

Strategic Report (continued)

Statement by the directors in performance of their statutory duties in accordance with s172 of the Companies Act 2006

The directors of AbbVie Ltd consider in good faith that they have acted in a way that would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have had regard (amongst other matters) to factors set out in s172(1) (a) to (f) of the Companies Act 2006 (hereafter s172) in respect of the decisions taken during the fiscal year.

Matters for regard are:

- (a) the likely consequences of any decision in the long term,
- (b) the interests of the Company's employees,
- (c) the need to foster the Company's business relationships with suppliers, customers and others,
- (d) the impact of the Company's operations on the community and the environment,
- (e) the desirability of the Company maintaining a reputation for high standards of business conduct, and
- (f) the need to act fairly between members of the Company.

Board Meetings are held at regular intervals throughout the year. At the beginning of each Board Meeting the directors are reminded of their duties under s172. When a new director joins the Board, they are briefed on their duties by the Company's outside legal counsel, this professional advice is accessible throughout the year.

The below statement gives an overview as to how the directors have discharged their duties in respect of s172. The statement has been prepared to the necessary level of detail in light of the deemed complexities of the business and its relationship with, and governance from the wider AbbVie Group.

Business strategy and long term decision making

The Therapeutics and Aesthetics divisions of the Company are run as two discrete business units, with separate leadership teams, and with an overarching Entity Leadership Forum.

The cross-functional Leadership Team for each of the two business units is led by a UK General Manager who also sits on the Company Board of Directors. For both business units, the UK Leadership Teams are central in deciding critical business decisions on all aspects of Company operations and have been delegated day today decision making by the directors, subject to defined limits. The Company has several strategic priorities aligned to wider Group priorities. These are actively monitored throughout the year. Operational success is managed and reported via the annual planning processes and the 10-year long-range plan processes approved at Group level.

The UK Leadership Teams are also responsible for ensuring a robust control environment is in operation to ensure compliance to wider Group policies.

Dividend policy is governed by Group Treasury. Dividend proposals are reviewed and approved by the Company directors.

Employee engagement and culture

The employee experience at AbbVie and the culture that has been built, is critically important and central to the business strategy. Underpinning our organisation are The Ways We Work values which embody our working culture. They are a core set of behaviours for all employees, which make clear that how we achieve results is equally as important as achieving them. Our employees are measured against these behaviours and are rewarded for exceptional demonstration of them.

Annual February All UK Conferences are traditionally held to act as a Company wide teambuilding event acting as an opportunity to align employees on Group and local Company strategy. There are separate conferences for the Therapeutics and Aesthetics business units.

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The General Managers of both business units conduct regular Town Halls to provide a platform to update employees on business performance, wider industry or national matters and other relevant topics. Regular culture surveys act as key temperature checks for the Company. Employee engagement is sought continually via the Joint Consultative Forum, facilitating a mechanism to resolve employee concerns.

The Company continues to be placed in the UK Great Place to Work and UK Best Workplaces for Women rankings, the latter award recognising organisations that provide the best employee experience for all and fostering development among female employees. In 2023, the Company has been recognised as a Great Place to Work for Wellbeing, being ranked 10th within the Super Large category (over 1,000 employees), ranked 14th as a UK Best Workplace for women and generally as a Great Place to Work placing 18th overall.

Equality, diversity and inclusion

Embracing equality, diversity and inclusion is fundamental. AbbVie Group is proud to offer an environment that allows our colleagues to achieve their full potential. At AbbVie, Equality, Diversity & Inclusion means:

- Equality is appreciating differences and treating people with dignity and respect. It is the fair treatment of people regardless of their visible or less visible characteristics such as gender, race, physical or mental disability, religion, nationality, sexual orientation or age.
- Diversity is valuing and sharing an infinite range of ideas, viewpoints and backgrounds to broaden our perspectives. The Company seeks to build diverse teams at every level of the organisation.
- Inclusion is actively accepting each person as an important part of our organisation, and encouraging collaboration between individuals and teams with different points of view. Inclusion enables a sense of belonging and it is how we create the most value from a diverse team.

In the UK, the Company runs several active Employee Resource Groups (ERGs) that serve as a forum for employees with a passion or interest in a particular area to come together to discuss and inform decision making. Relevant groups include the Pride and Women Leaders in AbbVie ERGs. In addition, we have an active Equity, Equality, Diversity, and Inclusion (EED&I) Advisory Council who provide an advisory and supportive role on current and future EED&I activities and provide insights and perspectives to help surface unmet needs and make recommendations on how to address these.

Business relationships

Delivering our strategy requires strong mutually beneficial relationships with suppliers and customers.

The Company operates in a manner that promotes fair and positive supplier relationships. Operating through their Purchasing and Supplier Management division, it upholds rigorous policies which govern interactions with suppliers, to ensure Enhanced Due Diligence screening is performed on key categories of new vendors to ensure integrity and ethical compliance in our supply chain.

We work in partnership with the UK government, the NHS, healthcare professionals, patient organisations and other stakeholders to create sustainable healthcare solutions that will improve outcomes for people living with illness not only now, but in years to come. We want to have more profound connections with our partners than a simple, transactional client-customer relationship. We want to build an excellent reputation as an ethical, responsible Company and to be seen as a trusted partner. This will be good for our culture, good for our business and good for patients.

The General Manager of the UK Therapeutics business unit sits on the Board of the Association of the British Pharmaceutical Industry (ABPI) helping to form the strategy and direction for the industry.

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The community and environment

AbbVie Group is committed to having a remarkable impact by going beyond medicine. The Company's UK Grants and Donations Committee oversee a process for Healthcare Organisations or Charitable Institutions to apply for funding to support the delivery of their work that delivers education or health-based projects, subject to transparently available criteria.

Patients at Heart is an AbbVie ERG that serves to stimulate, coordinate and inspire employee volunteering and giving to various charitable causes. The 'Week of Possibilities' is AbbVie's signature global employee volunteer event which benefits underserved populations in communities where Company employees live.

The Company provides up to 2 days each year to take part in volunteer activities that align with the Company's commitments of building strong communities, sustainable healthcare and effective educational programs.

We strive to find safer, smarter, more sustainable ways to run our business. We seek innovative ways to improve the health of patients, operate responsibly, be stewards of the environment, and actively engage the communities where we work and live. We recognise the environmental risks associated with our operations both locally and globally and put in place programs to address such risks. We focus on key areas of environmental stewardship - energy, water, waste, pharmaceuticals in the environment and environmentally responsible procurement.

Our reputation and Business Conduct

The Company provides life saving medicines and therapies to patients and so operates in a highly regulated environment.

The Code of Business Conduct, issued by AbbVie Group, sets forth core guidelines and requirements for ethical behaviour. Employees read and certify adherence to the Code annually.

In addition to the Code, the Company has policies and procedures that guide employees as they conduct their day-to-day activities. They consider industry best practices, including provisions of the International Federation of Pharmaceutical Manufacturers & Associations (IFPMA) Code of Pharmaceutical Marketing Practices and the Association of the British Pharmaceutical Industry (ABPI) Code of Practice for the Pharmaceutical Industry, as well as other applicable industry codes. We regularly update our policies to incorporate changes to the law and industry codes, including rules regarding gifts, meals and education we provide to health care professionals.

The Company also complies with legal, industry and relevant institutions' requirements regarding the interaction of our employees with healthcare professionals and organisations. We comply with all rules regarding transparency about our relationships with individuals and entities involved in providing health care. As required, we track and report payments and transfers of value provided to health care professionals and organisations.

Fairness between Shareholders

We, as directors, are committed to acting equitably and fairly across all shareholders, internal and external. Operating as one AbbVie team, we care deeply for our patients, their families, our employees, and our communities. We strive to always do the right thing, pursuing the highest standards in quality, compliance, safety, and performance. In everything we do, we invest and innovate relentlessly to tackle unmet needs, creating new medicines and healthcare approaches for a healthier world.

Approved by the Board and signed on its behalf on 27 September 2024 by:



Electronically signed by: steve
hopkinson
Reason: Management Approval
Date: Sep 27, 2024 12:44 GMT+2

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S M Hopkinson
Director