust by touting industry investments in research and innovative new therapies,” said Donna Meyer of Mercy Investment Services. ***“However, the current executive incentive structures at many of these companies indicate vastly different board priorities.”***

ICCR members have long argued that in continuing to raise drug prices, companies will remain exposed to reputational and regulatory risk that have long-term implications for shareholder value. This concern has been borne out by lawsuits, legislative threats and sustained criticism in the press.

“It was gratifying to join so many other shareholders in this request to the board,” said Joshua Brockwell of Azzad Asset Management. ***“We view the success of this campaign as clear evidence that investor concerns about these risks are much more widespread than previously thought; if companies fail to adequately respond, investor concerns are sure to grow.”***

ICCR members report they have heard from several of the five companies requesting follow up dialogues about the resolution. Meanwhile, the high votes this year ensures that they will be able to re-file next year at these and other companies if necessary.

About the Interfaith Center on Corporate Responsibility (ICCR)

Celebrating its 47th 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 \$400 billion. ICCR members engage hundreds of corporations annually in an effort to foster greater corporate accountability. www.iccr.org