

What science can do

AstraZeneca Annual Report and Form 20-F Information 2021



Welcome

We are a global, science-led, patient-focused pharmaceutical company. We are tireless in seeking to realise the potential of...

...what science can do.

In this Annual Report we report on the progress we made in 2021 in pushing the boundaries of science to deliver life-changing medicines.

Our Strategic Report

How our disease areas, also known as therapy areas, and business performed in delivering our strategic priorities in 2021.

☐ See our Strategic Report from page 2.

Our Corporate Governance Report

How we are managed and take decisions, including our report on Directors' remuneration.

☐ See our Corporate Governance Report from page 71.

Our Financial Statements and Additional Information

Detailed information on our finances, as well as information for shareholders and readers of this Annual Report.

☐ See our Financial Statements from page 125 and Additional Information from page 210.

Our Supplements

Detailed information on our Development Pipeline, Patent Expiries and Key Marketed Products and Risk.

☐ See our website, www.astrazeneca.com/annualreport2021.

Front cover and inside front cover images: Unlocking the potential of the complement system.

The dysregulation of the complement system, an essential part of the immune system, is a key driver of many devastating diseases. Targeting and inhibiting the complement system before it can trigger tissue damage or destruction can help restore balance.

We are committed to continue unlocking the potential of the complement system, to discover new life-changing therapies for even more patients.

Use of terms:

In this Annual Report, unless the context otherwise requires, 'AstraZeneca', 'the Group', 'we', 'us' and 'our' refer to AstraZeneca PLC and its consolidated entities.

Our Strategy and Key Performance Indicators *continued*

Deliver Growth and Therapy Area Leadership

Our prioritised initiatives

Meeting our growth and profitability goals through successful innovation and commercial excellence, as well as completing the Alexion acquisition.

Transforming healthcare delivery through a focus on:

- > Impacting and improving the whole patient experience, from disease prevention and awareness, diagnosis, treatment, post-treatment to wellness.
- > Data analytics, omnichannel and go-to-market models.
- > Innovative value strategies for pricing that focus on the outcomes our medicines deliver to patients and healthcare systems.
- > Implementing our plans for 'smart factories' and next-generation manufacturing technologies.

How our strategy responds to global trends

To ensure we are able to respond to the increasing demand for healthcare, downward pressure on prices and increasing control that people have over their own healthcare, we are:

- > Fostering a patient-focused approach and embedding patient insights across our organisation, building integrated therapy area ecosystem models and establishing 'health innovation hubs'.
- > Engaging with policymakers to support improvements in access, coverage, care delivery, quality of care and patient care outcomes.
- > Leveraging technology across prevention and awareness, diagnosis, treatment, post-treatment and wellness to deliver better patient outcomes.
- > Partnering with industry, governments and academia to find ways to bring new medicines to market more quickly and efficiently.
- > Collaborating with the funders of healthcare to increase the use of value-based pricing solutions.

- > Enabling our Emerging Markets to deliver better and broader patient access through faster submission as well as innovative and targeted equitable pricing strategies and practices.
- > Pursuing a strong patent strategy that builds robust patent estates to protect our pipeline and products while defending and enforcing patent rights.

How we progressed in 2021 Our growth and leadership

- > Total Revenue, comprising Product Sales and Collaboration Revenue, increased by 41% (38% at CER) to \$37,417 million.
- > Product Sales grew by 41% (38% at CER) to \$36,541 million; Collaboration Revenue increased by 20% (20% at CER) to \$876 million.
- > Oncology Product Sales grew by 20% (18% at CER) to \$13,048 million, while CVRM increased by 13% (10% at CER) to \$8,020 million. R&I increased by 13% (9% at CER) to \$6,034 million.
- > Following completion of the Alexion acquisition on 21 July 2021, Rare Disease medicines generated \$3,071 million, 8% of Total Revenue, growing 8% (9% CER) on a pro forma, pro rata basis¹.
- > Total Revenue grew in Emerging Markets by 41% (36% at CER) to \$12,281 million. In the US, it grew by 38% to \$12,228 million and in Europe by 45% (40% at CER) to \$8,050 million.


Our sustainability

- > Over 31 million people reached through our flagship access to healthcare programmes.
- > Over 11 million people reached through patient access programmes.
- > Over 199,000 healthcare workers and others trained.

Focus for 2022

- > Advance the combined AstraZeneca and Alexion pipeline.
- > Build our new Vaccines and Immune Therapies Unit on which we will be reporting separately from 2022.
- > Advance digital approaches to transform the patient experience.

"We engage with multiple stakeholders to transform healthcare delivery, meet our growth and profitability goals and deliver better and broader patient access to our medicines."

 For more information, see Disease Area Review from page 16 and Business Review from page 30.

¹ Growth rates on Rare Disease medicines have been calculated on a pro forma, pro rata basis by comparing post-acquisition revenues from 21 July 2021 to 31 December 2021 with the corresponding period in the prior year, pre-acquisition as previously published by Alexion. Pro forma, pro rata Total Revenue growth rates have been presented for 2021 Rare Disease area and constituent medicines, and do not impact Group totals.

Key Performance Indicators

Our Total Revenue measure reflects the importance of incentivising sustainable growth in both the short and longer term.

For details of how Total Revenue is considered when calculating the annual bonus, see from page 103.

Total Revenue

\$37,417m

2021	\$37,417m
2020	\$26,617m
2019	\$24,384m

Actual growth	CER growth
2021 +41%	2021 +38%
2020 +9%	2020 +10%
2019 +10%	2019 +13%

Be a Great Place to Work

Our prioritised initiatives

Contributing to the enterprise and being a great place to work, with a focus on inclusion and diversity, as well as lifelong learning.

Evolving how we work and collaborate while continuing to embrace digital ways of working.

Contributing to society by improving access to healthcare, environmental protection, and ethics and transparency, as well as delivering our Ambition Zero Carbon programme.

How our strategy responds to global trends

To ensure we are able to deliver our strategy, build trust in AstraZeneca and contribute to the health of society and the planet, we are:

- > Recruiting the best talent, which underpins our innovation and growth.
- > Living our Values and engendering a high-performing team and lifelong learning.
- > Harnessing different perspectives, talents and ideas in an inclusive way while ensuring our employees reflect the diversity of the communities we serve.
- > Empowering employees through our Code of Ethics to make decisions in the best interests of the Group and society.
- > Refusing to tolerate bribery or any other form of corruption.
- > Contributing to society in support of the United Nations Sustainable Development Goals.
- > Broadening access to sustainable healthcare solutions for life-changing treatment and prevention.
- > Taking bold action on climate, recognising the interconnection between the health of people, society and our planet.

How we progressed in 2021

Our people

- > We continue to invest in our people to ensure we recruit, retain and develop a talented workforce.
- > In 2021, we delivered a strong performance across the key priorities of our People and Sustainability strategies.
- > We continue to score highly in our Pulse surveys for questions relating to our Purpose, direction, patient centricity and employee commitment to our success.

Our sustainability

- > We achieved a 'Green' rating for performance across our three sustainability pillars.
- > We provided \$112 million to more than 1,220 non-profit organisations across 74 countries.
- > Our Scope 1 to 3 and long-term net-zero greenhouse gas emissions reduction targets were verified by the Science Based Targets initiative.
- > We maintained 100% of active employees trained on our Code of Ethics, based on our Values, expected behaviours and key policy principles.

Focus for 2022

- > Maintain positive employee engagement.
- > Accelerate digital transformation and activities to drive productivity.
- > Deliver targeted advances across sustainability priorities.

For more information, see Our People from page 41 and Sustainability from page 44.

“Our Great Place to Work strategy is built around two priorities: Contribution to the enterprise and Contribution to society.”

Key Performance Indicators

Our Great Place to Work strategy is built around two priorities: Contribution to the enterprise and Contribution to society.

Our Contribution to the enterprise KPI is based on our Pulse survey measure of those employees who believe that AstraZeneca is a great place to work.

Our Contribution to society KPI is based on our Sustainability scorecard. It measures progress on annual and long-term targets across our three pillars of sustainability: Access to healthcare, Environmental protection, and Ethics and transparency.

Employee belief that AstraZeneca is a great place to work¹

85%

2021	85%
2020	89%
2019	86%

¹ Source: November Pulse survey for each year.

Sustainability scorecard performance²

83%

2021	83%	●
2020	93%	●
2019	86%	●

² A Green rating = more than 70% of our categories are rated green. Each category consists of several KPIs. We have 14 priority goals. Achievement of <9 is Red; 9 or 10 is Amber; 11 or 12 is Green; and 13 or 14 is Blue.

● Blue
● Green
● Amber
● Red

“In 2021, we invested \$35 million in developing a culture of lifelong learning to support the up-skilling of our people.”

Champions of inclusion and diversity

We believe that building an inclusive culture and making the most of the strength and diversity of our people allows us to unlock the innovation required to deliver life-changing medicines to the patients who need them most.

In 2021, we expanded our inclusion and diversity (I&D) learning programmes to further embed I&D in our day-to-day working practices. This included mandatory digital ‘conscious inclusion’ training in 10 languages and a set of techniques that foster a psychologically safe environment.

 For more information, see our website, www.astrazeneca.com/sustainability.

Our commitments

We include targets on our global scorecard to increase representation of women in leadership positions, as well as to increase the percentage of leaders from Emerging Markets and Japan that report into our Senior Executive Team (SET). We also track employee sentiment on measures of inclusion twice a year. In the November 2021 survey, 90% of employees answered favourably to the statement ‘Managers in my function/company support diversity and inclusion in the workplace’. This year we launched a voluntary disclosure campaign to better understand our global workforce demographics, including country of origin, disability status (including visible and invisible disabilities), ethnicity, race, sex, gender identity and sexual orientation where globally permissible.


Women comprise 51.8% (approximately 43,000) of our global workforce. With the appointment of Aradhana Sarin as CFO, there are five women on our Board (38% of the total). Following the appointment of Susan Galbraith as EVP of Oncology R&D, five of 12 SET members are now women (42% of the total). Across the enterprise, the representation of women in senior roles increased to 48.1% in 2021 (2020: 46.9%), above our target of 47.5%.

In the 2020 Hampton-Alexander review, published in 2021, we were named as the highest-ranking pharmaceutical company in the FTSE 100 for representation of women on the combined executive committee and their direct reports, and we moved up from sixth place to third place in the list of the Top 10 Best Performers. We also retained our position as one of 380 companies on the Bloomberg LP Gender-Equality Index 2021, which distinguishes companies committed to transparency in gender reporting and advancing women’s equality.

Our employees come from 169 different countries. In 2021, 18.4% of employees who are either members of the SET, or their direct reports, are from Emerging Markets and Japan (18.4% at year end 2020) slightly below our target of 20%.

To support our commitment to racial equity, we work at every stage of our talent pipeline to increase and maintain representation. We are a founding partner of the World Economic Forum’s Partnering for Racial Justice in Business initiative, which is focused on eradicating racism in the workplace and setting new global standards for racial equity in business. Within the UK, AstraZeneca is a signatory of the Race at Work Charter.

We are committed to hiring and promoting talent ethically and in compliance with applicable laws. Our Code of Ethics and its supporting Standards are designed to help protect against unlawful discrimination on any grounds (including disability). The Code covers recruitment and selection, performance management, career development and promotion, transfer, training, retraining (including retraining, if needed, for people who have become disabled), and reward. We embrace the unique skills, insights, and experiences held by individuals with both seen and unseen disabilities and are committed to creating a supportive culture by providing reasonable accommodations during the interview/hiring process that continue as needed throughout employees’ careers and development within AstraZeneca. Our Global Standard for Inclusion and Diversity sets out how we foster an inclusive and diverse workforce where everyone feels valued and respected because of their individual abilities and perspectives.

 For more information on our Standards and Global Policy framework, see our website, www.astrazeneca.com/sustainability.

In 2021, our I&D efforts earned recognition externally. We featured in:

- > The Times Top 50 Employers for Women
- > Diversity Inc. Top 50 Companies for Diversity
- > Forbes Best Employer for Diversity
- > Financial Times Diversity Leaders
- > 2021 Best Places to Work for LGBTQ Equality.

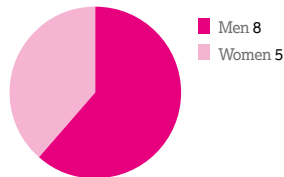
Human rights

Our Code of Ethics and Human Rights Statement commit us to respecting and promoting international human rights – not only in our own operations, but also in our wider spheres of influence, such as our third-party providers. We are committed to ensuring that we identify and eliminate, to the fullest extent practicable, modern slavery or human trafficking in our supply chains or any part of our business. We provide assurance annually to the Audit Committee and our full statement required under section 54 of the UK Modern Slavery Act 2015 and Section II (14) of the Australian Modern Slavery Act 2018 is available on our website, www.astrazeneca.com.

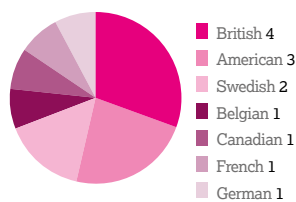
Board of Directors as at 31 December 2021

Board composition as at 31 December 2021

Gender split of Directors



Directors' nationalities



Length of tenure of Non-Executive Directors

<3 years

5

Euan Ashley
Michel Demaré
Diana Layfield
Tony Mok
Andreas Rummelt

3-9 years

4

Deborah DiSanzo
Sheri McCoy
Nazneen Rahman
Philip Broadley

>9 years

2

Leif Johansson
Marcus Wallenberg

Committee membership key

● Committee Chair	● NG Nomination and Governance
● A Audit	● Sc Science
● R Remuneration	● Su Sustainability



Leif Johansson ● ● ●

Non-Executive Chair of the Board

Skills and experience: From 1997-2011, Leif was CEO of AB Volvo. Leif served at AB Electrolux as CEO from 1994-1997. He was a Non-Executive Director of BMS from 1998-2011, serving on the Audit Committee and Compensation and Management Development Committee. Leif was Chairman of LM Ericsson from 2011-2018. He holds an MSc in Engineering from Chalmers University of Technology, Gothenburg.

Other appointments: Leif holds Board positions at Autoliv, Inc. and Ecolan AB. Leif has been a member of the Royal Swedish Academy of Engineering Sciences since 1994 (Chairman 2012-2017), is a member of the European Round Table of Industrialists (Chairman 2009-2014) and also of the Council of Advisors, Boao Forum for Asia.



Pascal Soriot ●

Executive Director and CEO

Skills and experience: Pascal has a passion for science and medicine, and significant experience in established and emerging markets, together with a strength of strategic thinking and execution, a successful track record of managing change and executing strategy, and the ability to lead a diverse organisation. He served as COO of Roche's pharmaceuticals division from 2010-2012 and previously as CEO of Genentech in San Francisco, where he led its successful merger with Roche. Pascal joined the pharmaceutical industry in 1986 and has worked in senior roles in major companies around the world. He is a Doctor of Veterinary Medicine (École Nationale Vétérinaire d'Alfort, Maisons-Alfort) and holds an MBA from HEC Paris.



Aradhana Sarin ●

Executive Director and CFO

Skills and experience: Prior to her current role, Aradhana was CFO for Alexion. Aradhana joined Alexion in 2017 and was responsible for driving strategic growth, financial performance and business development at Alexion. She brings operational experience in biopharma plus more than 20 years of professional experience at global financial institutions and has extensive knowledge of global healthcare systems, having closed more than 100 transactions across M&A, equity and debt financing. Before joining Alexion, Aradhana was Managing Director of Healthcare Corporate and Investment Banking at Citi Global Banking, focusing on clients in the life sciences and biopharmaceutical sectors. Previously, she served as Managing Director of Healthcare Investment Banking at UBS, and worked at JP Morgan in the M&A Advisory and Healthcare groups. Aradhana trained as a medical doctor in India and spent two years practising in both India and Africa. She completed her medical training at the University of Delhi and received her MBA from Stanford Business School.



Philip Broadley ● ● ● ●

Senior independent Non-Executive Director

Skills and experience: Philip has significant financial and international business experience. He was previously Group Finance Director of Prudential plc for eight years and Old Mutual plc for six years. He has served as Chairman of the 100 Group of Finance Directors in the UK and Board member of Stallergenes Greer plc. He is a Fellow of the Institute of Chartered Accountants in England and Wales. Philip graduated in Philosophy, Politics and Economics from St Edmund Hall, Oxford, where he is now a St Edmund Fellow, and holds an MSc in Behavioural Science from the London School of Economics. Until March 2019, Philip was a member of the Oxford University Audit Committee.

Other appointments: Philip is Senior Independent Director of Legal & General Group plc, where he chairs the Audit Committee. He is Treasurer of the London Library and Chairman of the Board of Governors of Eastbourne College.



Euan Ashley ●

Non-Executive Director

Skills and experience: Euan studied physiology and medicine at Glasgow University, trained as a junior doctor at Oxford University Hospitals NHS Trust, and gained a DPhil in cardiovascular cellular biology and molecular genetics at the University of Oxford. In 2002, Euan moved to Stanford University, California where his research focuses on genetic mechanisms of cardiovascular health and disease. His laboratory leverages AI and digital health tools, alongside biotechnology and technology partners in Silicon Valley, to advance translational and clinical research. Euan's awards include recognition from the Obama White House for contributions to personalised medicine and the American Heart Association's Medal of Honor for precision medicine.

Other appointments: Associate Dean and Professor of Biomedical Data Science and Professor of Cardiovascular Medicine and Genetics at Stanford University.



Michel Demaré ● ● ● ●

Non-Executive Director

Skills and experience: Michel was previously Vice-Chairman of UBS Group AG (2010-2019), Chairman of Syngenta and Syngenta Foundation for Sustainable Agriculture (2013-2017) and Chairman of SwissHoldings (2013-2015). Between 2005 and 2013, Michel was CFO of ABB Ltd and interim CEO during 2008. He joined ABB from Baxter International Inc., where he was CFO Europe from 2002-2005. Prior to that, he spent 18 years at The Dow Chemical Company, serving as CFO of Dow's Global Polyolefins and Elastomers division between 1997-2002.

Other appointments: Michel is a Non-Executive Director of Vodafone Group plc and Louis Dreyfus Int'l Holding BV, Chairman of IMD Business School and Chairman of Nomoko AG.



Deborah DiSanzo Ac

Non-Executive Director

Skills and experience: Deborah is President of Best Buy Health for Best Buy Co. Inc. Best Buy Health provides digital health solutions in active ageing, virtual care, and consumer health. Deborah holds an appointment at the Harvard TH Chan School of Public Health teaching Artificial Intelligence in Health. Until December 2018, she served as General Manager of IBM Watson Health. Prior to IBM, until 2014, Deborah held multiple senior executive positions at Philips Healthcare where she also served as Chief Executive Officer. Deborah has been honoured by multiple organisations as a top health influencer. She holds an MBA from Babson College and is a Harvard University Advanced Leadership Initiative 2019 Fellow.

Other appointments: Deborah is President of Best Buy Health for Best Buy Co. Inc.



Diana Layfield Sc

Non-Executive Director

Skills and experience: Diana has broad global business experience which began in the pharmaceutical and biotech sector. She has held senior leadership roles in the technology sector and international banking, including senior positions at Standard Chartered Bank, as the CEO of a start-up technology company, and in Healthcare and Life Sciences at McKinsey & Co. Until December 2020, Diana was a Non-Executive Director of Aggreko plc. She has a BA from Oxford University and an MA in Public Administration and International Economics from Harvard University.

Other appointments: Diana is President, EMEA Partnerships at Google, driving technology transformation and is also Vice-President, 'Next Billion Users' & Product Management, leading the development of products and services for future Google users. She is also a Council Member of the London School of Hygiene & Tropical Medicine and Chair of CDC Group plc.



Sheri McCoy Ac R Su

Non-Executive Director

Skills and experience: Until February 2018, Sheri was CEO and a Director of Avon Products, Inc. Prior to joining them in 2012, she had a distinguished 30-year career at Johnson & Johnson, latterly serving as Vice Chairman of the Executive Committee, responsible for the Pharmaceuticals and Consumer business segments. Sheri joined Johnson & Johnson as an R&D scientist and subsequently managed businesses in every major product sector, holding positions including Worldwide Chairman, Surgical Care Group and Division President, Consumer. She holds a Bachelor of Science degree in Textile Chemistry from the University of Massachusetts Dartmouth, a Masters degree in Chemical Engineering from Princeton University and an MBA from Rutgers University in New Jersey, US.

Other appointments: Sheri serves on the boards of Stryker, Kimberly-Clark, Novocure and Laronde. She is also an industrial adviser for EQT, in connection with which she chairs Certara, and serves on the boards of Galderma and Parexel.



Tony Mok Sc

Non-Executive Director

Skills and experience: Tony is the Li Shu Fan Medical Foundation endowed Professor and Chairman of the Department of Clinical Oncology at the Chinese University of Hong Kong. His work includes multiple aspects of lung cancer research, including biomarker and molecular targeted therapy in lung cancer. Tony is a former President of the International Association for the Study of Lung Cancer and is on the Board of Directors of the American Society of Clinical Oncology. His work has achieved numerous awards including the ESMO Lifetime Achievement Award in 2018 and Giant of Cancer Care in 2020.

Other appointments: Tony is a Non-Executive Director of Hutchison China MedTech Limited (Chair of Nomination Committee) and co-founder and Chairman of Sanomics Limited (merged with ACT Genomic Limited since 2021).



Nazneen Rahman Sc Su NG

Non-Executive Director

Skills and experience: Nazneen has significant scientific, medical and data analysis experience in rare disease and cancer genomics. She was Head of the Division of Genetics and Epidemiology at the Institute of Cancer Research, London, and Head of Cancer Genetics at the Royal Marsden NHS Foundation Trust for 10 years to 2018. Nazneen was also founder and Director of the TGLclinical Genetic Testing Laboratory. Nazneen qualified in medicine from Oxford University, and gained a Certificate of Completion of Specialist Training in medical genetics and a PhD in molecular genetics. Nazneen has a strong commitment to open science and has garnered numerous awards, including a CBE in recognition of her contribution to medical sciences.

Other appointments: Nazneen is founder and CEO of YewMaker and Director of the Sustainable Medicines Partnership, delivering science-based solutions to make healthcare more sustainable.



Andreas Rummelt Su

Non-Executive Director

Skills and experience: Andreas joined the Board following the acquisition of Alexion, where he had been a director since 2010. Previously he was Group Head of Technical Operations and Quality at Novartis, and from 2006 until 2010 served on the Executive Committee. He was Global CEO of the Generics Division of Sandoz from 2004 to 2008, having originally joined in 1985. Andreas earned his PhD in pharmaceutical sciences from the University of Erlangen-Nuremberg and received his executive training in general management and leadership from IMD in Lausanne; INSEAD in Fontainebleau; and Harvard Business School.

Other appointments: Andreas is Chairman and Managing Partner of InterPharmaLink AG and a director of various privately-held biotech and pharmaceutical companies. He is a member of the Scientific Advisory Committee of the Global Antibiotic Research and Development Partnership.



Marcus Wallenberg Sc Su

Non-Executive Director

Skills and experience: Marcus has international business experience across various industry sectors, including the pharmaceutical industry from his directorship with Astra prior to 1999.

Other appointments: Marcus is Chairman of Skandinaviska Enskilda Banken AB, Saab AB and FAM AB. He is a member of the boards of Investor AB and the Knut and Alice Wallenberg Foundation.

Senior Executive Team (SET) as at 31 December 2021

In addition to the Board of Directors, the Senior Executive Team, or SET, is the body through which the CEO exercises the authority delegated to him by the Board. The CEO leads the SET and has executive responsibility for the management, development and performance of the business. The CEO, CFO and SET also take the lead in developing the strategy for review, constructive challenge and approval by the Board as part of the annual strategy review process.

Further information about SET members is available on our website, www.astrazeneca.com.



Pascal Soriot
CEO



Aradhana Sarin
CFO



Katarina Ageborg
Executive Vice-President, Sustainability and Chief Compliance Officer



Pam Cheng
Executive Vice-President, Operations & Information Technology



Ruud Dobber
Executive Vice-President, BioPharmaceuticals Business Unit



Marc Dunoyer
Chief Executive Officer, Alexion and Chief Strategy Officer, AstraZeneca



David Fredrickson
Executive Vice-President, Oncology Business Unit



Susan Galbraith
Executive Vice-President, Oncology R&D



Menelas (Mene) Pangalos
Executive Vice-President, BioPharmaceuticals R&D



Jeff Pott
General Counsel and Chief Human Resources Officer



Iskra Reic
Executive Vice-President, Vaccines & Immune Therapies



Leon Wang
Executive Vice-President, International and China President

Further information on Directors' appointments

Mr Johansson was first elected to the Board in April 2012 and was considered to be independent on his appointment as Chair on 1 June 2012. Provision 19 of the Code recommends a company chair's tenure should not extend beyond nine years from their appointment to the board, although the period can be extended for a limited time to facilitate effective succession planning. Acknowledging that he would have served as a Director for nine years by 31 December 2021, the Board believed it would be in the best interests of shareholders for Mr Johansson to seek re-election at the 2021 AGM and continue to serve as Chair, to lead the Board's oversight of the acquisition and integration of Alexion. Our approach for 2022 is explained on page 4.

In December 2021, the Board considered the independence of the other Non-Executive Directors for the purposes of the UK Corporate Governance Code and the Nasdaq Listing Rules. The Board considers that all the Non-Executive Directors except Marcus Wallenberg are independent. Marcus Wallenberg was appointed as a Director of Astra in May 1989 and subsequently became a Director of the Company in 1999. He is a Non-Executive Director of Investor AB, which has a 3.33% interest in the issued share capital of the Company as at 9 February 2022. For these reasons – his overall length of tenure and relationship with a significant shareholder – the Board does not believe that he can be determined independent under the UK Corporate Governance Code. However, the Board believes that he has brought, and continues to bring, considerable business experience and makes a valuable contribution to the work of the Board.

As well as being a Non-Executive Director of AstraZeneca and Chair of the Board's Sustainability Committee, Nazneen Rahman is the Director of the Sustainable Medicines Partnership (SMP), a multi-stakeholder, not-for-profit collaboration with the aim of advancing the environmental sustainability of medicines. AstraZeneca is a strategic collaborator in the SMP. Dr Rahman has recused herself from acting as the lead contact for the SMP in its relationship with AstraZeneca, and this relationship, including project work and overall programme management, is handled by other members of the SMP team.

2021 AGM voting outcomes

At AstraZeneca's AGM in 2021 some shareholders expressed concerns about the number of Sheri McCoy's other directorships of listed companies and the potential impact on her time commitment to AstraZeneca. The Board believes that Ms McCoy has brought, and continues to bring, considerable business experience and knowledge of the pharmaceutical industry and makes a valuable contribution to the work of the Board and Committees of which she is a member, as set out in the statement on the AGM section of our website at www.astrazeneca.com. The Board is satisfied that all Directors, including Ms McCoy, continue to make effective and valuable contributions to the Board and continue to devote sufficient time to discharging their responsibilities as Directors of AstraZeneca.

At the AGM in 2021, votes to approve a new Directors' Remuneration Policy and amendments to the AstraZeneca Performance Share Plan were passed by shareholders, however a significant portion of shareholders voted against each resolution. The Remuneration Committee Chair and management representatives subsequently held discussions with our major investors, and with proxy voting advisory bodies, to understand the rationale behind those voting outcomes.

Further information is included in the Directors' Remuneration Report, on page 101.

Risk management and controls Global Compliance and Internal Audit Services (IA)

Global Compliance helps the Group achieve its strategic priorities by doing business the right way, with integrity and high ethical standards. Global Compliance focuses on delivering a globally aligned approach that addresses key risk areas across the business, including those relating to third parties and anti-bribery/anti-corruption. We do this by reinforcing compliant behaviours through our Code of Ethics, our policies, training and advice and guidance. We also conduct risk assessment activities and foster a Speak-Up culture where individuals can raise concerns.

We take all alleged compliance breaches or concerns seriously. We investigate and take appropriate disciplinary and remediation action to address and prevent reoccurrence though our internal Compliance, HR and Legal functions and may also engage external advisers when necessary. Dependent on breach severity, management and Legal may be consulted to determine whether the Group needs to disclose and/or report the findings to a regulatory or government authority.

Global Compliance provides assurance insights to the Audit Committee on compliance matters including compliance breaches, associated disciplinary actions and corresponding remediation. Complementing this, IA carries out a range of audits that include compliance-related audits and periodically reviews the assurance activities of other Group assurance functions.

The results from these activities are reported to the Audit Committee. Global Compliance and IA work with specialist compliance functions throughout our organisation to share outcomes and to coordinate reporting on compliance matters.

IA is established by the Audit Committee on behalf of the Board and acts as an independent and objective assurance function guided by a philosophy of adding value to improve the operations of the Group. The scope of IA's responsibilities encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the Group's governance, risk management and internal control processes in relation to the Group's defined goals and objectives.

Among others, internal control objectives considered by IA include:

- > compliance with significant policies, plans, procedures, laws and regulations
- > consistency of operations or programmes with established objectives and goals, and effective performance
- > safeguarding of assets.

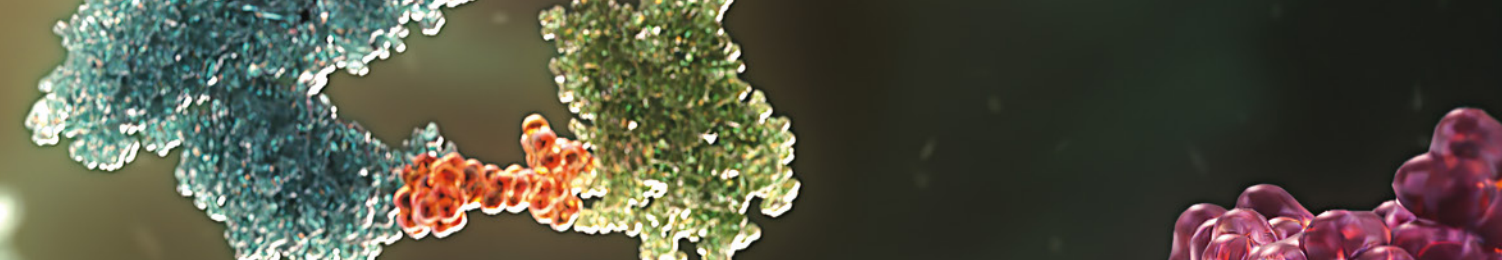
Based on its activity, IA is responsible for reporting significant risk exposures and control issues identified to the Board and to senior management, including fraud risks, governance issues and other matters needed or requested by the Audit Committee. It may also evaluate specific operations at the request of the Audit Committee or management, as appropriate.

Corporate Governance Report

Connecting with our stakeholders

Considering the interests of our stakeholders is fundamental to our Group's strategy. The following table identifies our most strategically significant stakeholders and summarises the engagement that has been undertaken by management during 2021.

	Patients and patient networks	Payers
Overview Significance of the stakeholder to the business	<p>Patients are at the heart of what we do. Our stakeholders include individual patients, care-givers and patient advocacy organisations representing the diverse populations that our medicines will serve. We listen to their experiences and embed these insights into every aspect of our work to ensure that the medicines and services we develop have the greatest impact on their lives.</p>	<p>AstraZeneca works closely with payers, which includes governments and medical insurance companies, to understand the impact of pricing medicines on public and private budgets.</p>
Interests Issues and factors which are most important to the stakeholder group	<ul style="list-style-type: none"> > Diverse insights embedded in the drug development process. > Designing clinical trials that reflect real-world clinical practice in a diverse patient population, are minimally burdensome to patients and measure outcomes they care about most. > Ensuring healthcare systems are designed with the patient in mind. > Providing transparent, accessible information in plain, local language. > Ensuring the safety, efficacy and affordable accessibility of our medicines. 	<ul style="list-style-type: none"> > Attracting business investment. > Investment in research and scientific collaborations. > Access to innovative medicines. > Pricing of medicines, including breakthrough therapies and the impact on public budgets. > Containment of reimbursement expenditure. > The safety and efficacy of medicines.
Engagement Examples of engagement in 2021	<ul style="list-style-type: none"> > Engaged people representing diverse patient populations at every stage in our development and clinical trial programmes. > Expanded our Patient Partnership Programmes into new disease areas. > Gathered diverse insights from patients and patient stakeholders to co-create programmes across business units. > Established patient support and affordability programmes. 	<ul style="list-style-type: none"> > Discussions took place with governments and policymakers to increase understanding of the business model and regulation of the pharmaceutical industry, to support investment in life sciences and to improve access to new medicines. > Engaged in discussions on evolving the current reimbursement system for medicines in the US. > Hosted site visits and tours at our manufacturing and R&D facilities for international and local politicians.
Outcomes Actions which resulted	<ul style="list-style-type: none"> > Evolved, enhanced and embedded diverse patient and patient stakeholder insights into our work. > Increased number of patient support programmes. > Collaborated with patient advocacy organisations on key healthcare system transformation projects to bring about tangible healthcare system change at a country level. 	<ul style="list-style-type: none"> > Established working relationships with key government stakeholders. > Regular meetings, roundtables and events organised to increase understanding about how governments can support life-sciences investment and improve patient access to new medicines.



	Investor community	Healthcare professionals	Academic and R&D partners	Commercial collaborators and partners
Overview Significance of the stakeholder to the business	<p>The Board and management maintain regular and constructive dialogue with investors to communicate our strategy. We provide objective information about performance to enable investors to put a fair value on the Company and ensure our continued access to capital.</p>	<p>Healthcare professionals (HCPs) are the interface with patients. They support our business by providing insights into clinical trial design and prescribing, advising patients on administering medicines, providing safety reports, collaborating in clinical studies and assisting with the ethical and transparent distribution of medicines.</p>	<p>We collaborate with academic institutions and biotech partners globally to access the best science, to stimulate innovation and to deliver life-changing medicines to patients.</p>	<p>Partnering is an important element of our business, supplementing and strengthening our pipeline. Collaborations help us access disease area expertise through AstraZeneca and non-AstraZeneca medicines. By combining forces, AstraZeneca and our partners can bring scientific innovation to patients around the world more quickly.</p>
Interests Issues and factors which are most important to the stakeholder group	<ul style="list-style-type: none"> > Financial and commercial performance. > R&D strategy, resource allocation and pipeline development. > Culture, values and behaviours. > Exposure to geopolitical and macro-economic risks. > Environmental, social and governance (ESG) matters. 	<ul style="list-style-type: none"> > Development of medicines for unmet clinical needs. > Education and information on advances in medical science. > Accurate and balanced information on licenced medicines, including up-to-date safety data. > Uninterrupted supply of quality medicines. > Ethical and transparent interactions with industry. 	<p>AstraZeneca had more than 2,000 active collaborations ongoing in 2021:</p> <ul style="list-style-type: none"> > To advance innovative technology and science. > To address key scientific challenges. > To access the next generation of science leaders. 	<ul style="list-style-type: none"> > Shared vision/values. > Development and research of medicines that address unmet patient and clinical need. > Trust and transparency in research, disclosures and relationships with stakeholders. > Willingness to collaborate with industry peers to optimise outcomes for common stakeholders, e.g. patients, physicians, policymakers and healthcare systems.
Engagement Examples of engagement in 2021	<ul style="list-style-type: none"> > Ongoing communications including quarterly results calls, in-person and virtual meetings and roadshows. > Regular events at medical conferences and periodic updates on portfolio and pipeline developments. 	<ul style="list-style-type: none"> > Provided and supported HCP educational events. > Established HCP advisory boards. > Engaged HCPs as investigators in clinical trials. > Responded to more than 118,000 HCP enquiries and processed over 60,000 adverse event reports from HCPs. 	<ul style="list-style-type: none"> > Sponsored collaborations and more than 500 studentships (PhD, post-doctoral and undergraduate) annually. > Worked side-by-side with academic researchers in more than 10 dedicated university laboratories. > Shared compound assets and data for academic research; more than 35 ongoing or planned clinical trials and more than 425 pre-clinical studies. > Joint seminars, education sessions and consortia with research institutions, e.g. Royal Society, Academy of Medical Sciences and Partner of Choice Network. 	<ul style="list-style-type: none"> > Regular alliance leadership meetings established transparent working relationships with 'one team' mentality and approach across companies. > Joint responsibility for deliverables and outcomes across functions at all levels. > Discussions took place with key stakeholders, e.g. regulators, policy makers, patient groups and the medical community to inform strategy, clinical development and how to best address unmet needs.
Outcomes Actions which resulted	<ul style="list-style-type: none"> > More access to senior and next-level/operational management, including increased virtual engagement. > Following discussion with shareholders, streamlined external-facing materials to provide increased transparency. > Increased focus on ESG matters within results announcements and shareholder engagements. 	<ul style="list-style-type: none"> > HCP advisory boards informed our clinical research and product strategy. > Collaboration in clinical studies has led to new products. > Exchange of information with HCPs which supports clinical decision making. 	<ul style="list-style-type: none"> > Enabled innovative solutions through research collaboration. > New technology, new targets and new biomarkers. > Publications. > Established capability to offer studentship and post-doctoral programmes to facilitate scientific discovery. 	<ul style="list-style-type: none"> > Optimisation of outcomes through combined skillsets and use of technologies/platforms to research new medicines, enabling faster delivery of medicines to patients. > Enhanced speed of recruitment and completion of trials with ability to adapt – multiple trials initiated across multiple disease/patient types. > Greater collaboration and relationships with industry partners and stakeholders.


Nomination and Governance Committee Report

“The Nomination and Governance Committee recommends to the Board new Board appointments and considers, more broadly, succession plans at Board level.”



Nomination and Governance Committee members

- > Leif Johansson (Chair)
- > Philip Broadley
- > Michel Demaré
- > Nazneen Rahman

 The Nomination and Governance Committee's terms of reference are available on our website, www.astrazeneca.com.

Composition of the Board

As part of its role, the Nomination and Governance Committee is responsible for reviewing the composition of the Board, to ensure that it has the appropriate expertise while also recognising the importance of diversity. The Committee reviews the composition of the Board using a matrix that records the skills and experience of current Board members, comparing this with the skills and experience it believes are appropriate to our overall business and strategic needs, both now and in the future. The matrix is set out on page 87. Any decisions relating to the appointment of Directors are made by the entire Board based on the merits of the candidates and the relevance of their background and experience, measured against objective criteria, with care taken to ensure that appointees have enough time to devote to our business.

Inclusion and diversity

Diversity is integrated across our Code of Ethics and associated workforce policy, and we promote a culture of diversity, respect and equal opportunity, where individual success depends only on personal ability and contribution. We strive to treat our employees with fairness, integrity, honesty, courtesy, consideration, respect, and dignity, regardless of gender, race, nationality, age, sexual orientation or other forms of diversity. The Board is provided each year with a comprehensive overview of the AstraZeneca workforce, covering a wide range of metrics and measures (including trends around gender diversity, leadership, ethnic diversity and age profile). The latest Hampton-Alexander Report, published in February 2021, named AstraZeneca PLC as one of the top 10 best performers in the FTSE 100 for representation of women on the combined executive committee and their direct reports. For the

year ended 31 December 2021, women represented 41.8% of the SET and its leadership teams.

The Board views gender, nationality, cultural and ethnic diversity among Board members as important considerations when reviewing its composition, and has met the recommendations of the Hampton-Alexander and Parker Reviews. Considering diversity in a wider sense, the Board aims to maintain a balance in terms of the range of experience and skills of individual Board members, which includes relevant international business, pharmaceutical industry and financial experience, as well as appropriate scientific and regulatory knowledge. The biographies of Board members set out on pages 74 and 75 give more information about current Directors in this respect.

The Board has adopted an Inclusion and Diversity Policy (the Policy), which is applicable to the Board and its Committees. The Policy reinforces the Board's ongoing commitment to all aspects of diversity and to fostering an inclusive environment in which each Director feels valued and respected. While the Board appoints candidates based on merit and assesses Directors against measurable, objective criteria, the Board recognises that an effective Board, with a broad strategic perspective, requires diversity.

The Policy sets out the Board's aim to maintain a composition of at least 33% female Directors and at least one Director from an ethnic minority background. The Policy provides a commitment to use at least one professional search firm, which has signed up to the 'Voluntary Code of Conduct for Executive Search Firms', to help recruit Directors from a broad, qualified group of candidates, to increase diversity of thinking and perspective.


“At AstraZeneca we are committed to operating in a way that recognises the interconnection between business growth, the needs of society and the limitations of our planet.”



Sustainability Committee members

- > Nazneen Rahman (Chair)
- > Sheri McCoy
- > Andreas Rummelt
- > Marcus Wallenberg

Standing attendees at Committee meetings include the EVP, Sustainability & Chief Compliance Officer, the EVP Operations & IT and the VP Global SHE & Operations Sustainability.

 The full role of the Sustainability Committee is set out in its terms of reference, available at www.astrazeneca.com.

Chair's introduction

I took on responsibility for overseeing sustainability matters on behalf of the Board from January 2021. This position was previously held by Geneviève Berger, Non-Executive Director, who retired from the Board at the 2021 AGM. Since 2015, this role had formed a key part of our sustainability governance framework, providing an additional conduit between the Board and sustainability activities in the business, in addition to the regular direct interactions that take place between the EVP Sustainability & Chief Compliance Officer and the Directors at both Board and Audit Committee meetings.

This year, the existing governance arrangements have evolved naturally to reflect the ever-increasing significance of sustainability to AstraZeneca's business, and the increasing time commitment that oversight of sustainability matters demands – for example, increased reporting requirements and delivery of our Ambition Zero Carbon programme. In October 2021, the Board constituted a new Board Committee – the Sustainability Committee – consisting of myself as Chair, Sheri McCoy, Andreas Rummelt and Marcus Wallenberg who bring a breadth of expertise and experience in sustainability matters.

AstraZeneca's sustainability strategy will continue to be developed by the SET and approved by the full Board. The Sustainability Committee's role is to monitor the execution of that strategy, to oversee the communication of our sustainability activities with our stakeholders and to provide input to the Board and other Board Committees on sustainability matters as required. Committee meetings provide an opportunity for Committee members to interact closely with those charged with executing our sustainability strategy, and thereby bring a deeper

understanding to Board members of sustainability initiatives, their progress, who executes them, and how this is done.

Activities during the year

Following a number of introductory meetings and discussions to develop the role and operation of the Committee, the full Committee met formally for the first time in December 2021. Its considerations included:

- > **Sustainability strategy:** an overview of the materiality refresh undertaken in 2021. This exercise updated the materiality assessment undertaken in 2018, to identify the areas that are of most importance to AstraZeneca and its stakeholders now, and continues to guide the strategy. More information about the materiality refresh is set out on page 30.
- > **Sustainability targets:** consideration of Ambition Zero Carbon targets for Performance Share Plan awards.
- > **Finance:** an overview of the investment behind Ambition Zero Carbon and discussion of initiatives to further reduce CO₂ emissions over time.
- > **Investor relations update:** an update on investor sentiment and an overview of our engagement with investors on sustainability matters over the year.
- > **Disclosures:** a review of draft disclosures relating to sustainability, including the Sustainability Report and TCFD disclosures.

I look forward to continuing to lead this Committee and developing its key role in AstraZeneca's sustainability governance framework in 2022.

Nazneen Rahman
Chair of the Sustainability Committee

Audit Committee Report


“In 2021 the Committee gave particular attention to the presentation of the Alexion acquisition and accounting for the production of *Vaxzevria*, while continuing its regular oversight of the Company’s internal controls and financial reporting.”



Audit Committee members

- > Philip Broadley (Chair)
- > Michel Demaré
- > Deborah DiSanzo
- > Sheri McCoy

Routine attendees at Committee meetings include: the CFO; the General Counsel; the EVP Sustainability and Chief Compliance Officer; the VP Ethics & Transparency and Deputy Chief Compliance Officer; the VP, IA; the SVP Finance, Group Controller; and the Company’s external auditor. The Committee, and separately the Committee Chair, also meet privately and on an individual basis with attendees which helps ensure the effective flow of material information between the Committee and management. The CEO and other members of the SET attend when required by the Committee.

 The full role of the Audit Committee is set out in its terms of reference, available at www.astrazeneca.com.

Chair’s introduction

Welcome to the Report of the Audit Committee (the Committee). This Report describes the work of the Committee and focuses on the significant matters it considered during 2021.

With COVID-19 restrictions continuing to impact Committee members’ ability to meet in-person, we have carried on meeting virtually and have worked hard to ensure that our discussions and dialogue are as effective as in person meetings, which we look forward to resuming as soon as practicable. We believe that this has enabled us to continue to provide the level of oversight and challenge to management that is required of the Committee.

Committee meeting agendas through the year include standing items to ensure the Committee is fulfilling its regular responsibilities, as well as ad hoc items that either require the Committee’s attention or allow the Committee to gain deeper insight into certain areas of the business or specific matters. We have also arranged numerous virtual interactions with the business outside of formal Committee meetings to enhance the Committee’s understanding of the business and provide valuable insights about the key issues and challenges relating to the wider organisation.

Of particular note in 2021, the Committee dedicated significant time to:

- > the review of matters related to the acquisition and integration of Alexion, including reviewing the shareholder documents, monitoring the implications on financial reporting of the combined Group, and reviewing the risk management and financial control environments; and
- > monitoring the financial reporting implications of *Vaxzevria*, the AstraZeneca COVID-19 vaccine, including supply agreements and inventory. The Committee has focused considerable attention on ensuring a clear understanding of the impact of vaccine arrangements on the Group’s financial position and performance, and ensuring disclosures are appropriate.

We hope shareholders find this Report useful and informative, and, as ever, welcome any feedback.

A handwritten signature in black ink that reads "Philip Broadley".

Philip Broadley
Chair of the Audit Committee

Annual bonus continued

In 2021, Deliver Growth and Therapy Area Leadership measured Total Revenue, excluding revenue from *Vaxzevria* until October 2021, when it was supplied on a not-for-profit basis. This target was set and evaluated at budget exchange rates at the beginning of the year and evaluated at those rates at the end of the performance period, so that any beneficial or adverse movements in currency, which are outside the Company's control, do not impact reward outcomes. The Cash flow measure is set and evaluated at the actual exchange rate and is evaluated by reference to net cash flow from operating activities less capital expenditure adding back proceeds from disposal of intangible assets, to be fully transparent with all elements easily derived from the Group IFRS cash flow statement. The Core EPS and Total Revenue measures are evaluated by reference to budget exchange rates, so that any beneficial or adverse movements in currency, which are outside the Company's control, do not impact reward outcomes.

Overall assessment

During 2021, the Executive Directors' individual performance was assessed in the following key areas which align with the Company's objectives.

Pascal Soriot

2021 was another truly exceptional year for AstraZeneca under Mr Soriot's leadership. Along with the delivery of the financial and scientific performance in another unprecedented year, the Committee considered Mr Soriot's strong leadership and response through the continued COVID-19 pandemic in addition to his excellent performance against his personal objectives.

COVID-19 response	<p>In 2021, Mr Soriot continued to work tirelessly with multiple Government policy makers, Ministers of Health and Heads of State around the world in order to secure production and delivery of AstraZeneca's COVID-19 vaccine, <i>Vaxzevria</i>.</p> <p>Importantly, Mr Soriot ensured AstraZeneca was the first pharmaceutical company to sign up to COVAX, and within a year of the first dose of the vaccine rolling off the production line, together with our partners we released over 2.5 billion doses of <i>Vaxzevria</i> to more than 180 countries across seven continents. Challenges were faced early on due to the complexities involved in manufacturing vaccines which led to delays in the number of doses available for delivery to EU member states against original estimates. However, a settlement was reached, under which AstraZeneca committed to deliver 200 million doses on an agreed schedule over the second half of 2021 and first quarter of 2022. To date, AstraZeneca's vaccine is estimated to have helped prevent 50 million COVID-19 cases, five million hospitalisations, and helped save more than one million lives.</p> <p>Mr Soriot has also reinforced the Group's commitment to continuing the fight against COVID-19 with the launch of a new Vaccines & Immune Therapies Unit. With continued strong demand for AstraZeneca's vaccines, as well as <i>Evusheld</i>, the only long-acting antibody with Phase III data demonstrating benefit in both the prevention and treatment of COVID-19, and with a focus on helping the most vulnerable people, Mr Soriot has cemented AstraZeneca's position as an industry leader in the pandemic response.</p>
Demonstrating leadership to support developments in global life sciences	<p>Throughout 2021, Mr Soriot demonstrated his influence and respected position as a world leader on key issues in healthcare through his multiple engagements with senior external stakeholders.</p> <p>Highlights included participation in the World Economic Forum Davos Dialogues, the World Health Assembly and notably also the G7 Leaders' Summit where Mr Soriot was the only business leader and only healthcare executive to be invited to attend.</p>
Leading in Environmental, Social & Governance (ESG) performance	<p>Under Mr Soriot's leadership, AstraZeneca has continued to demonstrate commitment to its ESG practice, and to maintain a leadership position externally across the industry with its sustainability strategy delivery. In 2021, Mr Soriot launched the cross-healthcare sector SMI Health Systems task force with HRH The Prince of Wales and global health leaders to accelerate the delivery of net-zero patient-centric healthcare. Mr Soriot is the Chair for this task force.</p> <p>In recognition of the Company's efforts, AstraZeneca was awarded the Terra Carta seal at COP26 by HRH The Prince of Wales as part of the Sustainable Markets Initiative (SMI). AstraZeneca is also one of only seven companies worldwide (and the only pharmaceutical) to have its climate targets verified by the Science Based Targets initiative (SBTi).</p> <p>AstraZeneca was double A listed on CDP for the sixth year running, and since launching Healthy Heart Africa we have now conducted over 22 million blood pressure screenings.</p>
Making AstraZeneca a Great Place to Work	<p>Mr Soriot continues to oversee and drive accountability for AstraZeneca's I&D strategy throughout the organisation as Chair of AstraZeneca's global I&D council.</p> <p>The Group's progress was recognised externally in 2021, with AstraZeneca's inclusion on the 2021 Bloomberg Gender-Equality Index, Diversity Inc's 2021 Top 50 companies for diversity and Top 50 companies for LGBT employees, the Financial Times 2021 Leaders in Diversity, Forbes 2021 World's Top Female-Friendly Companies and the Time Top 50 employers for women.</p> <p>For the second year running, AstraZeneca earned the maximum score of one hundred on the Human Rights Campaign Index, resulting in a designation as one of the 2021 Best Places to Work for LGBTQIA+ Equality. The Group also launched pilots of the Clinical Trial Diversity Index. This Index will help AstraZeneca to make data driven decisions that improve trial diversity while providing data we need to show the benefit of our medicines in diverse patient populations.</p> <p>We continued to accelerate our Great Place to Work ambition of building a culture of lifelong learning, through development programmes aimed at rising leaders from the Emerging Markets, women leaders, senior leaders and the launch of functional learning academies. Fifteen thousand line managers participated in training to develop their coaching capabilities, underpinning a successful transition to our new performance development approach, with the removal of performance ratings for the first time in 2021.</p> <p>The impact of these development interventions and our continued focus on building a learning culture was reflected in the November Pulse survey, with 90% of employees taking time to complete the survey. 85% of employees believe that AstraZeneca is a Great Place to Work and 88% believe they had an opportunity to improve their existing skills and learn new skills.</p>

Shareholder information

This section of the Annual Report contains information for shareholders that is required by regulation in the UK. Further information that may be of use to shareholders is available on the Shareholder information page of our website at www.astrazeneca.com. Additional information required by SEC regulations is included in AstraZeneca's Form 20-F filing for 2021, which is available on the SEC website at www.sec.gov.

The principal markets for trading in AstraZeneca shares are the London Stock Exchange, Nasdaq Stockholm and the Nasdaq Global Select Market (Nasdaq). AstraZeneca shares were listed on Nasdaq on 25 September 2020, prior to which they were listed on the New York Stock Exchange. Ordinary Shares of \$0.25 each in AstraZeneca PLC are listed on the London Stock Exchange and the shareholder register is maintained by Equiniti Limited, the Ordinary Share registrar. Shares listed on Nasdaq Stockholm are issued under the Euroclear Services Agreement by Euroclear Sweden AB, the Swedish Central Securities Depository. Shares listed on Nasdaq are in the form of American Depositary Shares (ADSs), evidenced by American Depositary Receipts (ADRs) issued by the Company's ADR depository, Deutsche Bank Trust Company Americas (Deutsche Bank). Two ADSs are equivalent to one Ordinary Share. Before 27 July 2015, the ratio was one ADS per one Ordinary Share. Shares are listed on all three markets under the stock symbol AZN.

Ordinary Share registrar

Equiniti Limited
Aspect House
Spencer Road
Lancing
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BN99 6DA
UK
Tel (Freephone in UK): +44 (0)800 389 1580
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ADR depository

Deutsche Bank Trust Company Americas
c/o American Stock Transfer & Trust
Company, LLC
6201 15th Avenue
Brooklyn NY 11219
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Tel (toll free in the US): +1 (888) 697 8018
Tel (outside US): +1 (718) 921 8137
db@astfinancial.com

Annual General Meeting (AGM)

The 2022 AGM will be held on 29 April 2022 and further details will be set out in the Notice of Meeting. If you hold shares listed in Stockholm or hold ADRs, information relating to voting and attendance will be included in the relevant Notice of AGM. If you hold your shares through a nominee, your nominee provider will be able to advise you of their arrangements in relation to voting and attendance.

Dividends

Dividend dates for 2022 are shown in the financial calendar below. A first interim dividend is normally announced in July/August and paid in September and a second interim dividend is normally announced in January/February and paid in March. Dividends are paid in GBP, SEK and USD, depending on where the eligible shares are listed.

For further information on dividends declared, see the Shareholder information section of our website, www.astrazeneca.com.

Financial calendar

Event	Provisional date
Second interim dividend for 2021	
Ex-dividend date	24 February 2022
Record date	25 February 2022
Payment date	28 March 2022
Announcement of first quarter results for 2022	29 April 2022
Annual General Meeting (AGM)	29 April 2022
Announcement of second quarter and half-year results for 2022	29 July 2022
First interim dividend for 2022	
Ex-dividend date	11 August 2022
Record date	12 August 2022
Payment date	12 September 2022
Announcement of third quarter results for 2022	10 November 2022
Financial year end	31 December 2022

Related party transactions

During the period 1 January 2022 to 31 January 2022, there were no transactions, loans, or proposed transactions between the Company and any related parties which were material to either the Company or the related party, or which were unusual in their nature or conditions (see also Note 31 to the Financial Statements on page 196).

Conflicts of interest

The Articles enable the Directors to authorise any situation in which a Director has an interest that conflicts or has the potential to conflict with the Company's interests and which would otherwise be a breach of the Director's duty, under Section 175 of the Companies Act 2006. The Board has a formal system in place for Directors to declare such situations to be considered for authorisation by those Directors who have no interest in the matter being considered.

In deciding whether to authorise a situation, the non-conflicted Directors must act in the way they consider, in good faith, would be most likely to promote the success of the Company, and they may impose limits or conditions when giving the authorisation, or subsequently, if they think this is appropriate. Situations considered by the Board and authorisations given are recorded in the Board minutes and in a register of conflicts maintained by the Company Secretary and are reviewed annually by the Board. The Board believes that this system operates effectively.

Shareholder fraud warning

Shareholders of AstraZeneca and many other companies have reported receiving unsolicited calls and correspondence relating to their shareholdings and investment matters. Shareholders are advised to be very cautious of any unsolicited approaches and to note that reputable firms authorised by the Financial Conduct Authority (FCA) are very unlikely to make such approaches. Such approaches are likely to be part of a 'boiler room scam' attempting to defraud shareholders.

Shareholders are advised to familiarise themselves with the information on scams available on the FCA website, www.fca.org.uk/consumers and within the FAQs in the Investors section of our website, www.astrazeneca.com.

Any suspected scams or fraudulent approaches should be reported to the FCA via its website and to AstraZeneca's Ordinary Share registrar, using the contact details on this page.

Shareholders and their duly appointed proxies and corporate representatives are entitled to be admitted to general meetings.

Limitations on the rights to own shares

There are no limitations on the rights to own shares.

Gender diversity

	Directors of the Company's subsidiaries*
Men	262 (61%)
Women	170 (39%)
Total	432
	Senior Executive Team*
Men	7 (58%)
Women	5 (42%)
Total	12

All numbers as at 31 December 2021.

*For the purposes of section 414C(8)(c)(ii) of the Companies Act 2006, 'Senior Managers' are the Senior Executive Team (SET), the Directors of all of the subsidiaries of the Company and other individuals holding named positions within those subsidiaries.

Stakeholder engagement

The discussion on stakeholder engagement and the impact of these interactions is contained in Connecting with our Stakeholders from page 80 and throughout the Strategic Report. This includes engagement with our employees, suppliers and other stakeholders, as well as the impact of our operations on the community and environment.

Information on how we encourage employee involvement in the Company's performance is set out in Our people on page 41. Details of some of the employee share plans are described in the Directors' Remuneration Report from page 98, and in Note 29 to the Financial Statements from page 186. All employees are provided with information on matters of concern to them through regular meetings and updates on the Group's intranet and internal social media. Townhall meetings and Q&A sessions are hosted regularly by members of senior management, including the SET, including global and targeted broadcasts on internal social media. During 2021, these broadcasts included business updates, as well as information on the Group's response to the COVID-19 pandemic and working arrangements. In addition, information about the Group's quarterly results is shared with employees. These updates inform employees of the financial and economic factors which affect the performance of the Company.

Political donations

Neither the Company nor its subsidiaries made any EU political donations or incurred any EU political expenditure in 2021 and they do not intend to do so in the future in respect of which shareholder authority is required, or for which disclosure in this Annual Report is required, under the Companies Act 2006. However, to enable the Company and its subsidiaries to continue to support interest groups or lobbying organisations concerned with the review of government policy or law reform without inadvertently breaching the Companies Act 2006, which defines political donations and other political expenditure in broad terms, a resolution will be put to shareholders at the 2022 AGM, similar to that passed at the 2021 AGM, to authorise the Company and its subsidiaries to:

- > make donations to political parties or independent election candidates
- > make donations to political organisations other than political parties
- > incur political expenditure, up to an aggregate limit of \$250,000.

Corporate political contributions in the US are permitted in defined circumstances under the First Amendment of the US Constitution and are subject to both federal and state laws and regulations. In 2021, the Group's US legal entities made contributions amounting in aggregate to \$1,142,200 (2020: \$1,016,550) to national political organisations, state-level political party committees and to campaign committees of various state candidates. No corporate donations were made at the federal level and all contributions were made only where allowed by US federal and state law. We publicly disclose details of our corporate US political contributions, which can be found on our website, www.astrazeneca-us.com/sustainability/corporate-transparency.

The annual corporate contributions budget is reviewed and approved by the US Vice-President, Corporate Affairs and the President of our US business to ensure robust governance and oversight. US citizens or individuals holding valid green cards exercised decision making over the contributions and the funds were not provided or reimbursed by any non-US legal entity. Such contributions do not constitute political donations or political expenditure for the purposes of the Companies Act 2006 and were made without any involvement of persons or entities outside the US.

Significant agreements

There are no significant agreements to which the Company is a party that take effect, alter or terminate on a change of control of the Company following a takeover bid. There are no persons with whom we have contractual or other arrangements, who are deemed by the Directors to be essential to our business.

Use of financial instruments

The Notes to the Financial Statements, including Note 28 from page 180, include further information on our use of financial instruments.

Insurance and indemnities

The Company maintained Directors' and officers' liability insurance cover throughout 2021. The Directors are also able to obtain independent legal advice at the expense of the Company, as necessary, in their capacity as Directors.

The Company has entered into a deed of indemnity in favour of each Board member since 2006. These deeds of indemnity are still in force and provide that the Company shall indemnify the Directors to the fullest extent permitted by law and the Articles, in respect of all losses arising out of, or in connection with, the execution of their powers, duties and responsibilities as Directors of the Company or any of its subsidiaries. This is in line with current market practice and helps us attract and retain high-quality, skilled Directors.

Compliance requirements under Listing Rule 9.8.4

The only matter to report is the shareholder waiver of dividends on page 214.

Directors' Report

The Directors' Report, which has been prepared in accordance with the requirements of the Companies Act 2006, comprises the following sections:

- > Chair's Statement
- > Chief Executive Officer's Review
- > Disease Area Review
- > Business Review
- > Risk Overview
- > Financial Review: Financial risk management
- > Corporate Governance: including the Corporate Governance Overview, Corporate Governance Report, Nomination and Governance Committee Report, Science Committee Report, Sustainability Committee Report and Audit Committee Report
- > Directors' responsibility statement
- > Shareholder information
- > Sustainability supplementary information

and has been approved by the Board and signed on its behalf.

On behalf of the Board

A C N Kemp
Company Secretary
10 February 2022

Task Force on Climate-related Financial Disclosures Statement ^{BV}

Our commitment to climate change

The COVID-19 pandemic has demonstrated the need to build resilience across society, economies and healthcare systems globally. In similar ways to the pandemic, the threat that climate change poses also places societies at higher risk financially, socially and environmentally, with many of its impacts disproportionately affecting vulnerable communities and emerging economies still struggling to recover from the pandemic. The climate crisis also poses risks to public health, with rising global temperatures increasing the prevalence of respiratory and cardiovascular disease, changes in water-borne illnesses, allergen distribution and concentration, as well as mental health effects. Health system resilience across the entire value chain, from disease prevention to treatment, has never been more important.

The commitments we have made through our flagship \$1 billion Ambition Zero Carbon programme ensure that we are playing our part in tackling the climate crisis as well as the opportunities that transitioning to a low-carbon economy could mean for our business.

We support the Task Force on Climate-related Financial Disclosures (TCFD) framework and we have made disclosures consistent with the four TCFD recommendations and the 11 recommended disclosures. The bullet point list on Page 222 set outs the required disclosures and explains where in this Annual Report (or other relevant document) the various disclosures can be found. We first adopted the TCFD framework in our 2020 Annual Report, and continue to apply it this year to describe activities conducted in the year to 31 December 2021.

All our business operations worldwide are in scope, unless otherwise stated. The framework has been introduced with a risk-based approach focusing on the most material risks and opportunities. Future priorities to broaden the scope to medium- and low-risk areas are indicated in each section.

For further information relating to our TCFD disclosures, see our website www.astrazeneca.com.

Our Carbon Disclosure Project (CDP) response provides further disclosures (2020 performance) on our approach to climate change and is available at www.cdp.net/en.

Climate change and our strategy for physical risks

Understanding the potential impact of future climate scenarios, together with proactive mitigation, intervention plans and targeted investment, will future proof our business and build resilience to ensure our long-term financial sustainability and continued supply of medicines to patients. It is critical to understand the physical climate change risks to our workforce, local communities, our assets and supply to patients. Working in a preventive way, we want to minimise reactive

behaviour and minimise interruptions from extreme weather events across our operations and value chain.

In 2020, we screened climate impacts across our operations and in 2021 we added our strategic suppliers (defined by cost of interruption and strategic role to AstraZeneca) to assess what a worst-case scenario (Representative Concentration Pathway (RCP) 8.5) will look like in 2030, 2050 and 2100. In addition, two more optimistic scenarios (RCP 2.6 and 4.5) were modelled. By combining the results of the climate assessments with business criticality, we prioritised 12 potentially 'at risk' sites for further assessment in 2021.

For further information, see the scenario table on page 218.

Physical climate assessments will be expanded in 2022 and 2023 to include a deep-dive analysis of all strategic sites irrespective of risk. We will also focus on strategic upstream and downstream partners to understand their resilience to climate change e.g. bulk drug manufacturing, batch/QA/QC testing, distribution centres etc.

As the work progresses, we will increase our knowledge base with regard to the potential financial impact of extreme weather events, and appropriate mitigation and intervention plans. Financial impacts, such as stranded assets, cost of interruptions of supply, and capital investments, will be further assessed and, where material, they will be disclosed.

Climate change and our strategy for transition risks and opportunities

The nature of the risks and opportunities we face depends not only on the physical aspects of climate change, but also regulatory and commercial changes in the markets in which we operate, pressures to reduce the carbon footprints of specific medicines, and our ability to shape a culture of climate action focused on de-carbonising our value chain.

To respond to the identified climate risks and opportunities, we are taking enterprise-wide actions, and are committed to:

- > Achieving net-zero greenhouse gas (GHG) emissions by maximising our energy efficiency, shifting to renewable energy sources, and investing in nature-based removals to compensate for any residual GHG footprint.
- > Building resilience by managing the physical (sites, supply chain) and transitional (regulatory, market and product) risks and opportunities from climate change in the value chain through adaptation and business continuity planning.

Through our Ambition Zero Carbon programme we are on track to reduce GHG emissions from our global operations by 98% by the beginning of 2026 and halve our entire value chain

footprint by 2030, on the way to a 90% reduction by 2045. Our emission reduction targets have been verified by the Science Based Targets initiative and we were one of the first seven companies worldwide to have our net-zero, science-based Scopes 1 to 3 targets verified under their new Net-Zero Corporate Standard. We were also an early supporter of the UN-backed Race to Zero.

Near-term targets

- > achieve 98% reduction in Scope 1 and Scope 2 GHG emissions by the beginning of 2026 from 2015 baseline
- > switch to a 100% fully electric vehicle fleet (EV100) by the end of 2025
- > use 100% renewable energy (RE100) for power and heat by the end of 2025
- > double energy productivity (EP100) from 2015 to 2025
- > launch first next-generation respiratory inhalers with near-zero climate impact
- > align supplier spend to companies with approved science-based targets by end of 2025
- > plant and steward over 50 million trees by end of 2025 as a nature-based solution to enhance climate, ecological and community resilience through our AstraZeneca Forest Global Initiative.

Long-term targets

- > achieve 50% reduction in total Scope 3 emissions by 2030 and 90% reduction by 2045, from 2019 baseline
- > become carbon negative for all residual emissions from 2030 and science-based net-zero by 2045
- > transition to next-generation respiratory inhalers with near-zero climate impact by 2030.

Recognising that the healthcare system represents approximately 4% of global GHG emissions, AstraZeneca continues to identify and exploit opportunities to deliver patient-centric, net-zero healthcare. In 2021, AstraZeneca established the Sustainable Healthcare Round Table under HRH The Prince of Wales' Sustainable Markets Initiative (SMI). This SMI Sustainable Healthcare Round Table was launched at COP26 and focuses on the environmental and clinical benefits that can be delivered through digital health, proactive supply chain management and taking a patient care pathways approach that integrates clinical and environmental considerations to accelerate the provision of net-zero healthcare.

Governance

In October 2021, the Board established the Sustainability Committee to monitor the execution of our sustainability strategy, oversee communication of our sustainability activities with stakeholders and provide input to the Board and other Committees on sustainability matters. The members of the Committee are Nazneen Rahman (Chair of the Committee), Sheri McCoy, Andreas Rummelt and Marcus Wallenberg. The launch of the Sustainability

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continued

Committee is an important next step in advancing and delivering our sustainability goals. The Sustainability Committee met once in December 2021 for an update on progress regarding our Climate Strategy and TCFD.

For more information on the Sustainability Committee and other Committees, see from page 86.

Our CEO is responsible to the Board for the management, development and performance of our business, including AstraZeneca's Ambition Zero Carbon and climate-related risks and opportunities. Reporting to the CEO, the Executive Vice-President (EVP), Sustainability and Chief Compliance Officer (CCO), is responsible for the delivery of AstraZeneca's sustainability strategy, including our climate-related strategy.

A number of strategic groups have been established to support delivery of our sustainability and climate strategies:

> In 2020, we established an Ambition Zero Carbon Governance Group with executive-level ownership, accountable for the delivery of our Ambition Zero Carbon programme. The group includes AstraZeneca's CEO; CFO; the EVP for Sustainability and CCO; and EVP for Operations and IT. The Ambition Zero Carbon Governance Group met six times in 2021.

> In 2020, a TCFD steering group was also established with cross-functional membership (Corporate Affairs, Investor Relations, Finance Risk and Reporting, R&D, Operations and Global Sustainability) to identify and proactively manage the physical and transition risks and opportunities posed to AstraZeneca by climate change. In 2021, members of the group undertook training on climate change and principles for future climate scenarios.

The outcomes from the specialist groups are reported regularly to the Board. The Audit Committee was updated on progress in April and the Sustainability Committee was updated in December 2021. The TCFD steering group met eight times in 2021 with a focus on the (i) execution of climate risk assessments at priority sites in AstraZeneca's supply chain, (ii) mapping of transition risks and opportunities, (iii) integrating the management of climate risks and opportunities within the current governance structure and (iv) how to structure the TCFD Disclosure in the annual reporting process.

Execution

At a site level, the execution of roadmaps to deliver against our climate strategy and to manage the physical risks posed by climate change are led by the accountable site lead, executing control measures (technical or

organisational) as an integrated part of their existing risk management system.

On a commercial level, each franchise lead is accountable for integrating transition risks in their strategies and financial forecasts for each brand. By managing the risks posed by a low-carbon economy and healthcare system, each business can unlock potential opportunities to support the transition to a low-carbon, patient-centric healthcare system.

Remuneration

In 2021, to incentivise delivery of our environmental, social and governance priorities, delivery of our Ambition Zero Carbon commitment was included in our executive incentive arrangements for the Performance Share Plan (PSP), with a weighting of 10%. This underlines the importance we place on reducing our Scope 1 and Scope 2 GHG emissions by 98% by 2026.

For more information, see Directors' Remuneration Report from page 98.

Physical risks and temperature scenarios by 2100

Transition risks & opportunities and scenarios used

+2°C (RCP 2.6)	> RCP 2.6 lays out a pathway and emissions trajectory that is generally aligned with the objectives of the Paris Agreement to limit global warming to well below 2°C, preferably to 1.5°C by 2100, compared to pre-industrial levels.	> 1.65°C (IEA WEO Sustainable Development Scenario (SDS) – equivalent to RCP 2.6).	> The IEA WEO SDS was used as the primary low-carbon future scenario within the Climate Financial Driver Analysis (CFDA). Renewable Electricity Generation and Transport Oil Demand figures were used from the SDS. As a 'well below 2°C' pathway, the SDS represents a gateway to the outcomes targeted by the Paris Agreement. The SDS is based on a surge in clean energy policies and investment that puts the energy system on track for key Sustainable Development Goals (SDGs).
		> 1.5°C (IEA WEO Net-Zero Emissions by 2050 scenario (NZE) – equivalent to RCP 1.9).	> Within the CFDA, sensitivity analysis was carried out using carbon prices from the IEA NZE emissions scenario, to ascertain the impact that carbon prices higher than in Stated Policies Scenario (STEPS) would have. The NZE is a normative IEA scenario that shows a narrow but achievable pathway for the global energy sector to achieve net-zero CO ₂ emissions by 2050, with advanced economies reaching NZE in advance of others.
+2.5°C (RCP 4.5)	> RCP 4.5 is an intermediate scenario with emissions peaking in 2040 and falling rapidly thereafter until 2080.	> 2.5°C (IEA WEO Stated Policies Scenario – STEPS) – equivalent to RCP 4.5.	> The IEA WEO STEPS was used as the primary high carbon future scenario within the CFDA. Carbon prices from STEPS were used as the primary carbon price regime. Renewable Electricity Generation and Transport Oil Demand figures were also used. STEPS provides a more conservative benchmark for the future, because it does not take it for granted that governments will reach all announced goals.
+4°C (RCP 8.5)	> RCP 8.5 is a worst-case scenario consistent with no policy changes to reduce emissions, where CO ₂ concentrations in the atmosphere are roughly doubled by 2050 and continue on that path until 2100.	> 4°C (IEA WEO business as usual) equivalent to RCP 8.5.	> This high emissions 'business as usual' scenario was not modelled in detail but is expected to give rise to more significant physical impacts and delayed but more uncertain/disruptive transition, potentially leading to higher overall costs and representing failure to implement stated policies.
Time horizons	> Present day, 2030, 2050, 2100.		> Present day, 2025, 2030, 2035 and 2040.