

Scope

To comply with the UK requirements under paragraph 19(2), schedule 19 of the Finance Act 2016, this tax policy statement has been prepared for AbbVie Ltd and its subsidiary (AbbVie Australasia Holdings Limited). The principles outlined in this statement also apply to the other companies in the AbbVie Group which are either incorporated or established in the UK and were registered for UK corporate income tax during 2021 consistent with paragraph 22(2), schedule 19 of the Finance Act 2016. A list of the relevant entities covered by this strategy is set out in Annex 1.

Our approach to taxes¹

AbbVie is a global biopharmaceutical company formed in 2013 following separation from Abbott Laboratories and materially enhanced following the acquisition of the Allergan Group in 2020. We employ approximately 47,000 people worldwide and deliver medicines to patients in more than 175 countries. Our mission is to develop and market advanced therapies that address some of the world's most complex and serious diseases. AbbVie's financial performance, including management of tax expense and risk, enables that mission. We are committed to achieving our goals while operating responsibly and delivering meaningful contributions to the communities where we live and work.

Our business activities around the world incur a substantial amount and variety of business taxes. We pay corporate income taxes, customs duties, excise taxes, stamp duties, property taxes, sales and use taxes, value added taxes, employment and other business taxes at the relevant levels in all jurisdictions where applicable. The taxes we pay represent a significant contribution to the communities in which we operate.

Tax governance

Our tax function is led by the Vice President ("VP") of Tax & Treasury, who reports directly to the Chief Financial Officer ("CFO"). The VP and CFO periodically report to the audit committee of the Board of Directors. AbbVie's approach to the management of tax risk is grounded in proactively monitoring and complying with the relevant tax laws and regulations in the jurisdictions in which AbbVie operates in order to ensure that the correct amount of taxes are identified and paid at the correct time. Our business tax processes are subject to internal controls, AbbVie's Global Code of Business Conduct and external audit review.

Tax function

Our tax function supports the business needs of the company. Thus, business transactions and activities circumscribe our approach to taxes. We ensure that the tax positions taken are consistent with the letter and spirit of the relevant tax laws in all affected jurisdictions, and aligned with the economic substance of the business transactions to which they relate.

To address patient needs around the world, AbbVie's operating business requires a robust global supply chain. That supply chain necessitates structures, contracts and transactions among AbbVie's affiliated companies. Those intercompany relationships must satisfy local and international tax requirements, which are not always clear or consistent. We manage that complexity by conducting rigorous analyses, often supported by external opinions, to ensure compliance with relevant tax laws. AbbVie does not artificially shift profits to tax haven jurisdictions. AbbVie adheres to the arm's-length principle in its intercompany dealings, consistent with OECD guidelines and local tax laws.

Level of tax risk we are prepared to accept

While we do not have a prescriptive level of risk, we aim to minimise the risk as far as possible. Tax risks can arise for a number of reasons, including gaps or ambiguities in local tax laws, difficulties in interpreting those laws of the specific context of a transaction, or disagreements among tax authorities as to their respective rights to tax the profits associated with a particular transaction. We mitigate those risks in three principal ways. First, our tax processes, policies and governance function aim to ensure compliance with tax laws in the jurisdictions in which we operate. Second, when we identify a gap or ambiguity in determining the correct application of local tax laws to the specific situation, we seek advice from external advisors to ensure that any tax positions taken are well supported. Finally, we engage with tax authorities to ensure that they have timely access to any information needed to evaluate our tax positions and rationales.

Approach to interacting with tax authorities

We are committed to creating and maintaining open and positive relationships with governments and tax authorities worldwide. We seek to identify and resolve any disagreements in a collaborative and proactive manner, including via participation in continuous compliance / monitoring programmes and advance pricing agreements, where available and appropriate. The programmes provide certainty for both AbbVie and tax authorities over the tax treatment of AbbVie's business.

Annex 1

This tax strategy applies to the following entities:

- AbbVie Ltd
- AbbVie Australasia Holdings Limited
- AbbVie UK Holdco Limited
- AbbVie Biotherapeutics Limited
- AbbVie Investments Limited
- AbbVie Trustee Company Limited
- Allergan Holdco UK Limited
- Akarna Therapeutics Limited
- Pharmax Holding Limited
- LifeCell EMEA Limited
- Zeltiq Limited
- Allergan Holdings Limited
- Allergan Limited
- Northwood Medical Innovation Limited
- Allergan Biologics Limited