

SHAREHOLDER PROPOSAL REGARDING LOBBYING DISCLOSURE

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

Resolved, the shareholders of Pfizer 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 Pfizer 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. Pfizer’s membership in and payments to any tax-exempt organization that writes and endorses model legislation.
4. Description of management’s and the Board’s decision-making process and oversight for making payments described in sections 2 and 3 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 Pfizer 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 Corporate Governance Committee and posted on Pfizer’s website.

Supporting Statement

Pfizer spent \$97,570,650 from 2010 through 2018 on federal lobbying. This figure does not include state lobbying, where Pfizer lobbies in all 50 states but disclosure is uneven or absent. Pfizer also lobbies abroad, spending between €800,000–899,000 on lobbying in Europe for 2017.

Pfizer sits on the boards of the U.S. Chamber of Commerce and the Pharmaceutical Research and Manufacturers of America (PhRMA), which together have spent over \$1.9 billion on lobbying since 1998. Pfizer does not disclose its payments to trade associations, or the amounts used for lobbying. And Pfizer does not disclose its membership in tax-exempt organizations that write and endorse model legislation, such as belonging to the American Legislative Exchange Council (ALEC). Though Pfizer uses the Global Reporting Initiative (GRI) for sustainability reporting, it fails to report “any differences

between its lobbying positions and any stated policies, goals, or other public positions” under GRI Standard 415, giving further indication that the company’s disclosures are currently inadequate.

We are concerned that Pfizer’s lack of disclosure presents reputational risk when its lobbying contradicts company public positions. For example, media outlets like CNN have highlighted Pfizer’s claims to support policies that lower the cost of medicines, while funding PhRMA’s opposition to initiatives aimed at lowering drug prices,¹ and the Washington Post has called Pfizer’s ALEC membership its “dirty little secret.”²

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 Pfizer. Thus, we urge Pfizer to expand its lobbying disclosure.

¹ <https://www.cnn.com/2019/01/23/health/phrma-lobbying-costs-bn/index.html>

² https://www.washingtonpost.com/opinions/ups-and-pfizers-dirty-little-secret/2017/12/05/54d7856a-d9e4-11e7-b859-fb0995360725_story.html