STREET THERAPY

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STATE TREASURER SHAWN T. WOODEN ANNOUNCES AGREEMENT WITH AMGEN INC.
COMPANY WILL PUBLICLY DISCLOSE APPLICATION OF ITS CLAWBACK POLICY

HARTFORD, CT – Treasurer Shawn T. Wooden, the principal fiduciary of the Connecticut Retirement Plans and Trust Funds (“CRPTF”), announced today an agreement with Amgen, Inc., a multinational biopharmaceutical company based in California, concerning annual disclosure of compensation recovered from executives engaged in misconduct (also known as “clawback policies”).

Clawback policies allow for the recoupment of monies paid to executives who have engaged in conduct that results in significant financial harm to a company, such as liability for anti-competitive practices or other legal liability.

Treasurer Wooden stated, “Clawback provisions and how they are applied are important indicators of how boards monitor risky behavior that results in liability for the company. As an investor in Amgen, we are pleased to see the company’s commitment to disclose how its board recaptures compensation from executives engaged in conduct harmful to the company and its shareholders.”

Amgen has faced a number of class action lawsuits alleging anticompetitive conduct associated with the manufacture of its prescription medications. The company’s lead drug is Neulasta, which has been cited as among the top 7 treatments with the most significant, unsubstantiated price hikes in 2017 and 2018.[1]

In the agreement with the CPRTF, Amgen agreed to publicly disclose the general circumstances of any application of its clawback policy or recoupment provisions against any executive officer, whether current or former, as well as the aggregate amount of compensation recovered, when the underlying event has been publicly disclosed in Amgen’s filings with the Securities and Exchange Commission (“SEC”).

In December, Wooden took the lead in filing a shareholder resolution calling for clawback disclosure, as part of his administration’s priority corporate governance engagements for the 2020 proxy season. After several discussions with the company, Amgen agreed to the annual disclosure sought by Connecticut, and its resolution was withdrawn.

The CRPTF is a member of Investors for Opioid and Pharmaceutical Accountability (IOPA), a broad coalition of 59 investors, including public pension plans and other institutional investors, that collaboratively engage with manufacturers, distributors and retailers around the risks associated with the opioid epidemic. For the 2020 proxy season, the IOPA broadened its engagement focus beyond manufacturers and distributors of opioids to include pharmaceutical companies and their pricing practices. Among another initiatives, the coalition files shareholder resolutions and seeks reports to investors on how boards evaluate risks. Amgen was one of many companies that was targeted by IOPA for the 2020 proxy season.

Treasurer Wooden added, “Clawback disclosure is a meaningful demonstration of Amgen’s commitment to transparency of how it addresses misconduct. We commend the Board for their responsiveness to the interests of shareholders, and to the long-term interests of the company.”

As of February 17, 2020, the CRPTF owned 173,401 shares of Amgen with an approximate value of $38,751,655 and fixed income valued at $2,251,000.


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