

What science can do

AstraZeneca Annual Report and Form 20-F Information 2022

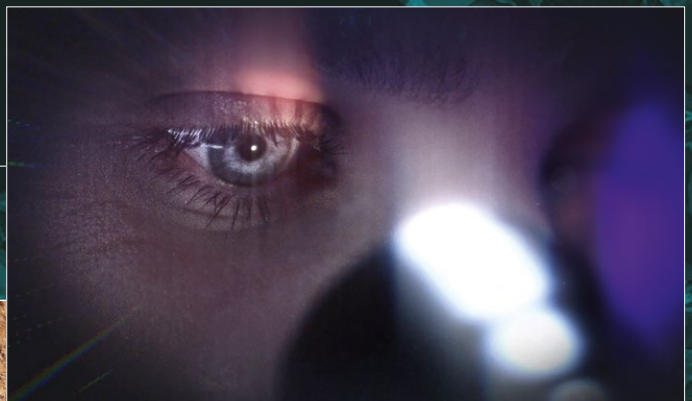


Welcome

Science can...

We are a global, science-led, patient-focused pharmaceutical company. We are dedicated to transforming the future of healthcare by unlocking the power of what science can do for people, society and the planet.

□□ See what science can do on page 2



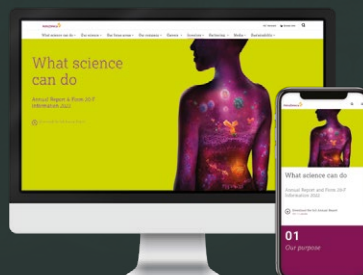
Key

- For more information within this Annual Report.
- For more information, see www.astrazeneca.com.
- BV** Denotes sustainability information independently assured by Bureau Veritas.

Our Supplements

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

□ See our website, www.astrazeneca.com/annualreport2022.



Front cover image: Next-generation therapeutics.

Advancements in biotechnology have expanded our toolkit of drug modalities. This provides an opportunity to design therapeutics for disease mechanisms previously considered difficult, if not impossible, to target and enables our scientists to pioneer new approaches to drug discovery.

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.

People and Sustainability

Our focus areas

- > Continuing to make AstraZeneca a great place to work.
- > Making it easier to work across our Group to deliver sustainable growth.
- > Ensuring we operate in the smartest way, increasing the speed of delivery of medicines to patients through our Future of Work initiative.
- > Harnessing the power of Science and Innovation in ways that positively impact patients, healthcare systems, and the environment.
- > Progressing our Sustainability strategy across three integrated priority pillars: access to healthcare, environmental protection, and ethics and transparency.

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:

- > Creating an inclusive and equitable environment where people belong, using our diversity as a competitive advantage.
- > Fostering a culture of lifelong learning, strengthening and evolving our capabilities, and instilling confidence to challenge convention and explore possibilities.
- > Simplifying the way we work, driving productivity, and optimising digital and technology to deliver a better experience for our people and better outcomes for patients.
- > Working towards a future where all people have access to affordable, sustainable and innovative healthcare.

- > Playing our part in protecting the planet by reducing GHG emissions from our global operations and fleet by 98% by 2026 and halving our entire value chain footprint by 2030.
- > Empowering employees through our Code of Ethics to make decisions in the best interests of the Group and society.

How we progressed in 2022

- > We continued to invest in our people to ensure we recruit, retain and develop a talented workforce.
- > In 2022, we delivered a strong performance across the key priorities of our People and Sustainability strategy pillar.
- > We continued to score highly in our Pulse surveys for questions relating to our Purpose, direction, patient centricity and employee commitment to our success.
- > We demonstrated our continued commitment to working in partnership to strengthen health systems worldwide.
- > We maintained a leading role in efforts to address the effects of climate change on our planet and increasingly on public health inequalities and disease prevalence.
- > Our Ambition Zero Carbon strategy delivered further reductions in our GHG emissions, and we are on track with our environmental commitments.

Focus for 2023

- > Maintain positive employee engagement.
- > Accelerate digital transformation and activities to drive productivity.
- > Advance our sustainability priorities, particularly health equity and health system resilience, as well as addressing the effects of the climate crisis on health and conserving biodiversity.

For more information, see People from page 45 and Sustainability from page 48.

“We continue to make AstraZeneca a great place to work while ensuring we have a positive impact on people, society and the environment.”

Key Performance Indicators

Our People and Sustainability 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. Ratings for this KPI reflect our success in achieving our sustainability goals. In 2020, we used 14 priorities and 12 in 2021. Following a materiality assessment, we updated our strategy around nine focus areas as the basis for our 2022 scorecard. These reflect the focus areas, outlined in our Sustainability Report on our website, www.astrazeneca.com/sustainability, that guide our sustainability strategy and where we can have the most positive impact.

Employee belief that AstraZeneca is a great place to work¹

86%



¹ Source: November Pulse survey for each year.

For more information on our Key Performance Indicators, including definitions, methodology and restatements, see our Sustainability Data Summary at www.astrazeneca.com/sustainability.

Sustainability scorecard performance²

7/9



● Green
● Amber
● Red

² In 2022, we assessed our performance against nine focus areas, each made up of a number of indicators. For a focus area to be 'green', at least 70% of the indicators within it need to have achieved its target in 2022. An overall KPI 'green' rating requires at least seven individual indicators rated green; an 'amber' rating shows five or six rated 'green'; a 'red' rating shows four or fewer rated 'green'.

Science and Innovation

Bioethics

BV

'Bioethics' means the ethical issues arising from the study and practice of biological and medical science, which we manage in line with our commitment to an ethical business culture. Our Global Standard on Bioethics sets out our key principles, which apply to all our scientific activities, including those conducted by third parties on our behalf.

For more information, see www.astrazeneca.com/sustainability/resources.html.



"Being transparent about our business supports learning and development for our employees, suppliers and partners and is fundamental to meeting the expectations of patients, investors and broader society."

Clinical trial transparency

We believe that transparency enhances the understanding of how our medicines work and benefits patients. We publish information about our clinical research, as well as the registration and results of all our interventional clinical trials and most non-interventional trials – regardless of whether the results are favourable – for all products. This includes completed trials for marketed medicines, drugs in development and drugs where development has been discontinued.

As of 31 December 2022, AstraZeneca had:

- > Shared anonymised individual patient-level data from 228 unique studies.
- > Responded to 313 requests from external researchers using our portal www.vivli.org and/or scientific collaborations, to request our clinical data and reports to support their research.
- > Published 14 Anonymised Clinical Document Packages.
- > Published 312 Trial Result Summaries in accessible language and translated these into 63 languages for all study sites on the industry-wide portal www.trialsurmaries.com.

Research use of human biological samples and genomic information

We use human biological samples and genomic information for research into better understanding of diseases, improved diagnosis, and other healthcare improvements, as well as the research and development of new medicines. We are committed to minimising the use of human foetal tissue (hFT) through scientific advancements. Permission is granted only when no other scientifically reasonable alternative is available, or there is a regulatory requirement. There were two new hFT approvals in 2022. As of 31 December 2022, six projects using hFT had progressed and three projects are ongoing.

Animals in research

Animal studies remain a small, but necessary, part of developing new medicines and will continue to be until suitable technological alternatives become available. Animal studies are also required by some international regulators before medicines progress to human trials. Nonetheless we are committed to the 3Rs (Replacement, Reduction and Refinement of animals in research). Animals were used for in-house studies 100,803 times in 2022 (93,511 in 2021), and on our behalf in contract research studies 55,455 times (58,826 in 2021). In total, over 98% were rodents or fish.


People and Sustainability

People *continued*

The positive impact of our learning culture is evident both internally and externally. Internally, it has contributed to improved retention, increased promotion rates and more accurate succession planning. Of our 2021 development experience attendees, 27% were identified as succession candidates for at least one position. The resignation rate for employees who went through a development programme is 9.2%, compared to 11.6% for AstraZeneca overall¹. In addition, attendees of our acceleration-focused programmes have a higher promotion rate at 34%, compared to 14% for an equivalent population who had not participated². Externally, our Talent and Development function received a number of external awards during 2022, which recognised us as a high-performing learning organisation.

Champions of inclusion and diversity

Our global commitment to inclusion and diversity (I&D) is woven into everything we do and is reflected in our Values and the behaviours that underpin them.

 For more information, see our website, www.astrazeneca.com/sustainability/ethics-and-transparency/inclusion-and-diversity.html.


Our commitments

Women comprise 52.9% (approximately 43,900) of our global workforce. There are five women on our Board (38% of the total) and, following the resignation of Katerina Ageborg in January 2023, four of 11 SET members are women (36% of the total). The representation of women in senior middle management positions increased to 49.5% in 2022, on track to reach our 2025 target of gender equality. In the 2021 FTSE Women Leader review published in 2022, we were named as the highest-ranking pharmaceutical company in the FTSE100 for representation of women on the combined executive committee and their direct reports. We also retained our position as one of 418 companies on the Bloomberg Gender-Equality Index 2023, which recognises companies committed to transparency in gender reporting and advancing women's equality.

Our employees come from 177 countries. In 2022, 17.7% of SET members or their direct reports are from Emerging Markets and Japan (2021: 18.4%) and we are on track to reach our 20% target by 2025. Our Global Inclusion and Diversity Council is chaired by our CEO and comprises senior and rising leaders who are representative of our global workforce. Our Board of Directors and the SET conduct biannual and quarterly reviews, respectively, of our workforce composition, covering gender, ethnicity and age representation. In the US, where we have more comprehensive

data available, 35.7% of our workforce identify as an ethnic minority (2021: 32.9%). In 2022, we rolled out pay equity training to all line managers of US-based employees to ensure equitable reward and compensation.

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 (including, if needed, for people who have become disabled), and reward. AstraZeneca embraces the cognitive differences of neurodivergent employees and supports employees with both seen and unseen disabilities in line with their country-specific laws and regulations. Where risk assessments can be performed, we will consider accommodating adjustments to the working environment that support an inclusive and safe workplace. 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 2022, our I&D efforts earned recognition externally. We were featured in:

- > Bloomberg Gender Equality Index 2023
- > Forbes World's Best Employers 2023
- > Financial Times, Diversity Leaders 2023
- > HRC Corporate Equality Index, 2022 Best Places to Work for LGBTQ Equality (US)
- > Diversity Inc. Top 50 Companies for Diversity (US).

Human rights


Our Human Rights policy supports the basic rights of our employees, such as the right to health, freedom from slavery and the right to privacy. 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. To that end, we integrate human rights considerations into our processes and practices. We are also committed to ensuring that there is no 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, which is available on our website, www.astrazeneca.com.

Employee relations

Our Employee Relations function takes a global approach to employment principles and standards, local laws and good practice. Our ambition is to build a positive and safe working environment for employees through global policies and processes. To achieve this, our Employee Relations function works in partnership with Legal, Compliance, HR and Employee Representative groups, such as the European Consultation Committee, works councils, and unions. According to our internal Human Rights survey carried out in 2022, 45% of our countries have a relationship with trade unions. Of those countries that don't have a relationship with trade unions, 95% of them have established arrangements to engage similarly with their workforce.

Workforce safety and health

We are committed to providing a safe and healthy working environment for our employees and partners. Our Global Safety, Health and Environment (SHE) Standard describes our commitment to, management of, and accountability for SHE.

 For more information on this standard, and our Code of Ethics, see our website, www.astrazeneca.com/sustainability/resources.html.

We set and monitor our safety and health targets to support our workforce and aim to achieve the highest performance standards. In 2022, we reduced the vehicle collision rate by 49% and the work-related injury rate by 72% from the 2015 baseline. Sadly, an AstraZeneca driver was involved in a vehicle accident that resulted in fatal injuries to a member of the public in the US in December 2021 (the investigation finalised in early 2022).

¹ Includes employees who have been through a development experience from 2020-2022.

² Includes employees who have been through a development experience in 2020 and then received a development opportunity (promotion, talent assignment, assignment) during 2021/2022.

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

Our commitment to climate change

We support the Task Force on Climate-related Financial Disclosures (TCFD) framework, and our disclosures are consistent with the four TCFD recommendations and the 11 recommended disclosures, in line with the compliance requirements of Listing Rule 9.8.6R(8) of the UK Financial Conduct Authority. Page 54 sets out the required disclosures in more details and explains where further information can be found. To enable us to cover all required information, such as methodology and results, we also refer to other documents outside this Annual Report.

We have applied the TCFD framework annually since 2020 and continued to apply it to describe activities conducted in 2022. All our business operations worldwide are in scope, unless otherwise stated. The framework applies a risk-based approach, focusing on material risks and opportunities.

For further information relating to our TCFD disclosures, see our 2022 TCFD Extended report on our website, www.astrazeneca.com/annualreport2022.

Our CDP response, based on 2021 performance, provides further information on our approach to climate change, available at www.cdp.net/en.

Future expansions to medium- and low-risk areas are indicated by section.

To future-proof the supply of medicines to patients, over 2020/21 we conducted a broad physical climate risk screening of our sites, followed by deep dive assessments at 29 locations (including manufacturing sites, R&D hubs and IT centres) to understand exposure risk to extreme weather events, and possible revenue impact from disruption to business-critical activities. From 2021, we widened our approach to screen over 750 suppliers with a critical role in patient supply, to understand climate vulnerability in the upstream value chain for 10 selected medicines. This ensures all required mitigation measures are in place or planned, to manage future climate risks based on a worst-case scenario.

Transition risks and opportunities are screened for medicines by using Life Cycle Assessment (LCA) data and carbon intensity.

For further information see our Sustainability Report, which describes our approach and progress, based on our sustainability focus areas on our website, www.astrazeneca.com/sustainability.

For further information see our Sustainability Data Summary, which provides performance measures and targets with at least three years of data, where available, on our website, www.astrazeneca.com/sustainability.

Highest risks were identified across asthma and COPD products. Transitioning to near-zero Global Warming Potential (GWP) propellants between 2025 and 2030 is part of our \$1 billion Ambition Zero Carbon strategy to accelerate the decarbonisation of our business and transform climate risks into opportunities. Our greenhouse gas (GHG) emissions reduction targets and progress are disclosed on pages 50 and 218.

In many cases, mitigation measures are already in place to address both physical and transition risks with no material impact on our business model and climate risk is not currently considered to be a Principal Risk for the Group. However, the risk 'Failure to meet regulatory expectations on environmental impact, including climate change' is a component of the Group's risk landscape within the Annual Report. This TCFD statement has been shared with our Board and Audit Committee.

For more information, see the Risk supplement on our website, www.astrazeneca.com/annualreport2022.

Key

● Low risk	Time horizon for impact
● Medium risk	Short-term: 1–3 years
● High risk	Mid-term: 3–7 years
● Opportunity	Long-term: 7–25 years

Climate risk summarised





















Risk or opportunity	Time horizon Short/Mid/Long	Potential impact	How it is managed
Physical risks	● ● ●	<ul style="list-style-type: none"> > Increased extreme heat events and cooling needs impacting compliance with Good Manufacturing Practice. > Heavy rainfall causing local flooding and/or landslides. > Water stress affecting access to water used in operations. > High winds damaging structures. 	Identified risks are addressed in local business continuity plans or by technical mitigations integrated into site master plans.
Transition risks and opportunities	● ● ●	Healthcare providers increasing demand for products and services with low GHG footprint, to meet net-zero ambitions.	Transition to near-zero GWP propellants across respiratory portfolio from 2025 to 2030.
	● ● ●	Changes in F-gas regulations and their impact on respiratory medicines.	We advocate a phased transition of the new EU F-gas regulation to earliest 2030, if the medicinal exemption is lifted, to ensure patient safety, and allow time for regulatory approvals and transition to low or near-zero GWP propellants.
	● ● ●	Carbon pricing and future environmental taxation.	Ambition Zero Carbon mitigates future value chain pricing and taxation exposure.
	● ● ●	Supply/demand of renewable energy.	Annual investment of approximately \$25 million in natural resource reduction programme, and collaborations to scale access to renewable energy in the supply chain.
	● ● ●	Change in raw material or sourcing costs.	Supply chain engagements include transition to low-carbon economy preparedness.

Task Force on Climate-related Financial Disclosures Summary Statement

continued

Key

-  TCFD Statement
-  Annual Report
-  Sustainability Report
-  Sustainability Data Summary

TCFD Framework and recommended disclosures	AstraZeneca current status	Links to more information on key developments.
Governance		
Describe the Board's oversight of climate-related risks and opportunities.	Our Board Sustainability Committee was established to monitor the execution of our sustainability strategy.	 page 2  pages 48, 95, and 98  page 8
Describe management's role in assessing and managing climate-related risks and opportunities.	<p>Our CEO is responsible to the Board for the development and performance of our climate strategy and related risks and opportunities, as part of his overall responsibilities.</p> <p>The TCFD Steering Group coordinates management of physical and transitional climate risks and opportunities.</p>	 page 2  page 48  pages 8 and 19
Strategy		
Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	<p>Physical risks from climate change are primarily disruption or delays to manufacturing or distribution, and/or impairment due to failure of cold chain logistics, and increased liability insurance premiums and reputational damage – see table on page 53.</p> <p>Transition risks and opportunities are primarily regulatory and market changes, and/or pressure and ability to reduce product carbon footprints and decarbonise our value chain – see table on page 53.</p>	 pages 4 to 10  pages 19 to 22
Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	We are taking enterprise-wide action to reduce our GHG emissions from our global operations and fleet by 98% by 2026 (from a 2015 baseline) with a \$1 billion budget. We aim to halve our entire value chain footprint (Scope 3) by 2030, to achieve a 90% reduction by 2045 (from a 2019 baseline) and reach our net-zero Science-based targets (SBTs) to fully prepare for a low-carbon economy. Our transition plan to net-zero is disclosed in our Sustainability Report as a response to FCA requirement 2021/61 9.8.6F.	 pages 4 to 10  pages 19 to 24
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	<p>We are building resilience against a worst-case scenario (RCP8.5) in our supply chain by investing in mitigation in at-risk sites, supply chain design, and inventory levels, to manage interruption risks. No material business impact from such short-term events is foreseen.</p> <p>Value chain decarbonisation, with net-zero targets aligned to a 1.5°C scenario, will secure low-carbon economy resilience and scale opportunities in progressive markets.</p>	 pages 1, 3 and 5
Risk management		
Describe the organisation's processes for identifying and assessing climate-related risks.	Climate assessments integrated into overall enterprise risk management, inform the enterprise of specific risks and opportunities posed by climate change and/or transition to a low-carbon economy.	 pages 1 and 2  pages 56, 57, and 98  pages 19 to 26
Describe the organisation's processes for managing climate-related risks.	<p>Identified risks are addressed in local business continuity plans or by technical mitigations in site master plans. Mid- and long-term financial planning includes required investments.</p> <p>Ambition Zero Carbon is reducing our GHG footprint, mitigating some transition risks, and protecting revenue.</p>	 pages 1 2 and 4 to 10  pages 50, 56, 57, and 98  pages 19 to 26
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Identified risks are managed locally and escalated to functional and/or enterprise level if material.	 pages 1, 2 and 4 to 6  pages 56, 57 and 98  pages 19 to 26



“Built on strong foundations of good corporate governance, the Board is well-placed to oversee our future development and success.”

“I am grateful to all of AstraZeneca’s Directors, past and present, for all they have done to promote our success.”

Good corporate governance is one of the foundations of any well-run, successful and enduring business. In my time as a Director and Chair of the AstraZeneca Board, I have been fortunate to work with excellent Board colleagues and a great management team to ensure AstraZeneca is run in a way most likely to promote its long-term sustainable success.

Corporate governance

One of the roles of the Nomination and Governance Committee, which I have chaired, is to review and provide advice to the full Board on matters of corporate governance. During my time as Chair, there have been a number of changes to the Listing Rules designed to improve the way in which we operate. 2022 was no different in that respect as we considered proposed audit and governance reforms in the UK.

Given AstraZeneca’s focus on inclusion and diversity as part of its great place to work efforts, I am pleased that we are able to report this year, earlier than strictly required, more information about diversity and inclusion on our Board and SET. While there is more we can and will do in this regard, our achievements thus far were noted externally during 2022 as we were named the highest-ranking pharmaceutical company in the FTSE 100 for representation of women on the combined executive committee and their direct reports in the FTSE Women Leaders Review.

Our new Chair

When I stand down from the Board at the conclusion of this year’s AGM, I will be handing over the role of Chair to Michel Demaré. Mr Demaré’s appointment was announced after a thorough search led by Philip Broadley in his role as Senior independent Non-Executive Director with the whole Board fully engaged throughout.

I am delighted that Mr Demaré will be succeeding me as Chair. He is an internationally-respected leader with extensive experience in strategy, planning, execution, governance and corporate stewardship, and a proven track record leading multinational companies, as well as experience of the pharmaceutical industry gained at Baxter and as a member

of the AstraZeneca Board. Mr Demaré and I are already undertaking a comprehensive handover process ahead of the AGM.

Board Committees

I would like to thank Mr Broadley for leading the recruitment process for the Chair so well, in addition to his longstanding role as Chair of the Audit Committee and the considerable responsibility that entails. My thanks also to Nazneen Rahman for her continued chairing of the Science and Sustainability Committees, two important aspects of our work that continue to be at the heart of many Board discussions.

Following the appointment of Mr Demaré as Board Chair-designate, he stood down as Chair of the Remuneration Committee. I am grateful to Sheri McCoy who became Remuneration Committee Chair on 1 December 2022, to continue the good work leading our scrutiny of this important area. Ms McCoy has in-depth knowledge of AstraZeneca’s remuneration arrangements, having been a member of that Committee since July 2018. She also became a member of the Nomination and Governance Committee in December 2022.

Board members

Each of the Board’s Committees performs an important function but they do so on behalf of the full Board. It is only in the full Board where the complete range of skills and experience, as well as diverse backgrounds, of Directors, both Executive and Non-Executive, can be seen at work in overseeing the delivery of our strategy, generation of shareholder value and contribution to wider society.

I am grateful to all of AstraZeneca’s Directors, past and present for all they have done to promote our success and I look forward to seeing the continued development and future success of AstraZeneca.

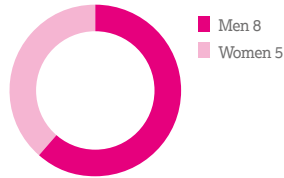
A handwritten signature in black ink, appearing to read 'Leif Johansson'.

Leif Johansson
Chair

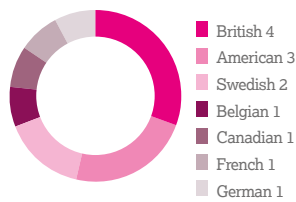
Board of Directors as at 31 December 2022

Board composition as at 31 December 2022

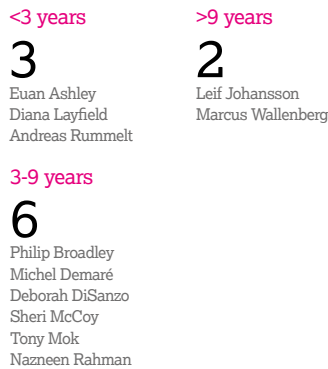
Gender split of Directors



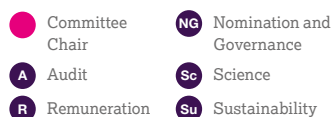
Directors' nationalities



Length of tenure of Non-Executive Directors



Committee membership key



Leif Johansson NG R

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). Leif is also a member of the European Round Table of Industrialists (Chairman 2009-2014), the Council of Advisors, Boao Forum for Asia, the board of the Knut and Alice Wallenberg Foundation and the Nomination Committee of Investor AB.



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. Pascal received a British knighthood for services to UK life sciences and leadership in the global response to the COVID-19 pandemic in the Queen's Birthday Honours 2022.



Aradhana Sarin

Executive Director and CFO

Skills and experience: Prior to her current role, Aradhana was CFO for Alexion, joining in 2017 and being responsible for driving strategic growth, financial performance and business development. She brings operational experience in biopharma plus more than 20 years of professional experience at global financial institutions and extensive knowledge of global healthcare systems. Before joining Alexion, Aradhana was Managing Director of Healthcare Corporate and Investment Banking at Citi Global Banking. 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.

Other appointments: Aradhana is on the Board of Governors of the American Red Cross.



Philip Broadley A R NG

Senior independent Non-Executive Director

Skills and experience: Philip was previously Group Finance Director of Prudential plc for eight years and Old Mutual plc for six years. He chaired the Group Audit Committee of Legal & General for six years. He has served as Chairman of the 100 Group of Finance Directors. 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.

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



Euan Ashley Sc

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 R A NG

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. In July 2022, AstraZeneca announced that Michel will succeed Leif Johansson as Non-Executive Chair of the Board at the conclusion of the Company's AGM in April 2023.

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 Sc

Non-Executive Director

Skills and experience: Deborah has more than 30 years' experience at the intersection of healthcare and technology. She is currently President of Best Buy Health for Best Buy Co. Inc. Best Buy Health provides digital health solutions in active aging, 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 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 General Manager, International Search at Google, leading the development of Google Search internationally, including product and engineering. She was also President, EMEA Partnerships and Vice-President, 'Next Billion Users'. She is the Chair of British International Investment plc (BII), the UK's development finance institution, and a Council Member of the London School of Hygiene & Tropical Medicine.



Sheri McCoy R A Su NG

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 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 BSc in Textile Chemistry from the University of Massachusetts, an MSc in Chemical Engineering from Princeton University and an MBA from Rutgers University.

Other appointments: Sheri serves on the boards of Stryker, Kimberly-Clark, and Laronde. She is also an industrial adviser for EQT, and in connection 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 a past Board member 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 the Nomination Committee) and a member of the Scientific Advisory Board of Prenetics Global Limited.



Nazneen Rahman Sc Su NG

Non-Executive Director

Skills and experience: Nazneen has significant scientific, medical and data analysis experience in rare disease, cancer genomics and sustainable healthcare. She qualified in medicine from Oxford University, is an accredited specialist in medical genetics and has a PhD in molecular genetics. Nazneen was Professor of Genetics at the Institute of Cancer Research, Head of Cancer Genetics at the Royal Marsden NHS Foundation Trust, and founder and Director of the TGLclinical Genetic Testing Laboratory until 2018. In 2020, Nazneen founded YewMaker to build science-based sustainable healthcare solutions. 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 CEO of YewMaker and Director of the Sustainable Medicines Partnership.



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 Chair of Skandinaviska Enskilda Banken AB, Saab AB and FAM AB. He is Vice-Chair of Investor AB and Vice-Chair of EQT AB. Marcus is also Chair of the Royal Swedish Academy of Engineering Sciences and a Board member of the Knut and Alice Wallenberg Foundation.

Senior Executive Team (SET) as at 31 December 2022

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



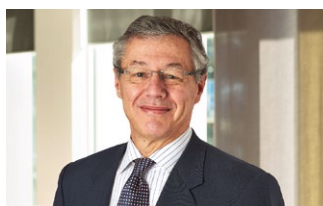
Aradhana Sarin
CFO



Pam Cheng¹
Executive Vice-President,
Operations, Information Technology and
Sustainability



Ruud Dobber
Executive Vice-President,
BioPharmaceuticals Business Unit



Marc Dunoyer
CEO, 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 Pott¹
Chief Compliance Officer, Chief Human
Resources Officer and General Counsel



Iskra Reic
Executive Vice-President,
Vaccines & Immune Therapies



Leon Wang
Executive Vice-President,
International and China President



Katarina Ageborg
Executive Vice-President,
Sustainability and Chief Compliance
Officer; President AstraZeneca AB Sweden

Throughout 2022, Katarina was Executive
Vice-President, Sustainability and Chief
Compliance Officer; President AstraZeneca
AB Sweden. She held that role until
9 January 2023 when she retired.

¹ Responsibilities revised following the retirement of Katarina Ageborg on 9 January 2023.

Corporate Governance Report

Compliance with the UK Corporate Governance Code

Statement of compliance

Our statement of compliance describes how we applied the principles set out in the 2018 UK Corporate Governance Code (the Code) for the year ended 31 December 2022. A copy of the Code can be found on the Financial Reporting Council's website, www.frc.org.uk. Throughout the accounting period we have complied with all the provisions of the Code other than provision 19, which relates to the Chair's tenure. Our approach is described on page 85.

Additional information to Swedish shareholders

The Company is incorporated under the laws of England and Wales and its shares are listed on the London Stock Exchange, Nasdaq Stockholm and the Nasdaq Global Select Market. In accordance with the Company's listing on the London Stock Exchange, it applies the principles set out in the Code. As a result of its listing on Nasdaq Stockholm and in accordance with Swedish regulations, the Company is required to disclose the material ways in which its corporate governance practices differ from those applied by Swedish companies following the Swedish Code on Corporate Governance (the Swedish Code). The Company has made available on its website www.astrazeneca.com/investor-relations/corporate-governance.html a summary of the material ways in which the corporate governance practices applied by the Company differ from the principles of the Swedish Code. In addition, as required by Swedish regulations, the Company has also made available on its website a general description of the main differences in minority shareholders' rights between the Company's place of domicile (the UK) and Sweden, where the Company's shares are also admitted to trading.

1. Board leadership and Company purpose

A. Board's role

The Board's role is to promote the long-term sustainable success of the Company. The Directors' diverse range of skills, experience and industry knowledge, and ability to exercise independent and objective judgement, help the Board to operate effectively in its oversight of delivery of the Group's strategy, generation of shareholder value and contributions to wider society.

The Board's effective operation is underpinned by a sound governance structure, described on page 79. Through a programme of regular Board and Committee meetings, Directors receive information on AstraZeneca's financial performance, the R&D pipeline and critical business issues. The Board is accountable to our shareholders for the proper conduct of the business and our long-term success, and seeks to represent the interests of all stakeholders.

B. Purpose, culture and strategy

The Board believes that our Purpose, to push the boundaries of science to deliver life-changing medicines, positions AstraZeneca for long-term sustainable success.

Our Code of Ethics and our Values underpin the behaviours that support our culture.

For more information on our Purpose, our Values and our culture, see page 12.

The Board is responsible for setting our strategy and policies, overseeing risk and corporate governance, and monitoring progress towards meeting our objectives and annual plans. The Board conducts an annual review of the Group's overall strategy.

C. Resources and controls

The Board ensures that the necessary resources are in place to help the Company meet its objectives and measure its performance against them.

The Group Internal Audit and Compliance functions provide quarterly reports to the Audit Committee on their activities and annual reviews of key themes, processes and systems (including arrangements for whistleblowing). The Board has full oversight of these matters by way of the Audit Committee Chair's reports to the Board after each Committee meeting. Board members are also able to access the information provided to the Audit Committee.

For more information, see the Audit Committee Report from page 96 and our Code of Ethics on page 51.

The Board has a formal system in place for Directors to declare a conflict, or potential conflict, of interest.

For more information, see Conflicts of interest on page 213.

D. Stakeholder engagement

The Board aims to ensure a good dialogue is maintained with shareholders, so that their views are understood and considered. The Board also engages with and considers wider stakeholder groups, including the workforce, in its decision making.

More information is set out on pages 86 to 90 and throughout the Strategic Report. Our section 172(1) statement is set out on page 76.

E. Workforce policies

Based on our Values, expected behaviours and key policy principles, the Code of Ethics empowers employees to make decisions in the best interests of the Group, the Company, society and the patients we serve. It is applicable to the Group worldwide, including the Board.

For more information about our Code of Ethics, see page 51.

2. Division of responsibilities

F. Chair

Leif Johansson, our Non-Executive Chair, is responsible for the Board's overall effectiveness in directing the Company. Mr Johansson was first elected to the Board in April 2012 and was considered to be independent on his appointment as Chair in June 2012. In February 2022, it was announced that Mr Johansson intends to retire from the Board at the conclusion of the 2023 AGM.

Further information about the Chair's annual evaluation is included on page 91 and information about the Chair's tenure is included on page 85.

G. Board composition, independence and division of responsibilities

The composition of the Board is set out on pages 80 and 81. The majority of the Board consists of independent Non-Executive Directors. Directors' independence is considered annually by the Board, as described on page 85.

The Directors are collectively responsible for the success of the Group. The roles of the Board, Board Committees, Chair and CEO are documented, as are the Board's reserved powers and delegated authorities. The Board's responsibilities and the governance structure by which it delegates authority are outlined on the Corporate Governance Overview on page 79.

The Board maintains a list of matters that are reserved to, and can only be approved by, the Board. These include: the appointment, termination and remuneration of any Director; approval of the annual budget; approval of any item of fixed capital expenditure or any proposal for the acquisition or disposal of an investment or business which exceeds \$150 million; the raising of capital or loans by the Company (subject to certain exceptions); the giving of any guarantee in respect of any borrowing of the Company; and allotting shares of the Company. Matters that have not been expressly reserved to the Board are delegated to the Committees of the Board or the CEO.

H. Non-Executive Directors' role and time commitment

The Non-Executive Directors exercise objective judgement in respect of Board decisions, providing scrutiny and challenge so as to hold management to account. Non-Executive Directors offer strategic guidance and specialist advice based on the breadth of experience and knowledge they bring to the Board. Non-Executive Directors regularly meet without the Executive Directors or management present.

Nomination and Governance Committee Report



“This year the Committee spent significant time searching for a new Chair of the Board. After a robust selection process, I was delighted when the Board decided that Michel Demaré should succeed me and I look forward to following the continued development and success of AstraZeneca after I step down from the Board in April 2023.”

Nomination and Governance Committee members

- > Leif Johansson (Chair)
- > Philip Broadley
- > Michel Demaré
- > Sheri McCoy¹
- > Nazneen Rahman

¹ Appointed as a member of the Committee on 1 December 2022.

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

Non-Executive Directors' experience, as at 31 December 2022

Business

Commercial	11
Financial Reporting	5
Management	8
Sales & Marketing	4
Tech & Digital	5

Geographic

US	8
Europe	9
Asia	7

Industry-specific

Science	7
Regulatory (Pharma)	0
Pre-AZ Pharma	7
Biologics	3
Medical Doctor/Physician	3

Committee's role

The Nomination and Governance Committee (the Committee) works on behalf of the full Board to review the composition of the Board and its Committees and carry out succession planning for all Board positions, including taking the lead in the search for and recruitment of new Directors. The Committee ensures the Board has an appropriate balance of expertise, experience and diversity. A matrix that records the skills and experience of current Board members is one of the main tools used by the Committee to do this. The matrix is shown above.

Decisions relating to the appointment of Directors are made by the entire Board based on the Committee's recommendations, taking

into account the merits of the candidates and the relevance of their background and experience, measured against objective criteria, with care taken to ensure appointees have enough time to devote to the Board's business.

Board and Board Committee changes during the year

In July 2022, AstraZeneca announced that Michel Demaré will succeed me as Chair of the Board at the conclusion of the Company's AGM in 2023. Mr Demaré was appointed as a Non-Executive Director in September 2019. He was Chair of the Remuneration Committee until December 2022 (and remains a member of that Committee) and is currently also a member of the Audit Committee. Mr Demaré is an internationally respected leader, with extensive experience in strategy, planning and execution, governance and corporate stewardship, and a proven track record leading multinational companies, as well as experience of the pharmaceutical industry gained at Baxter and during his time on the AstraZeneca Board.

The process to find and appoint the new Chair was led by Philip Broadley, in his capacity as Senior independent Non-Executive Director, with the whole Board fully engaged in the process throughout. The search firm, Spencer Stuart², was appointed to assist the Committee in its work, which provided access to the benefits of its extensive international research base and network. A Chair's role profile was agreed by the Board and used to select a longlist of candidates. Meetings between shortlisted candidates and Directors took place over a period of months, both by videoconference and in person. Mr Broadley met a selection of our largest shareholders to inform them about the search process and to listen to their views. Matters considered as

part of the process included Board diversity, time commitment of candidates, their potential tenure and relevant UK Corporate Governance Code provisions, as well as other Board-level succession planning considerations. A thorough reference process was carried out in respect of the Board's preferred candidate using two professional firms. The Board was unanimous in its view that Mr Demaré was the best candidate for the role and in its decision to appoint him. Mr Demaré recused himself from all Board and Board Committee discussions concerning his candidacy.

The Board appointed Sheri McCoy as Chair of the Remuneration Committee effective 1 December 2022, in succession to Mr Demaré. She has in-depth knowledge of AstraZeneca's remuneration arrangements, having been a member of that Committee since July 2018. Ms McCoy also became a member of the Nomination and Governance Committee on 1 December 2022.

Inclusion and diversity

The Board views all aspects of diversity among Board members as important considerations when reviewing its composition. The Board also 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, and appropriate scientific and regulatory knowledge. The biographies of Board members set out on pages 80 and 81 give more information about current Directors in this respect.

² Spencer Stuart is a signatory to the 'Voluntary Code of Conduct for Executive Search Firms' and periodically undertakes executive search assignments for the Company and has no other connection with AstraZeneca or its individual Directors.

As well as being considered in decisions about succession and Board appointments, inclusion and diversity is integrated across our Code of Ethics and associated workforce policy. 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 sex, 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). In the first year of the FTSE Women Leaders Review published in 2022, which is the third and successor phase to the Hampton-Alexander and Davies Reviews, 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. For the year ended 31 December 2022, women represented 42.7% of the SET and its leadership teams (42.3% following the retirement of Katarina Ageborg in January 2023).

Information about our approach to diversity in the organisation below Board level can be found in People, from page 45.

Board Inclusion and Diversity Policy

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. Although the Board appoints candidates primarily based on merit and the relevance of their background and experience, measured against objective criteria, it recognises that an effective Board, with a broad strategic perspective, requires diversity. The Policy provides a commitment to use at least one professional search firm that 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. The Board's approach to inclusion and diversity continues to yield successful results.

As at 31 December 2022, 31% of the Company's full Board identifies as an ethnic minority, 36% of the Company's Non-Executive Directors are women, and women make up 38% of the full Board. The information presented in the following tables was collected on a self-reporting basis. The Board, the SET and the Company Secretary were provided with the prescribed table, and asked to complete based on how they identify. Although not yet applicable to the Company, the Board is mindful of the FCA's new diversity targets and while pleased that it has met most of them,

Table 1. Reporting table on sex/gender representation as at 31 December 2022

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	8	62%	3	8	62%
Women	5	38%	1	5	38%
Non-binary	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

Table 2. Reporting table on ethnicity representation as at 31 December 2022

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	9	69%	3	10	77%
Mixed/Multiple Ethnic Groups	1	8%	–	–	–
Asian/Asian British	3	23%	1	3	23%
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group, including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

notes that 38% of the Board are women and so it does not yet meet the 40% requirement.

The make-up of the Board is subject to fluctuations owing to the necessary expertise of the Board. However, mindful of the increased focus on diversity, including the updated Listing Rule requirements and evolving recommendations of the FTSE Women Leaders Review, the Board reviewed the Policy for 2023 and will be cognisant of the increased 40% recommendation for female representation on its Board. The updated Policy also sets out the Board's aim for at least one of the Chair of the Board, Chief Executive Officer, Senior independent Director or Chief Financial Officer to be a woman, which the Board is pleased to have already met following the appointment of Aradhana Sarin as CFO.

The Board's Inclusion and Diversity Policy can be read in full on our website, www.astrazeneca.com.

Ongoing training and development

In addition to arranging comprehensive induction programmes when new Non-Executive Directors are appointed to the Board, the Committee recognises the importance of continuing development and training opportunities for all Directors. We are committed to developing a culture of lifelong learning throughout our organisation. Specific sessions with internal and external experts are periodically arranged for the full Board, to ensure that Directors have access to specialist knowledge across a broad range of areas to support their strategic decision making. For example, this included a deep dive into our Ambition Zero Carbon targets in July 2022.

At least annually, I discuss with each Director his or her contribution to the work of the Board

and personal development needs. In 2022, the Chair-designate joined me in these discussions with individual Directors. Directors' training needs are met by: a combination of internal presentations and updates, and external speaker presentations, as part of Board and Board Committee meetings; specific training sessions on particular topics, where required; and the opportunity for Directors to attend external courses at the Company's expense, should they wish to do so. Directors are encouraged to visit the Group's sites, providing opportunities to meet local management and tour AstraZeneca facilities. Virtual visits are arranged, where circumstances such as the COVID-19 pandemic prevent in-person interactions. These visits further Directors' understanding of the Group's business and operations, as well as providing an insight into the particular challenges faced locally and opportunities to engage directly with employees and other stakeholders.

Corporate governance

The Committee advises the Board periodically on significant developments in corporate governance and the Company's compliance with the UK Corporate Governance Code (the Code). During 2022, this included a briefing on the proposed audit and governance reforms in the UK. Further information on our corporate governance arrangements, including the Company's statement of compliance with the Code during the year, is set out from page 83.



Leif Johansson
Chair of the Nomination and Governance Committee

Sustainability Committee Report



“At AstraZeneca, we recognise that taking action to drive sustainability is fundamental for the health of people, society, and the planet, and sustainability rightly remains a principal area of focus for the full Board.”

Sustainability Committee members

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

Standing attendees at Committee meetings during 2022 included 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.

☐ For more information about sustainability at AstraZeneca, visit www.astrazeneca.com/sustainability.

Chair's introduction

The Sustainability Committee (the Committee) was established in October 2021 to enhance the Board's oversight of this key area, and our core role is:

- > to monitor the execution of AstraZeneca's sustainability strategy (which is developed by the SET and approved by the Board)
- > 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.

Sustainability Committee meetings and other informal interactions with employees allow Committee members to engage closely with those charged with executing our sustainability strategy. This helps us develop a deeper understanding of sustainability initiatives, their progress, who executes them, and how this is done, to share with the wider Board.

Activities during the year

During 2022, the Committee met twice formally. In addition, the Committee facilitated a deep dive session for the full Board focusing on progress against our Ambition Zero Carbon targets and Committee members also visited AstraZeneca's manufacturing site in Macclesfield, UK. To enhance our understanding of the sustainability initiatives in action at AstraZeneca and hear colleagues' personal perspectives, Committee members individually met with a range of employees involved in workstreams and projects from across our sustainability strategy.

Our focus areas during the year included:

- > Assessing how sustainability is being embedded across AstraZeneca's business, through large-scale transformation projects and changes to elements of our operating model. This included an overview of the steps underway to build our sustainability capabilities within Operations, including embedding sustainability into the product life-cycle.
- > Reviewing how ongoing and emerging ESG risks to the business are managed, with a particular focus on the risks posed by climate change and mitigation measures.
- > A deep dive focusing on Access to Healthcare, including core programme activities and progress, and the role of Access within AstraZeneca's enabling functions. The Committee also considered the enterprise-wide approach to this pillar of our sustainability strategy.
- > Offering guidance to management on AstraZeneca's plans to develop an enterprise health equity strategy.
- > A site visit to the Macclesfield campus to understand how sustainability was being embraced and incorporated into AstraZeneca's Operations function.
- > Supporting the Remuneration Committee in its consideration of how the delivery of our ESG priorities is incentivised, and by reviewing performance against our ESG remuneration targets.
- > Overseeing engagement with investors on sustainability-related matters and reviewing AstraZeneca's external disclosures and the sustainability reporting landscape.

Nazneen Rahman
Chair of the Sustainability Committee


Audit Committee Report



“The Committee’s main responsibilities include monitoring the integrity of financial reporting and formal announcements relating to financial performance, reviewing the effectiveness of internal controls and risk management systems, and overseeing the external and internal audit processes.”

Audit Committee members¹

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

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

¹ Routine attendees at Committee meetings include: the CFO; the Chief Human Resources Officer and General Counsel; the EVP Sustainability and Chief Compliance Officer; the VP Ethics & Transparency and Deputy Chief Compliance Officer; the Deputy General Counsel, BioPharmaceuticals; the VP, Group Internal Audit; the SVP Finance, Group Controller & Head of Global Financial Services; 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.

Chair’s introduction

This Report describes the Audit Committee’s (the Committee) activities and focuses on the significant matters we considered during 2022.

This year, I was delighted to be able to hold Committee meetings and interact with other colleagues in person once again, as COVID-19 restrictions lifted. Of particular note this year, were the Committee’s visit to AstraZeneca’s manufacturing site in Macclesfield, UK – accompanied by the members of the Sustainability Committee – and my visit to the Alexion campus in Dublin, Ireland. The hard work put into developing effective virtual means of communication has not been wasted, however, and the Committee’s annual schedule now includes a good mix of in-person and virtual interactions. This allows us to maximise our engagement with colleagues across the business, deepening our understanding of the priorities and challenges facing many different markets and business areas, and hearing a wide range of employees’ views directly.

The integration of Alexion into AstraZeneca’s business has remained a key focus area of the Committee during the year, and we have spent valuable time enhancing our knowledge of the Alexion business, meeting more key people, and considering further alignment of accounting policies and judgements as we integrate this acquisition.

The Committee’s agenda has also been shaped by global events. We have spent time assessing the impact of the conflict in Ukraine on AstraZeneca’s business – in Ukraine, in Russia and more broadly – and the steps that have been taken in response, including actions to comply with relevant sanctions. AstraZeneca’s business in China has remained an area of focus due to its significance to the Group, and the Committee has taken time to understand the market environment and healthcare industry trends, how AstraZeneca is embracing opportunities in this important market, and how risks are being proactively managed.

Further deep dive sessions for the Committee throughout the year were tailored to correspond with AstraZeneca’s other key active risks. This allowed the Committee to continue exploring specific aspects of these risks in their ‘real world’ business contexts, in direct dialogue with people in the business that have responsibility for managing these risks.

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



Philip Broadley
Chair of the Audit Committee

Annual bonus continued

In 2022, the Growth and Therapy Area Leadership measure was based on Total Revenue. The Total Revenue and Core EPS measures are both 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.

Overall assessment

During 2022, the Executive Directors' individual performance was assessed in the following key areas which align with the Company's objectives.

Pascal Soriot

Mr Soriot has led AstraZeneca to an outstanding year of double-digit growth across all therapy areas through 2022, with our pipeline delivery now being recognised as being amongst the strongest in the industry. The Committee considered Mr Soriot's deep involvement and incisive leadership in delivering AstraZeneca's financial and scientific performance in the context of his delivery against his personal objectives and Total Shareholder Return of 32% for 2022, set out below.

Demonstrating leadership to support developments in global life sciences	<p>In 2022, Mr Soriot continued to demonstrate his thought leadership, his ability to drive global change and his influence on key issues in healthcare through more than 20 external engagements with world leaders in the US, Asia, the Middle East and Europe.</p> <p>Highlights included attending COP27, AstraZeneca's award for Outstanding Achievement for Service to Cancer Science and Medicine at the American Association for Cancer Research (AACR) Award ceremony and engagements with Chinese government officials on a variety of topics, including a new state-of-the-art rare disease centre in China.</p>
Leading in Environmental, Social & Governance (ESG) performance	<p>Mr Soriot continued to drive an ambitious sustainability agenda at AstraZeneca and through industry partnerships, exemplified by his leadership of the cross-healthcare sector SMI Health Systems task force with HM King Charles III, aimed at the decarbonisation of healthcare. For the seventh year, we were double A listed on the CDP for both climate change and water security and, in 2022, AstraZeneca formed the Honeywell collaboration to develop next generation respiratory inhalers with up to 99.9% less global warming potential than propellants currently used in respiratory medicines.</p> <p>In recognition of his leadership of AstraZeneca's equitable access approach to COVID-19, Mr Soriot was the only private sector CEO invited to deliver a high-level address at the United Nations General Assembly (UNGA). Notably, an independent assessment by Airfinity Limited identified that <i>Vaxzevria</i> saved 6.3 million lives in the first year of its delivery, more than any other COVID-19 vaccine.</p> <p>Mr Soriot ensured that the impact of AstraZeneca's access to healthcare programmes continue to expand. In 2022, Healthy Heart Africa (HHA) launched into Rwanda, Nigeria and Zanzibar. HHA has now conducted over 31 million screenings, trained over 10,500 healthcare workers, activated over 1,250 healthcare facilities and identified over 6.2 million elevated blood pressure readings. Progress on equitable healthcare initiatives overseen by Mr Soriot is also reflected in the increase in AstraZeneca's position on the Access to Medicines Index (from seventh in 2021 to third in 2022).</p>
Making AstraZeneca a great place to work	<p>Mr Soriot continues in his role as Chair of the Global I&D council. In 2022, he oversaw the launch of the refreshed Global Inclusion & Diversity (I&D) strategy. Our progress was recognised externally, with AstraZeneca being included on the 2022 Bloomberg Gender-Equality Index, FTSE Women Leaders Review 2022, Human Rights Corporation Corporate Equality Index, the Forbes World's Best Employers 2022 and Forbes Top Female Friendly Companies 2022, the Financial Times Diversity Leaders 2023 (EU), 2022 Best Places to Work for LGBTQ Equality (US) and Diversity Inc. and 2022 Top 50 Companies for Diversity List (US).</p> <p>Mr Soriot oversaw the further development of AstraZeneca's culture of lifelong learning in 2022. 78% of our employees participated in our online learning platform, Degreed, completing approximately 1.22 million learning modules and 20 academies were launched in 55 markets to ensure our employees remain at the forefront of innovation in their respective areas. We expanded 'Professional Skills at AZ' into 14 languages along with extending Percipio, our immersive learning platform, to everyone in Degreed. We were proud that AstraZeneca received external recognition for AstraZeneca's Learning & Development programmes in the form of 11 independent awards.</p> <p>Under Mr Soriot's leadership, in 2022 AstraZeneca launched 'AZ Together', the new global employee support fund. The fund provides a simple, easy and secure way for all employees to make personal donations to financially support colleagues experiencing personal hardship or who have been affected by extreme events, such as a natural disaster.</p>

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	234 (62%)
Women	141 (38%)
Total	375
	Senior Executive Team*
Men	7 (58%)
Women	5 (42%)
Total	12

All numbers as at 31 December 2022.

* For the purposes of section 414C(8)(c)(iii) 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 86 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 People and Sustainability from page 17. Details of some of the employee share plans are described in the Directors' Remuneration Report from page 104, and in Note 29 to the Financial Statements from page 189. 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 2022, these broadcasts provided updates on the business, including pipeline developments and leadership changes, as well as the Group's response to global issues such as climate change and the Russia-Ukraine conflict. 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 2022 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 2023 AGM, similar to that passed at the 2022 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 2022, the Group's US legal entities made contributions amounting in aggregate to \$1,316,950 (2021: \$1,142,200) to national political organisations, state-level political party committees and to campaign committees of various state candidates. No corporate political 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 184, include further information on our use of financial instruments.

Insurance and indemnities

The Company maintained Directors' and officers' liability insurance cover throughout 2022. 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 216.

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
- > Therapy 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
9 February 2023