

ABBVIE: GENDER PAY GAP REPORT 2017

At AbbVie, we are committed to building talent and we strive to ensure that all colleagues reach their full potential. As a global organisation, we continuously benchmark our total rewards practices internally and externally to ensure fairness and equality.

We welcome the introduction of mandatory Gender Pay Gap reporting as this provides an opportunity for greater transparency and more meaningful conversations regarding equality across the organisation.

WHAT IS ABBVIE'S GENDER PAY GAP?

	MEDIAN (middle)	MEAN (average)
GENDER PAY GAP	15.8%	16.8%
GENDER BONUS GAP	29.6%	29.7%

IN FAVOUR OF MEN.

HOW IS THE GENDER PAY GAP CALCULATED?

Mean and median pay and quartile pay bands are based on data from April 2017 calculating ordinary pay and bonus pay. Companies need to provide a report on both and there is specific guidance from government on what is in scope:

ORDINARY PAY includes salary plus other types of pay such as allowances and long service awards. Car allowances are included in this calculation, but company fleet vehicles are not.

BONUS PAY includes any additional pay outside of the above, for example annual bonus, sales commission and Long Term Incentives.



94.2% OF MEN AND
92.9% OF WOMEN
RECEIVED A BONUS

THE DIFFERENCE IN BONUS PAY

We are proud that every colleague at AbbVie is eligible to receive a bonus each year.

Our reward practices are related to achievement against targets and are aligned with a scaled bonus plan based on seniority of role. Our demographic with more women than men in the lower paid quartiles creates a gap.

UNDERSTANDING THE GAP

There are more women at every level of the organisation, but particularly in the lower pay quartiles. This is what drives AbbVie's pay gap.

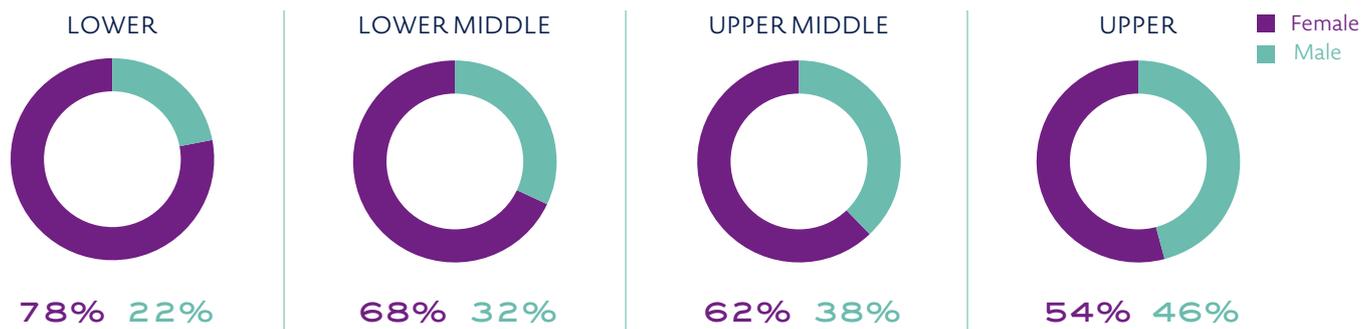
Men and women are broadly equally represented in AbbVie's upper pay quartile (M 46% and F 54%). Women are more strongly represented in the lower pay quartile (M 22% and F 78%). The high proportion of women in the lower pay quartile drives a gap under the official Gender Pay Reporting methodology.

As part of our analysis, we simulated what our pay gap would look like if we had a 50:50 gender split across the entire organisation. If this were the case our gender pay gap would be approximately 1%.

67%

OF ABBVIE'S UK
WORKFORCE
ARE FEMALE

WHAT IS THE GENDER SPLIT AT EACH QUARTER OF ABBVIE'S PAYROLL?



At every level of the organisation, AbbVie has more women than men - including 8% more women in the upper quartile.

“GENDER PAY GAP” REPORTING AND “EQUAL PAY” REFER TO TWO DISTINCT ISSUES:

- GENDER PAY GAP** is the difference in average (mean and median) pay of men and women, regardless of role, across an organisation. From April 2017 it became a legal requirement for UK employers with more than 250 staff to publish this data annually. It is expressed as a percentage difference between the mean or median figures for each gender.
- EQUAL PAY** means that men and women in the same employment performing equal work must receive equal pay. It is a legal requirement as set out in the Equality Act 2010.



OUR COMMITMENTS

We are confident that any variation in pay across genders at AbbVie is based on the distribution of our demographic rather than any underlying issues regarding equal pay. We are committed to continuing to actively monitor and manage our payment practices to ensure that this remains fair and equitable by:

- CONTINUING TO MONITOR OUR ANNUAL REWARD PROCESS TO ENSURE IT REMAINS BIAS-FREE.
- TALKING ABOUT GENDER PAY OPENLY AND TRANSPARENTLY, WHILE CONTINUING TO REVIEW AND BENCHMARK OUR PEOPLE PRACTICES TO ENSURE SYSTEMIC INTEGRITY.
- OUR BUSINESS LEADERS FOR ALL UK-BASED STAFF WILL FORMALLY ADDRESS GENDER PAY EVERY SIX MONTHS TO ENSURE THE GAP IS FULLY UNDERSTOOD AND APPROPRIATELY MANAGED.

The data contained in this gender pay gap report is calculated based on a snap-shot of our UK payroll employees on 5 April 2017. It includes analyses required by HM Government and further analyses we have undertaken to better understand the issue.

JEROME BOUYER,
UK General Manager

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