

2020 ESG Action Report



People. Passion.
Possibilities.®

abbvie

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About this Report

This report aligns with the Sustainability Accounting Standards Board (SASB) Biotechnology & Pharmaceuticals industry standard. Information on alignment is included in the SASB Index table. Unless otherwise stated, data refers to fiscal year ending December 31, 2020, and does not include data from Allergan, which was acquired during the year and therefore outside the report boundary. For more information about AbbVie's approach to ESG, please visit abbvie.com/societal-impact or contact responsibility@abbvie.com.



A Message from Our Chairman and CEO



I am tremendously proud to introduce the first AbbVie Environmental, Social & Governance (ESG) Report. It is intended to share the innovative ways our company makes a genuine and lasting impact for our patients, customers, employees and communities, both today and tomorrow. This report reflects our company's principles and how we work with integrity and intention to advance long-term patient health and a sustainable business that delivers for our stakeholders.

While we knew 2020 would be a transformational year, we could not have predicted the many challenges that would come our way. And each time we stepped up, because we believe in leading by example. We take action when the moment calls for it, and we make strategic decisions to ensure our long-term success as a company, all while working to improve the health of society at large.

In 2020, we completed the acquisition of Allergan and became the fifth largest biopharmaceutical company in the world. The acquisition provides our company more scale and more product diversity, which enables us to continue our commitment to R&D and business development. During the global pandemic, we partnered with the global community to support COVID-19 R&D and relief efforts while always protecting the health and safety of our employees. We also ensured an uninterrupted supply of medicines to our patients and continued to advance our pipeline. We stepped up for our communities during a racial justice awakening, donating \$55 million to support underserved Black communities across the United States by promoting education and health equity.

The decisions we made since the inception of our company in 2013 have positioned AbbVie as a leader in our industry and in our communities. And yet, we know there is a lot more to be done. We are driven by science to redefine the future of medicine, and we innovate with integrity to advance the long-term health of people all over the world. Over the next two years, we anticipate approvals for more than a dozen new products or indications – including five expected approvals in 2021 alone. This would not be possible without the 48,000 dedicated, diverse and talented employees who drive our mission every day.

I am proud of what our company has accomplished in 2020, but I am even more excited about the future. As a research-driven pharmaceutical company, we discover and deliver innovative medicines that solve serious health issues and enhance people's lives. Our commitment to science is a commitment to better our society, our communities and the lives of our patients and customers around the world.

Sincerely,

Richard A. Gonzalez
Chairman and CEO

"I am proud of what our company has accomplished in 2020, but I am even more excited about the future. Our commitment to science is a commitment to better our society, our communities and the lives of our patients and customers around the world."

Who We Are

We are a **research-driven biopharmaceutical company** that takes on the toughest health challenges. But we do more than treat diseases—we embrace the responsibility of making a remarkable impact on people's lives through the innovative medicines and solutions we create together. This is driven by our compassion for people, commitment to innovation and inclusion, service to the community and uncompromising integrity.

At AbbVie, we care deeply for patients and customers, their families, our employees and our communities. We strive to always do the right thing, pursuing the highest standards in quality, compliance, safety and performance. We invest and innovate relentlessly to tackle unmet needs, creating new medicines and health care approaches for a healthier world.

Globally, our employees represent diverse backgrounds and perspectives, and our company values treating everyone equally, with dignity and respect, which we believe allows us to achieve our best. We proudly do our part to serve and support our communities and protect the environment to make a lasting impact in health care and beyond.

Our Principles



Transforming Lives

We inspire hope and transform lives every day. We make decisions based on our deep caring and compassion for people, delivering a lasting impact to our patients, their families, our employees and the community.



Acting with Integrity

We strive to always do the right thing. With uncompromising integrity at the heart of everything we do, we pursue the highest standards in quality, compliance, safety and performance.



Driving Innovation

We innovate relentlessly in everything we do to tackle unmet needs. We invest in the discovery and development of new medicines and health care approaches for a healthier world.



Embracing Diversity & Inclusion

We treat everyone equally, with dignity and respect. Around the world, our employees embrace diverse backgrounds and perspectives, which allows us all to achieve our best.



Serving the Community

We are proud to serve and support the community and do our part to protect the environment. We make a remarkable impact that's felt within health care and beyond.



Our Business

Our mission is to discover and deliver innovative medicines and products that solve serious health issues and enhance people's lives today and address the medical challenges of tomorrow.

We strive to have a remarkable impact on people's lives across several key therapeutic areas: **immunology, oncology, neuroscience, eye care, virology and women's health**, in addition to products and services across our Allergan Aesthetics portfolio. Our state-of-the-art research, development and manufacturing centers across the world allow us to perform cutting-edge research to move the best ideas forward faster and deliver transformative change. Our global headquarters is in North Chicago, IL, USA.

We pride ourselves on a long tradition of strong corporate governance and financial controls, led by our board of directors. They play an active and vital role in overseeing our strategic direction and our performance against all objectives on behalf of our stakeholders. More details on our board and approach to Corporate Governance can be found in the **For the Resilience of Our Business** section of this report or in our **2021 Proxy Statement**.

AbbVie by the Numbers in 2020¹

60+

conditions treated

Our supply chain spans

129

countries and all
50 U.S. states.

30+

brands

57M

people are treated
with AbbVie
products globally

220+

research partnerships

\$45.8B

in net revenues

175+

countries where
our products help
people and patients

2020 Highlights and Achievements¹

\$5.8B

invested in research
and development*

Nearly

155K

U.S. patients received
medicine at no cost
through our patient
assistance programs

\$35M

donations to nonprofit
partners to support
COVID-19 relief

\$55M

investments with
national and local non-
profits in support of
racial equity

49%

of management-level
employees are women

89%

of waste diverted
from landfill

\$1.3M

donated to disaster
relief organizations

24%

reduction in carbon
emissions since 2015
baseline

Recognitions



Environment, Social and Governance

Dow Jones Sustainability World Index

FTSE4Good Index

S&P 500 ESG Index



Business Performance

FORTUNE 100

FORTUNE World's Most Admired Companies

IDEA Pharma Innovation Index

Pharma Retrak Most Reputable Companies



Citizenship

Civic 50

3BL Media "100 Best Corporate Citizens"

DiversityInc "Top Companies for Philanthropy"

FORTUNE/Great Place to Work
"Best Workplaces for Giving Back"

PEOPLE's "50 Companies that Care"



Workplace & Diversity

DiversityInc. "Top 50 Companies for Diversity"

FORTUNE "100 Best Companies to Work For"

Great Place to Work "World's Best Workplaces"

Human Rights Campaign Corporate Equality Index

Science Magazine's Top Employers

Working Mother "100 Best Companies"



Environment

EcoVadis Corporate Social Responsibility
Assessment Gold Medal

1. Numbers include Allergan

*5.8 billion adjusted R&D spend (excluding specified items)

2020: A Year Unlike Any Other

Our response to COVID-19

Assuring supply for patients

In 2020, when the scale of the pandemic became clear, continuity of supply remained one of our most critical priorities. Our Operations team maintains a balanced and redundant manufacturing network that enables us to closely manage manufacturing and supply chain resources around the world and help ensure our patients continue to receive an uninterrupted supply of medicines. During COVID-19, we readied our network and pre-purchased key materials to ensure patients can get their medicine.

In addition, we expanded our **U.S. patient assistance program, myAbbVie Assist**, to support qualifying patients who lost health insurance that covered their AbbVie medicine as a result of COVID-19. This important patient safety net ensured no patient would have their treatment interrupted due to COVID-19-related financial concerns. More information on our patient assistance programs can be found in the **For the Strength of our Communities** section of this report.

Protecting our employees' well-being

The health and safety of our employees is always a key priority. As an essential business, we have continued working throughout the pandemic so our patients can access the critical medicines they depend on. To protect our employees, we follow health and safety guidance from state and local health authorities and have implemented a variety of safety measures globally throughout the pandemic, including:

Physical protections

- Temporary office and facility closures with remote working where possible, and a phased and measured approach to reopening
- Modifying workspaces and facilities to reduce air spread, including reconfiguring HVAC units
- Expanded cleaning protocols

Health checks and personal safety measures

- On-site and at-home COVID-19 testing for employees
- Temperature checks before entering any of our locations
- Personal protective equipment and physical distancing procedures to limit exposure

Communication procedures

- Regular communication with employees to ensure our approach, expectations and business impacts are clear

- In the U.S., we developed a case management program for employees and contractors to monitor and report COVID-19 symptoms, possible exposure or a positive test result to trained health care professionals and receive guidance on returning to the workplace

We did not implement any workforce or salary reductions due to COVID-19, so our employees remained financially secure throughout the pandemic. In addition to existing employee assistance programs, we created new resources, such as a COVID-19 Childcare Relief Fund, available globally to help eligible employees with childcare or remote learning expenses, as well as providing a variety of resources to help parents find childcare, support students with remote learning and help with their well-being.

Contributing to treatment and testing efforts

As a global biopharmaceutical company, we believe we have a responsibility to help address the COVID-19 public health crisis.

With extensive expertise in virology, small molecule and antibody therapeutics, our Research & Development (R&D) team reviewed our compounds, existing medicines and pipeline assets to evaluate their efficacy as potential COVID-19 treatments. We collaborated with industry, government, academia, health authorities and institutions globally to identify potential treatments and help address the medical impacts of the pandemic, including:

- Participating in the Accelerating COVID-19 Therapeutic Interventions and Vaccines (ACTIV) partnership led by the National Institutes of Health and the Foundation for the NIH
- Joining the COVID R&D Alliance with others in the industry to help in the fight against COVID-19
- Partnering with Harbour BioMed, Utrecht University and Erasmus Medical Center to develop a novel antibody therapeutics to prevent and treat COVID-19
- Joining the Innovative Medicines Initiative's Corona Accelerated R&D in Europe (CARE) consortium to support research and discovery of targeted medicines against COVID-19
- Launching a research alliance with Harvard Medical School to study and develop novel therapies against emergent viral infections, including those caused by coronaviruses and viruses leading to hemorrhagic fever
- Initiating a Phase 2 study of ibrutinib in patients with COVID-19 infection

- In early 2020, we gave up all patent rights to KALETRA/ALUVIA®, an antiretroviral medication for HIV which was tested by the World Health Organization (WHO) as a potential COVID-19 treatment. Given unprecedented demand for this medicine, releasing our patent rights allowed for other companies to manufacture KALETRA/ALUVIA® to meet demand. We donated over 100,000 units of KALETRA/ALUVIA globally as an experimental option for COVID-19 treatment.

To contribute to global testing efforts, we've provided COVID-19 testing at some of our laboratories as well as 280,000 units of viral transport medium, which is necessary to preserve swabs prior to lab testing. For more on our R&D efforts and partnerships, see our [website](#).

Giving back to communities

In 2020, we donated \$35 million to help support underserved communities and health care systems working to address the impact of the COVID-19 global pandemic. \$5 million of this created the **COVID-19 Community Resilience Fund** that supported 26 non-profits to help frontline health care workers and vulnerable populations in hard-hit communities. We donated \$30 million to our nonprofit partners, **International Medical Corps, Direct Relief** and **Feeding America** which:

- Created 27 mobile field hospitals across the United States and Puerto Rico
- Supplied 2.1 million units of personal protective equipment
- Distributed oxygen concentrators and other equipment in the hardest-hit European countries
- Protected the most vulnerable, including the elderly, by enabling access to food and essential household supplies with minimal contact

In addition to our financial contribution, we donated more than 350,000 surgical and N95 masks to hospital systems across major locations where AbbVie operates. We manufactured hand sanitizer and donated pallets of excess personal protective equipment to various institutions such as health departments, jails, long-term care facilities, medical centers, and veterans' organizations. We also donated approximately 50,000 units of NIMBEX®, a neuromuscular blocker that is administered to intubated patients, to the U.S. government.

As part of our volunteering policy, we provided paid leave to our employees with relevant medical, pharmaceutical, R&D, science and public health experience who desired or were requested to serve as volunteers during the pandemic. We also doubled the AbbVie Foundation match for employee donations to non-profits supporting COVID-19 relief efforts, providing \$2 for every \$1 employees donated to a qualified non-profit.



Our commitment to racial equity

The events of 2020 amplified our call-to-action around racial justice. AbbVie met the moment through both internal and external actions including [clearly expressing our perspective and commitment](#), being in-service to the community and by appointing a Chief Equity Officer to drive company-wide change and awareness. We take deliberate steps to ensure we lead by example in promoting racial equity.

We committed to delivering sustainable, meaningful impact to advance racial justice, education and health equity. Our [\\$55 million](#) in investments with national and local non-profits aim to create immediate opportunities and advance meaningful and lasting change.

- \$5 million to [NAACP Legal Defense and Education Fund](#) and the [Equal Justice Initiative \(EJI\)](#) to address issues in our criminal justice system. More information on our donation can be found in the [For the Strength of Our Communities](#) section of this report.
- \$50 million to support health and education opportunities for Black and other historically underserved communities across the United States in collaboration with six nonprofit partners, including Direct Relief, University of Chicago Medicine's Urban Health Initiative, National Urban League, Year Up, United Negro College Fund (UNCF) and Providence St. Mel School. More information on our commitments can be found in the [For the Strength of Our Communities](#) section of this report.

As an extension to our AbbVie Foundation employee matching program, we matched \$3 for every \$1 of donations to civil rights non-profits fostering racial equity.

“We can’t change the world, but we can make AbbVie a role model for fairness, inclusion and the rejection of bias and racism. We are committed to not only being a voice, but also doing the right things to fully embrace equality, diversity and inclusion and loudly reject racism and all forms of bias.”

– Richard Gonzalez, CEO

In September 2020, Allergan Aesthetics, an AbbVie company, and Skinbetter Science® announced the launch of a new long-term, educational initiative – **DREAM: Driving Racial Equity in Aesthetic Medicine™**. Case studies and data relevant to darker skin tones are grossly underrepresented in current educational materials and textbooks, which can lead to under or misdiagnoses for Black and Brown patients. The DREAM Initiative™ aims to bridge this gap and further the principles of racial and ethnic diversity, inclusion, respect and understanding in dermatology and plastic surgery. In addition, the program aims to identify different perceptions of beauty among racial and ethnic groups so that media, aesthetic providers and corporations can better understand and meet the aesthetic needs of all people.

Internally, an important part of our strategy is to instill an inclusive mindset in all leaders and employees so we can realize the full value of our diverse workforce. In 2020, we increased awareness and learning across the company through listening sessions and virtual, inclusive learning series and expanded participation in our Employee Resource Groups (ERGs). More information on our approach to Equity, Equality, Inclusion and Diversity can be found in the [For the Growth of Our Employees](#) section of this report.



Integrating Allergan

In 2020, we completed the transformative acquisition of Allergan, a global pharmaceutical leader focused on developing, manufacturing, and commercializing branded pharmaceutical, device, biologic, surgical and regenerative medicine products for patients and customers around the world. Allergan markets a portfolio of brands and products in key therapeutic areas such as aesthetics, eye care, neuroscience, women's health and gastroenterology.

With this acquisition, the largest transaction in our history, we have an even greater reach and more opportunities to make a remarkable impact on people's lives. A larger and more diverse portfolio of brands allows us to expand into new therapeutic areas, including eye care and aesthetics, and build upon our existing leadership positions to benefit patient health. An immediate boost to scale and resources enhances our robust R&D capabilities, fuels our pipeline of innovative medicines and provides continued investment to advance the breakthroughs of tomorrow.

In addition to 30 new brands and entry into new therapeutic areas with new patients and customers, we have also gained ~18,000 new colleagues, providing more opportunities to collaborate and develop as employees and as a company. Our new colleagues received AbbVie's annual training on our Code of Business Conduct and conflicts of interest training, and we merged and harmonized the robust ethics and compliance programs of AbbVie and Allergan to best meet the needs of our combined business. Employees in relevant functions also received mandatory training on topics such as anti-corruption and anti-bribery, recognizing and reporting safety information, appropriate product promotion and appropriate interactions with health care providers and patient groups. We introduced additional development support to senior leaders who are managing increased integration and operational complexity.

The ESG data in this report does not include Allergan, unless otherwise noted, as we are still in the process of integrating our operations. We expect to be able to include consolidated data in the 2021 ESG Action Report.

Science for the Health of Society

Our commitment to science is a commitment to better our society

At the heart of AbbVie lies a single guiding belief:

Our commitment to science is a commitment to better our society.

As members of the wide-reaching scientific community, we cannot separate our work from the world.

We have responsibilities:

- To break new ground and set new standards of care
- To research and innovate with integrity and intention
- To take care of our patients, our people and our planet

Our pride resides not only in discovery and development, but in our ability to deliver—on patient outcomes and the needs of our times.

In this pursuit, progress is our policy. We are committed to collaboration—with our communities, our patients and customers, our employees, policymakers, and the public. We are dedicated to diversity—to nurturing the careers of diverse talent, supporting diverse communities, and facilitating global scientific partnership.

Each day, through scientific stewardship, we work to deliver sustainable solutions that improve the health of our business and the health of humankind.



Our approach to ESG

We think about ESG through the lens of scientific stewardship. That means we consistently operate with the health of patients and the goal of enhancing people's lives in mind. It means nurturing medical advancements to make possibilities real and innovating with integrity and intention to advance long-term health and business resiliency. In this way, we believe we will create a meaningful and lasting societal impact.

Scientific stewardship at AbbVie requires that we see ourselves not only as individual scientists, researchers and business and health care professionals, but as global citizens of science. Our leaders act as stewards of our ESG mission, and our people are committed to ensuring our research, innovations and collaborations can do the most good for the most people.

We evaluate our efforts relative to external frameworks such as the **Dow Jones Sustainability Index, CDP** and the **Sustainability Accounting Standards Board (SASB)**. Our SASB Index performance is included as an appendix at the end of this report.



Our ESG Framework

Our ESG Framework is built around three foundational pillars that align with our enterprise goals and principles. These have been developed based on an analysis of our material issues, taking into account the topics of most interest and relevance to our company and our stakeholders – including our patients and patient organizations, employees, investors, regulators & government, payers & providers, suppliers and nonprofit partners.

Collaboration with stakeholders is critical to our success—our goal is value creation through building engaging and long-term relationships with all our partners and stakeholders. We engage in regular dialogue with a wide variety of stakeholders to understand their evolving needs, interests and expectations of AbbVie. From these interactions, we develop our understanding of material issues and identify additional opportunities to improve and make an impact.

Our ESG Pillars

We discover and deliver innovative medicines that solve serious health issues and enhance people's lives by pushing the boundaries of innovation, putting people and patients first, creating high-quality therapeutic solutions and ensuring their safety, efficacy and accessibility.

We unlock the full potential of diverse and talented teams—and partners—to deliver today and into the future. We do this by attracting and retaining the best talent, embracing diversity of thought and through collaboration. We know that when we unlock the full potential of our people and our partners, we accelerate innovation, enhance people's lives, and meet our business objectives.

We innovate with integrity and intention to advance long-term patient health and business resiliency. We ensure that we are prepared for the future by operating a sustainable, agile business model and governance structure that anticipates and evolves in a dynamic industry and society. We are unwavering in assuring supply of innovative medicines to patients and life-enhancing products to customers.

Our material drivers*

Product innovation

We strive to make a remarkable impact on patients and drive sustainable growth by consistently discovering and delivering innovative medicines that address serious health issues and enhance people's lives.

Patient access and patient affordability

We believe everyone who needs our medicines should be able to get them.

Human capital management

We believe purposeful work drives meaningful change. We nurture diverse talent to solve the most complex health challenges and create remarkable impact in people's lives.

Patient health and engagement

We continuously strive to improve health outcomes for patients around the world.

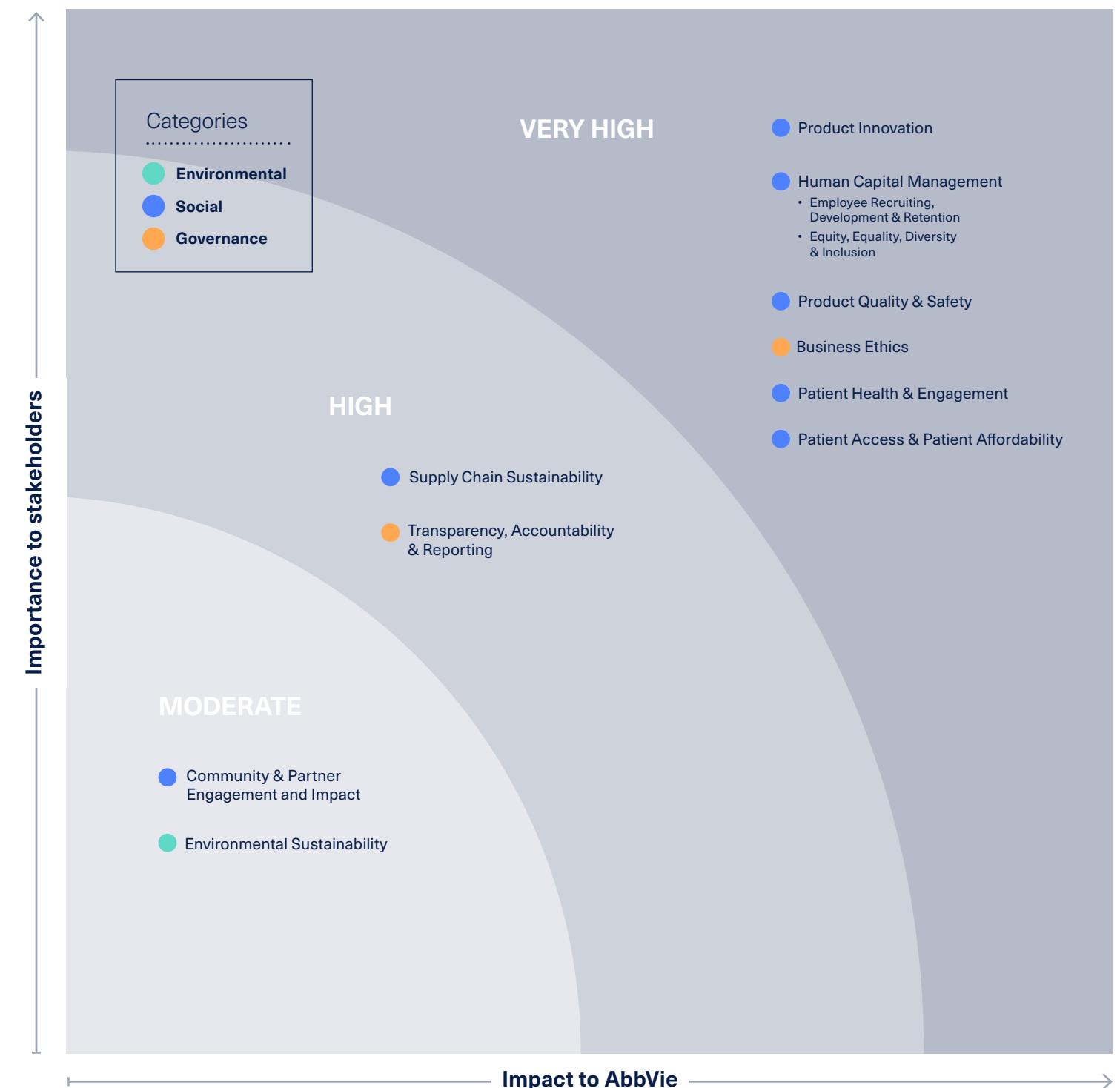
Product quality and safety

We are committed to delivering safe and effective, quality products and medicines through robust quality systems.

Business ethics

We act with integrity in everything we do.

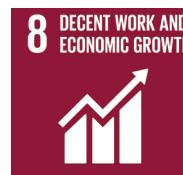
Our materiality map



*In 2016, we conducted a formal materiality assessment. We recognize that material issues evolve over time. In 2020, we collected and assessed inputs from a range of internal and external sources to further identify and evaluate material issues. Our material drivers are based on the 2020 materiality assessment.

Our contribution to the SDGs

We are committed to contributing to the United Nation's Sustainable Development Goals (SDGs). We have identified eight SDGs that align closely with our actions.

SDG	Relevant sub-targets	AbbVie's role	SDG	Relevant sub-targets	AbbVie's role
	<ul style="list-style-type: none"> 3.2 End preventable deaths of newborns and children < 5 years of age 3.3 End AIDS, tuberculosis, malaria and neglected tropical diseases; combat hepatitis, water-borne diseases and other communicable diseases 3.4 Reduce premature mortality from non-communicable diseases through prevention and treatment; promote mental health and well-being 	<p>Our medicines treat respiratory conditions in premature newborns, HIV and hepatitis C and cancer. Our research on neglected tropical diseases, tuberculosis and malaria will help to directly address these targets. In addition, our philanthropy work includes supporting and strengthening health care systems.</p> <p>Read more in For the Wellbeing of Our Patients and For the Strength of Our Communities.</p>		<ul style="list-style-type: none"> 10.2 Sustain per capita economic growth in accordance with national circumstances 10.4 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation 	<p>Equality of opportunity is very important to us. This year we took a strong stance on racial equity in response to the urgency created by the events of 2020, including \$55 million in investments with national and local non-profits addressing the issue.</p> <p>Internally, we employed a Chief Equity Officer and have programs in place that aim to address historical inequities and provide equal opportunities for employment and advancements.</p> <p>Read more in A Year Unlike Any Other, For the Growth of Our Employees and For the Strength of Our Communities.</p>
	<ul style="list-style-type: none"> 4.1 Ensure all girls and boys complete free, equitable, quality education 4.4 Increase the number of people who have relevant skills for employment, decent jobs and entrepreneurship 4.5 Eliminate gender disparities in education and ensure equal access to education and training for the vulnerable 4.A Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, nonviolent, inclusive and effective learning environments for all 	<p>Supporting effective educational programs for underserved school-age children is a philanthropic priority for AbbVie and the AbbVie Foundation.</p> <p>By leveraging our highly skilled workforce, we advance skill development for underserved students through mentorship, training and exposure to STEM projects.</p> <p>Read more in For the Strength of Our Communities.</p>		11.5 Reduce the number of people affected and substantially decrease the direct economic losses caused by disasters with a focus on protecting the poor and people in vulnerable situations	<p>Our philanthropic work is focused on investing in long-term solutions that build community strength and resilience. For example, we have been making long-term investments in Puerto Rico to assist in recovery efforts following natural disasters and be better prepared for future disasters.</p> <p>Read more in For the Strength of Our Communities and For the Growth of Our Employees.</p>
	<ul style="list-style-type: none"> 5.1 End all forms of discrimination against all women and girls 5.2 Eliminate all forms of violence against women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life 	<p>Our five-year Equity, Equality, Diversity & Inclusion (EED&I) strategy is focused on creating a culture of equity & inclusion through education, removing barriers, creating differentiation and measurement.</p> <p>We work towards gender equity through activities such as our global Women's Leadership Journey development program to help women progress into senior roles.</p> <p>Our anti-discrimination, anti-harassment and anti-violence policies extend through our organization and to our suppliers.</p> <p>Read more in For the Growth of Our Employees.</p>		<ul style="list-style-type: none"> 12.2 Achieve sustainable management and efficient use of natural resources 12.4 Achieve environmentally sound management of chemicals and wastes; significantly reduce their release to air, water and soil to minimize adverse impacts on health and the environment 12.5 Reduce waste generation through prevention, reduction, recycling and reuse 12.6 Encourage companies to adopt sustainable practices and integrate sustainability information into their reporting cycle 	<p>To operate sustainably, we must use natural resources efficiently and manage waste in a way that preserves the health of our environment.</p> <p>We have set absolute targets for reduction of our carbon emissions, water consumption and waste generation and are actively taking steps to meet them. Through participation in CDP, we are transparent in reporting our environmental impacts.</p> <p>Read more in For the Strength of Our Communities.</p>
	<ul style="list-style-type: none"> 8.1 Sustain per capita economic growth in accordance with national circumstances 8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation 8.5 Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value 	<p>We have employees in nearly 80 countries and purchase over \$14B in goods and services from a supplier network spanning 129 countries and all 50 U.S. states.</p> <p>We recruit and hire from historically underrepresented groups and provide economic opportunity and technical support to small and diverse suppliers.</p> <p>Supporting communities is also a priority of the AbbVie Foundation. We partner with nonprofit organizations and engage our employees to support learning and workforce readiness programs, particularly in underserved communities.</p> <p>Read more in For the Growth of Our Employees, For the Strength of Our Communities and For the Resilience of Our Business.</p>		13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	<p>Climate change will increasingly impact health and well-being globally. We continually evaluate the impact of climate change on our business. As a provider of essential medicines, we must minimize the impacts on our continuity of supply and have a governance approach in place to do so.</p> <p>We anticipate climate-related risks and act proactively to mitigate them. We also support disaster relief partners to help strengthen community resilience and recovery from climate-related hazards.</p> <p>We committed to join the Science Based Targets initiative (SBTi) and are working on setting ambitious science-based emissions reduction targets.</p> <p>Read more in For the Strength of Our Communities.</p>

For the Well-Being of Our Patients

Nothing is more important to us than health. That's why we are passionate about translating science into effective medicines that solve serious health issues and enhance lives. We deliver advanced, high-quality therapies and tailored support programs that put patients first.

Aligning with our Principles

Driving Innovation

We innovate relentlessly in everything we do to tackle unmet needs. We invest in discovery and development of new medicines and health care approaches for a healthier world.

Transforming Lives

We inspire hope and transform lives every day. We make decisions based on our deep caring and compassion for people, delivering a lasting impact to our patients, their families, our employees and the community.

Contributing to the SDGs



2020 Highlights¹

\$5.8B

invested in research and development*

12

new product approvals or indication expansions

16

significant research collaborations that achieved key milestones

Nearly

15K

research hours donated to neglected tropical diseases, malaria and tuberculosis

Nearly

155K

patients received medicine at no cost through our patient assistance programs

\$1.1M

patients and

177K

health care providers reached through independent education grants

¹ Numbers include Allergan

*5.8 billion adjusted R&D spend (excluding specified items)

Innovating for our patients

We approach our science with an unrelenting spirit to deliver life-improving medicines, inspiring hope and confidence for patients to live a brighter today and tomorrow. This requires innovation to address unmet needs and an unceasing dedication to continued progress. It also requires extensive investment in research and development, and a focus on the patient experience and what matters most to them. We empathize with and work to understand the journeys of people living with diseases so that we can meet their specialized needs.

Innovation in science is at the heart of our commitment to patient health and well-being. Our responsibility starts with discovering and developing novel medicines and treatment approaches that make a real-world impact, and in 2020, we achieved 12 new product or indication approvals or expansions. These included new treatments for rheumatoid arthritis, moderate to severe plaque psoriasis and previously untreated chronic lymphocytic leukemia.

The true value of a medicine is in the difference it makes in a person's everyday life, so we work with patients and health care providers to understand the individual experience, define meaningful outcomes and pioneer new methods to measure them in accurate and relevant ways. We invest in new ways to bring patient perspectives into labs as we develop innovative treatments and methods to measure practical treatment outcomes. For example, wearable digital data collection tools provide objective measurements and reduce the need for patients to recall all details of their experience.

To increase the scope of innovation, we work with partners that amplify the impact of our scientific progress. Whether through collaborating with smaller biotechs, teaming up with universities or joining forces with other pharmaceutical companies around the world, partnerships are a powerful path to scientific discovery and patient success. In 2020, we embarked on several new partnerships, including an oncology collaboration with the Danish company Genmab, an agreement with the Japanese biotech Sosei Heptares to study inflammatory diseases and an immuno-oncology agreement with the Chinese clinical stage biotech I-Mab.



Innovation programs in 2020

Uncovering treatments for blood cancers

As members of the **HARMONY Alliance**, a public-private network, we are helping to uncover opportunities to speed the development of new and more effective treatments for blood cancers.

Treatment sequencing in chronic lymphocytic leukemia

We've partnered with the Memorial Sloan Kettering Hospital in New York and 25 investigators from leading institutions worldwide to investigate the largest cohort data to date on treatment sequencing in chronic lymphocytic leukemia through the Collaborative Study of Real-World Evidence (CORE).

Precision medicine for immunology

In the past decades, precision medicine has revolutionized how cancer patients are diagnosed and treated. By tailoring treatment to a specific disease driver, and taking into account a person's genes, environment and lifestyle, researchers can target the right patients with the right medicine at the right time. We're using cutting-edge technologies and a team of almost 200 researchers to expand **precision medicine to the field of immunology**.

Tackling potential future pandemics

We're working on small and large molecule efforts, leveraging internal capabilities, knowledge and expertise, and partnering with leading academic institutions to develop solutions to **combat the next emerging infections**. This includes researching ways to disrupt virus replication and the viral-host interactions that are essential for the viral life cycle and creating a large library of antibodies to try and identify those that can bind to and neutralize future viruses. We have also partnered with Harvard Medical School to study and develop novel therapies against emergent viral infections.

R&D efforts in neglected tropical diseases

Neglected tropical diseases (NTDs) together with widespread tropical diseases such as malaria and tuberculosis impact close to two billion people globally, with 1.7 billion of these suffering from one of twenty NTDs. These diseases, which disproportionately affect people in low- and middle-income countries, are detrimental to both public health and the economic well-being of communities. Combating NTDs requires input, commitment and collaboration between a wide range of dedicated partners. That's why we were one of the original signatories to the [London Declaration on Neglected Tropical Diseases](#), a collaborative global partnership that aims to eliminate or control 10 NTDs.

Hundreds of AbbVie scientists have donated nearly 15,000 pro bono hours to help find solutions for these persistent global public health challenges. AbbVie's Executive Council on Neglected Diseases coordinates our innovative technologies, diverse compounds for screening and scientific expertise. We collaborate with partners on drug discovery and development projects, offering our specialized skills and technical support for synthesizing and developing new compounds and sharing our library of chemical compounds. We work with them to conduct preclinical and early clinical development and testing, and clinical trials that can lead to new treatments. We also offer a 10-week summer internship program for up to 6-8 chemistry students working on NTD related research.

Key Performance Indicators

	2016	2017	2018	2019	2020
Research and development investment	\$4.15B	\$4.83B	\$5.09B	\$4.98B	\$5.8B
New product or indication approvals including indication expansions	9	7	9	9	12
Number of programs granted a designation by at least one major regulatory authority to expedite development or review	5	9	5	4	2
Percent of compounds in clinical development with a novel mechanism of action	67%	67%	72%	72%	75%
Research hours donated to neglected tropical diseases, malaria and tuberculosis	21,583	30,006	39,945	20,621	14,965



Clinical trials

Clinical research is a key component of developing new medicines. Every year, tens of thousands of people worldwide participate in clinical trials of potential AbbVie medicines.

We require all of our clinical studies to be conducted in a manner consistent with the ethical principles outlined in the World Medical Association's [Declaration of Helsinki](#), and to adhere to applicable standards set by the International Council for Harmonization of Technical Requirements for Pharmaceuticals for Human Use (ICH). This includes adherence to **Good Clinical Practice, Good Laboratory Practice and Good Manufacturing Practice standards**, which provide assurance that the rights, safety, well-being and ethical treatment of trial participants are protected.

We believe in **transparency regarding our clinical trial processes and results**, whilst protecting patient confidentiality and the rights of our scientists. We share comprehensive information regarding our processes on our [website](#) and share the results of all clinical trials, regardless of outcome, with health authorities and on the U.S. government's publicly available registry.

Beyond safety, we aim to make our clinical trials as effective as possible – this includes new technologies to increase efficiency of process, broadening the diversity of study populations, accelerating recruitment, reducing cost and continued improvement in patient experience. Through our clinical development process, we gather actionable intelligence that allows us to make patient-centric decisions.

Diversity in clinical trials

Clinical trials should reflect the populations we serve. We are committed to researching and bringing treatment options for diseases that affect people around the world, including groups that historically have been underserved. Ensuring diversity means we can better meet the needs of our patients today and tomorrow. During the past year, we created a new role—**Director of Clinical Trial Diversity & Inclusion**—to lead our efforts in this area.

To ensure we are designing inclusive study protocols and enabling under-represented populations to volunteer, we evaluate our clinical trial protocol eligibility criteria against real-world datasets. This involves analyzing the diversity of



race, ethnicity, age and gender, and appropriate representation of people living with the diseases we are studying. If diversity gaps are identified, we will create a tailored plan to address them which may include enhanced **community partnerships, clinical research staff education, investigator trainings, new site selection strategies and targeted patient outreach**. We routinely re-assess clinical study demographics to determine if our efforts have made an impact, pivoting to different strategies if necessary.

Patient health and engagement

Everyone should have access to quality and affordable medicines if they need them. We continuously strive to improve health outcomes and increase access to health care services and our medicines for people around the world. We respond to patient questions rapidly and provide people living with a disease robust resources that are easy to navigate, so they feel empowered, informed and in control, and can focus on their health.

Education and support for patients and their caregivers

We want to enable patient care and support when it's needed most, to facilitate the best possible health outcomes. To do so, we support educational programs that equip patients, their families and caregivers with the knowledge and resources to understand their diseases. We offer one-to-one education and support through personalized interactions, help patients adjust to the use of their medicine and provide lifestyle management support to promote health.

We offer a wide range of **country-specific, disease-state patient programs** that provide meaningful, informative and empowering support to patients who have been prescribed AbbVie medicines. Our programs help patients more fully understand their disease, treatment, and the use of their medicine. In addition, these programs may help patients and physicians verify insurance coverage for select AbbVie medicines that often require prior authorization, help patients access financial assistance, and in specific situations, may dispense medicines directly to patients.

Other programs also provide lifestyle management support to further promote health. These programs are tailored to the needs and regulations in each country and patient community. AbbVie personnel do not give patients medical advice and are trained to direct patients to their health care professional for any treatment-related questions.

To enhance the ways in which we teach patients to use their prescribed medicines, we use learnings and tools from behavioral science such as teach-back, an established health literacy technique. Teach-back helps us to better understand how patients interpret the information we give them, which in turn allows us to further adapt our communications to address needs.



Quantifying what matters most

Can you quantify the value of moments that matter? Our Health Economics and Outcomes Research (HEOR) team is a world-class leader in creating innovative, high-impact evidence that understands the human face of the patient data, to optimize appropriate patient access to AbbVie products. HEOR helps payers, providers, and patients understand how medicines perform in the real world. Using real-world evidence helps us to understand disease burden, treatment patterns, patient behaviors, and product performance in settings and populations that are representative of everyday clinical practice.

Our HEOR researchers utilize big data to identify patient patterns and generate evidence of the value of a new drug or other intervention for reimbursement. Such data falls into three broad buckets: clinical data, which helps evaluate a drug's safety and effectiveness; economic data, used to evaluate its value; and humanistic data, typically focused on quality-of-life measures important to patients. This large and diverse data allows us to better understand the experience of patients often excluded from clinical trials, as well as evaluate treatment comparisons that may not have been made in a randomized controlled trial. Our combined research of clinical trials and real-world evidence is an approach that can be used to provide a more comprehensive understanding of a treatment or disease, health care delivery, and ultimately, the a person's experience on treatment – all to advance patient care.

Patient assistance and access to medicines

We believe everyone who needs our medicines should be able to get them. We evaluate our pricing decisions on an annual basis, considering a range of factors on a product and country-specific basis, and offer a range of programs that help ensure access to our medicines. Our corporate growth strategy is primarily driven by **reaching more patients with innovative new medicines**.

We provide co-pay assistance (regardless of income) to all patients with commercial insurance, with the majority of patients paying \$5-10 per month. More than 90% of commercial patients are utilizing the co-pay assistance program. We also make donations to independent charitable foundations that provide co-pay assistance to patients in need, regardless of what type of therapy they are on.

To help patients having difficulty paying for their medicine, **myAbbVie Assist**, our patient assistance program, provides free AbbVie medicine to qualifying patients in the U.S. myAbbVie Assist serves as an important safety net for patients who lack insurance or whose health plans limit coverage for our treatments. This programs helps 99% of uninsured patients who seek our assistance and provided free medicine. For our Immunology treatments, the income eligibility requirements are 600% of the Federal Poverty Level (FPL) or less than \$159,000 for a household of four people. For all our other medicines, eligibility requires 500% FPL or less than \$132,000 for a household of four people.

During the pandemic, we made myAbbVie Assist contact information available broadly on national television, in newspapers and online to help people to continue receiving their AbbVie medicines regardless of financial and other obstacles. In 2020, myAbbVie Assist supported nearly 155,000 patients. We also help people access medicines through our community programs, as described in the **For the Strength of Our Communities** section of this report.

To facilitate access to medicines globally, we contribute to the **World Intellectual Property Organization's Patent Information Initiative for Medicines** database. The database provides patent information on medicines for HIV/AIDS, cardiovascular diseases, diabetes, hepatitis C, oncology, respiratory conditions and other products on the WHO Essential Medicines List.

Key Performance Indicator: Expanding access to health care and our medicines

	2016	2017	2018	2020	2021 ¹
U.S. patients provided medicine at no cost through our patient assistance programs ¹	78,745	76,692	80,871	89,122	154,922

1. Includes patients who received medicine at no cost from the Allergan Patient Assistance Program



Helping patients one call at a time

Erica Shipley is a patient assistance counselor for myAbbVie Assist. "Ninety percent of my job every day is being on the phone with patients," she says. "I help them understand the process and make it as simple as possible because I know they have many other things on their mind."

During the COVID-19 pandemic, many patients called myAbbVie Assist concerning their sudden job loss and access to insurance. One call at a time, Shipley worked to understand each patient's unique situation and to quickly provide solutions and further assistance. Although many challenges burden patients with chronic and life-threatening diseases during this unprecedented crisis, AbbVie strongly believes that access to their medications shouldn't be one of them.

Shipley knows the importance of her work as the world continues to deal with COVID-19. "It feels really good to work for a company that cares this much about patients. I love my job, and I love knowing that I'm helping patients live their lives again."

Independent healthcare grants

We aim to make a remarkable impact on the lives of patients, with a focus on supporting independent educational grants and continuing medical education. Our global grants and charitable donations ensure that both physicians and patients have access to meaningful independent educational resources around new and emerging sciences and standards of care that contribute to improved health outcomes.

In 2020, we reached more than **1.1 million patients** and more than **177,000 health care providers** through independent education grants. More information on the issues we support through our grants, process of application and details of grants given in 2020 can be found on our website.

We also provide funding for fellowships that allow health care providers who are new to their fields to continue their training and increase their experience and knowledge in their specialties of interest. Our hope is to close the gap in under-resourced fields by providing opportunities for the next generation of providers. We also support independent scientific and medical education programs that offer unbiased continuing education for experienced health care providers and scientists on current, new and emerging science.

In addition, we support nonprofit organizations with charitable donations that provide patients, loved ones and caregivers with necessary information and tools to manage their diseases. These resources empower them to be active participants in their health journeys. Some of the nonprofit organizations providing impactful programming include the **National Parkinson's Foundation, Arthritis Foundation, PACKHealth, Leukemia Research Foundation and CancerCare**.

Providing independent healthcare grants to help respond to the challenges of COVID-19

This year, we provided a number of grants for organizations responding to the challenges of COVID-19. These include:

'Tales from the Trenches' continued learning

To help health care providers and administrators responsible for the care of patients with cancer, the Rush University Medical Center prepared a continued learning course on COVID-19's Impact on Cancer Care and the Rise of Telemedicine. The virtual discussion-based course shares the real-world experiences of panelists on effective approaches to adjusting to the current environment in terms of both clinical and operational needs.

Partnership to End Addiction

We are a long-time supporter of **Partnership to End Addiction**. The organization saw an immediate increase in substance abuse following the start of the pandemic. Our grant allowed them to respond to the increased need for family support and mental health services and addressing addiction in the home.

Global Healthy Living Foundation

The **Global Healthy Living Foundation** aims to improve the lives of people living with chronic conditions. The pandemic is especially stressful for those living with chronic conditions who may be more vulnerable to the virus. With help from our grant, the organization developed a COVID-19 patient support program offering information and support for all those considered vulnerable to COVID-19.

COVID-19 Global Rheumatology Alliance

The **COVID-19 Global Rheumatology Alliance** is an international effort to collect and disseminate accurate and comprehensive knowledge to advance rheumatology care in the COVID-19 pandemic. The information collected will help guide rheumatology clinicians in assessing and treating patients with rheumatologic disease and in evaluating the risk of infection in patients on immunosuppression.

Upholding the highest quality standards

We have robust systems in place to ensure the medicines we manufacture are of high quality and available when patients need them. The **AbbVie Quality Council** oversees our quality strategy and direction across AbbVie. Our Quality Council is accountable directly to our CEO and is comprised of the heads of quality from R&D and Operations. Within these two functions, we have **Quality Assurance Groups** for our various sub-units, to ensure a quality culture is fully embedded throughout all our activities.

The principles and structure of our integrated enterprise **Quality Management System (QMS)** are outlined in our Global Quality Manual, available to all our personnel. The QMS complies with all applicable global standards and regulations (GxP) including the International Organization for Standardization (ISO).

To ensure quality and regulatory compliance, AbbVie manufacturing sites receive both internal and external inspections and audits from major regulatory health authorities such as the U.S. FDA, the European Medicines Agency and the Japanese Pharmaceuticals and Medical Devices Agency. In 2020, these audits had no findings resulting in production stoppages. We take strong, proactive measures to assess and maintain the security of our supply chain, as described in the **For the Resilience of Our Business** section of this report.

Once our medicines are approved and marketed, we maintain a robust pharmacovigilance program to ensure continued safety. Our integrated, multi-disciplinary approach in collaboration with academic scientists, health authorities and industry peers, as well as advanced technologies, is designed to identify potential safety signals early and minimize risk to patients. We routinely achieve over 98% on-time expedited reporting of adverse events to FDA and the European Medicines Agency (EMA). In 2020, our Pharmacovigilance and Patient Safety teams advanced a key initiative to use large observational data sets to advance our post-marketing safety capabilities.

We also take action to address any risks of our medicines being counterfeited or diverted. And in 2020, we provided education and training to more than 685 employees and 967 healthcare providers and law enforcement officials in higher-risk geographies on the social and health risks of these issues as well as common illicit trade practices and security protocols.

Our goal is to have no patient-impacting shortages and to ensure patients have the medicines they need when they need them. Our assurance of supply program is designed to help us maintain supply even in unpredictable circumstances, such as during COVID-19. We identify and qualify backup suppliers, scan the environment for potential risks and plan for alternate scenarios. In 2020, due to our early action in pre-purchasing key materials, we maintained a consistent supply to meet patient needs throughout the pandemic.

Core elements of our quality system



Risk management



Management responsibilities



Process performance & product quality



Corrective & preventive action



Change management



Documentation

For the Growth of Our Employees

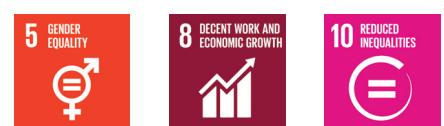
Our ability to solve complex challenges is directly linked to the diversity and skills of our dynamic talent. The wide range of knowledge, perspectives and capabilities that our employees bring is critical to our success in both the short and long term. It is how we advance our thinking and our outcomes.

Aligning with our Principles

Embracing Diversity & Inclusion

We treat everyone equally, with dignity and respect. Around the world, our employees embrace diverse backgrounds and perspectives which allows us all to achieve our best.

Contributing to the SDGs



2020 Highlights

54%

women in our global workforce

49%

women in management positions

35%

women in top management positions

33%

of our U.S. workforce is from an underrepresented population

Dow Jones Sustainability Index (DJSI) leader in occupational health and safety

Flexible working opportunities offered in
79 countries

Our culture and approach

For an innovation-driven company like AbbVie, the diversity of knowledge, ideas and capabilities that employees bring are critical. To maximize the performance of individuals and teams, we help them build strategic skillsets and leadership capabilities, foster employee engagement and amplify an inclusive culture. We invest in our employees through competitive compensation, benefits and employee support programs, and provide a safe working environment that supports their well-being.

By centering our culture on the steadfast belief that how we work with each other and achieve results matter, we foster a high performing, fulfilled workforce that fuels our business performance. Our culture is built upon these fundamental guideposts:

- **Our Principles**, which represent who we are and what we stand for: transforming lives, acting with integrity, driving innovation, embracing diversity and inclusion and serving the community.

- **The Ways We Work**, a core set of behaviors that sets clear expectations for all employees – reinforcing that how we achieve results matters. Integrated into all talent processes, they form the basis for assessing performance, prioritizing development and ultimately rewarding employees.

- **Our Talent Philosophy**, which guides how we lead and develop talent at AbbVie.

Our focus on developing this culture has created strong employee engagement, which has a positive impact on our reputation, business performance and the delivery of our business objectives. We conduct an Employee Survey every two years to gather feedback from employees about our culture, approach and performance in various areas. In 2020, in an abbreviated survey, 84% of employees indicated that they view AbbVie as a great place to work and reported feeling a sense of personal accomplishment in their work. Employees also favorably viewed AbbVie's response to COVID-19 (82%), commitment to racial equity (80%) and integration of Allergan (82%). See [A Year Unlike Any Other](#) for more information.



Cultivating a diverse and inclusive workforce

Equity, equality, diversity and inclusion (EED&I) is fundamental to who we are and how we operate. This includes valuing diverse perspectives, creating an inclusive culture and treating all employees with dignity and respect. At AbbVie, having a diverse and inclusive culture is a business imperative. It is not only the right thing to do, it strengthens our ability to innovate and is crucial to our ability to deliver now and into the future. Developing and bringing innovative, life-changing medicines to patients requires diversity of thought – and diversity of thought comes from a diverse workforce. Additionally important, we serve a wide variety of patient populations around the world and it is crucial that as a company, we reflect them and represent their voices.

That's why we've made a **Commitment to Equity, Equality, Diversity & Inclusion** based on our corporate principle of Embracing Diversity & Inclusion. We've also signed three commitments—the **CEO Action for Diversity & Inclusion™** pledge **Paradigm for Parity®** and **Business Coalition for the Equality Act**.

Our **five-year EED&I strategy**, launched in 2019, focuses on specific areas of opportunity in **driving awareness and understanding, attracting, developing and engaging talent, and creating connections and community**. Each of these areas have specific objectives and associated initiatives and include implementation plans organized by business function and geography. The strategy and its implementation are driven and overseen by our CEO, Chief Equity Officer, and the Executive Leadership team, who take accountability for our performance in this area. To reinforce this accountability, in 2020 our senior leaders committed to formal EED&I strategy and execution goals. They also participated in EED&I Immersion sessions to enhance their own learning and understanding of equity, equality, diversity and inclusion.

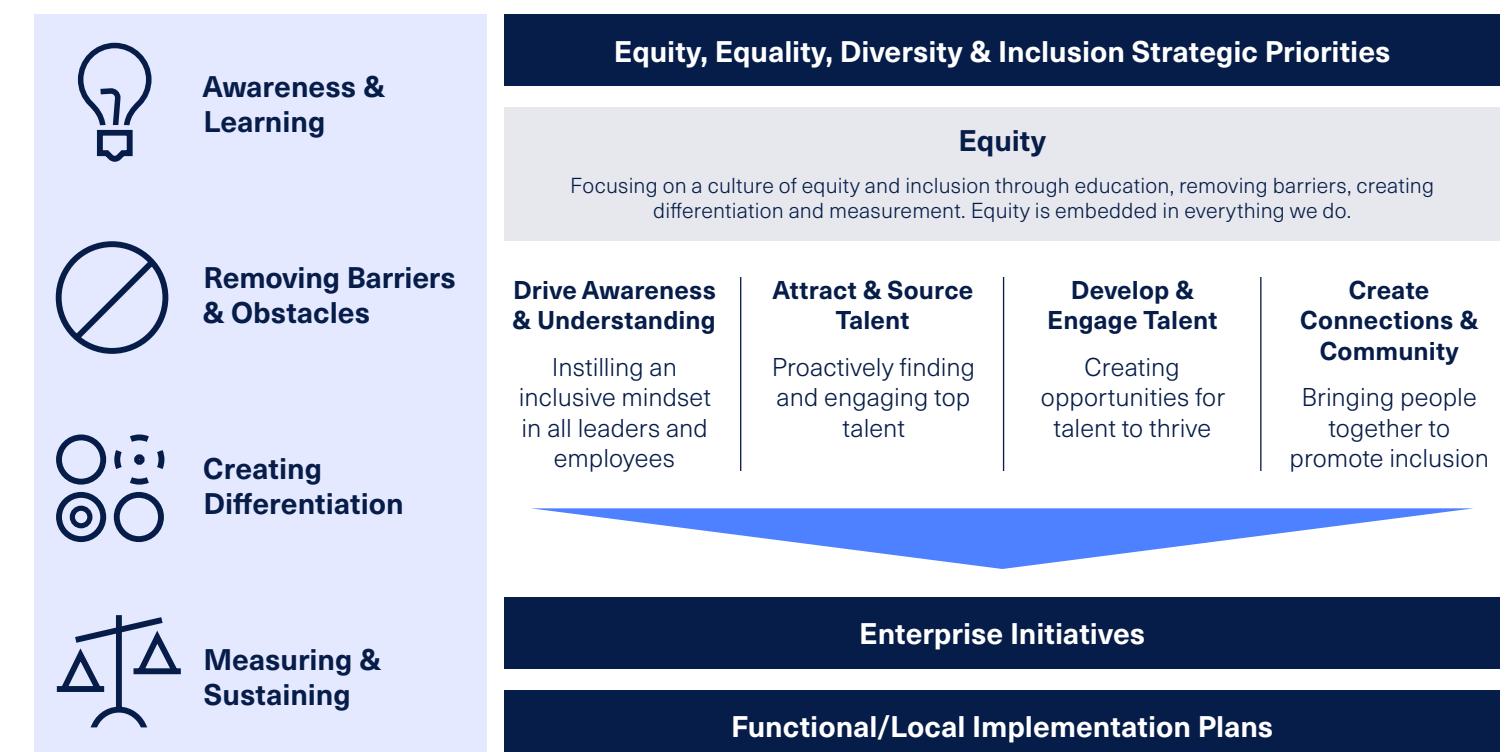
Given the unparalleled complexity of 2020, we hosted **listening sessions** for thousands of employees so everyone had a forum for their voices to be heard. This feedback, with other key inputs, has shaped our areas of focus for 2021 and beyond. We also made a \$55 million, multi-year commitment to help organizations working to address racial inequity, as described in **A Year Unlike Any Other**.

“To maximize every employee’s potential at AbbVie, we need to empower everyone to be themselves in their work environment; to provide a space where all are treated with respect and dignity. When we remove any potential roadblocks, we pave the way for unlimited thinking, more capability, and “best-in-class” mindsets.”

– Rae Livingston, Chief Equity Officer



Equity, Equality, Diversity & Inclusion Framework and Strategy



Driving awareness and understanding

An important part of our strategy is to instill an **inclusive mindset in all leaders and employees** so we can realize the full value of our diverse workforce. We prioritized learning and education across the company by launching two new virtual learning series in 2020—‘Impact through Inclusion’ and ‘Inclusive Culture’. Our Impact through Inclusion Learning Series comprised of two awareness sessions in the United States: ‘Stand by Me’ completed by more than 18,000 employees and ‘Talking Race’, completed by more than 5,000 people leaders within four months. Over 6,000 employees globally completed AbbVie’s Inclusive Culture Learning Series.

Our Black Business Network (BBN) Employee Resource Group led meaningful educational opportunities to help bring greater awareness to the AbbVie community, and established differentiated programming for greater impact. We also hosted notable and accomplished external speakers to provide additional awareness and learning opportunities for all employees.

Attracting and sourcing talent

In 2020, we expanded our diversity recruiting strategy to include a dedicated team and are expanding our focused partnerships with **Historically Black Colleges and Universities (HBCUs) as well as Hispanic Serving Institutions**. We also provide emerging student leaders with opportunities for career development, mentoring support and to be immersed in our AbbVie culture.

Developing and engaging talent

In 2020, we continued to develop and engage our diverse talent through initiatives such as our global **Women’s Leadership Journey**, which provides a broader awareness of and exposure to the skills and perspectives needed to excel into senior roles.

Our Executive Diversity Mentoring Program (EDMP) pairs high performing, high potential diverse talent with our top executive leaders for a one-year mentoring partnership. Through this program, mentees gain insight into executive-level thinking at the enterprise-level and cross-functionally and engage in direct dialogue with successful leaders and influencers. This year, we expanded our existing Executive Diversity Mentoring Program and launched a formal Sponsorship program—creating more opportunities for our talented pipeline to learn and grow while being supported by successful leaders.

Creating connections and community

Our **Employee Resource Groups (ERGs)** promote awareness and appreciation of our diversity, ensuring people of all backgrounds can develop and thrive. Our seven ERGs are open to all employees, whether they identify as part of the represented group or as an ally. With a focus on nurturing an inclusive culture where every voice is heard and valued, ERGs create connections and build community by hosting awareness events, provide leadership and career opportunities and promote diversity, inclusion and cultural awareness. In addition, the AbbVie Foundation annually provides each resource group with a **\$100,000 grant**, to distribute to the nonprofit partners of their choice.

Our Employee Resource Groups (ERGs)



AbbVie
Pride

AbbVie Pride embraces all LGBTQ+ employees by fostering a safe, supportive and educated workplace. We encourage all our LGBTQ+ colleagues to bring their whole, authentic selves to work. Allies create a supportive and inclusive environment, supporting the LGBTQ+ community in visible ways including furthering education around LGBTQ+ issues and fostering connectivity and an internal sense of community. In 2020, the members of PRIDE voted the recipients of their annual \$100K AbbVie Foundation grant to be The Trevor Project, and Heartland Alliance.

“What speaks volumes to me is that our PRIDE ERG sponsors are comprised of mostly high-level vice presidents and senior executives who are extremely supportive of our LGBTQ+ community... So, this inclusive culture really trickles out from the top down and is a reflection of how our executive leadership team embraces this EED&I mindset.”



Robert Shields (He/Him/His)
Associate Director, Consumer Marketing and PRIDE Career Lead



AbbVie
Veterans

Our AbbVie military veterans bring highly valuable skills to our workplace, and we support those who serve in the Guard and Reserves. We participate in the U.S. Department of Defense SkillBridge training program, which allows eligible active-duty service members to gain valuable work experience by job shadowing. We also support the Department of Defense’s Employer Support of the Guard and Reserve program, as well as several other programs that support veterans and service members transitioning to other employment. In 2020, AbbVie Veterans allocated their \$100K AbbVie Foundation grant to Midwest Veterans Closet, and Lake County Veterans and Family Services.

“AbbVie recognizes veterans possess essential skills that seamlessly translate to the organization, such as leadership, responsibility, teamwork, integrity, selfless service, dedication, agility and problem solving.”



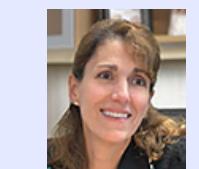
Michelle Raine-Shepherd
Manager, Call Planning/Targeting and Planning, and Chair of AbbVie Veterans



Ability at
AbbVie

Ability at AbbVie focuses on advocacy, inclusion and uniting employees with disabilities, caregivers and other allies. The group works with our leaders to find employment opportunities for people with disabilities and provide opportunities for them to build their careers. This includes targeted education and training to equip people leaders and their teams to build inclusive environments. Ability at AbbVie spotlights the ability and contributions of our employees, rather than their physiological traits. In 2020, Ability at AbbVie allocated their \$100K AbbVie Foundation grant to Orchard Village and The Nora Project.

“Ability at AbbVie enables me to connect with and share ideas and resources with other individuals like myself who have children or family members with disabilities and are facing similar challenges while balancing career.”



Marianne Sutcliffe
Vice President, Multi-Channel, Marketing Operations, and Media



AHORA
Hispanic/Latino

AHORA is dedicated to growing and strengthening our Latinx workforce by supporting the leadership and development skills of members, increasing cultural awareness and visibility within the organization and providing community assistance and outreach. Professional development activities include “Café con Leche” talks with our leadership, seminars led by university partners and collaboration with key external organizations. In 2020, AHORA allocated their \$100K AbbVie Foundation grant to Cristo Rey and Hispanic Scholarship Fund.

“It gives Latinos a voice and a platform to be heard along with opportunities to allow for professional and personal growth.”



Cylia Troche
Finance Manager, Legal and Chair of AHORA



Asian Leadership
Network

Asian Leadership Network (ALN) promotes the recruitment, career advancement and professional development of Asian, Asian-American and Pacific-Islander employees and provides a platform for their voices to be heard. With the rise of anti-Asian hate in 2020, the ALN has become even more important for its members. During the year, the group partnered with the other ERGs to draft a solidarity statement to show that we stand united at AbbVie and do not condone any form of racism. In 2020, ALN allocated their \$100K AbbVie Foundation Grant to NAAPIMHA and Apna Ghar.

“The intersectionality where we all co-exist is really important in driving inclusion and stopping hate and discrimination for everyone. The solidarity statement is very powerful because I know I have support from all the ERG leaders, AbbVie’s leaders and my fellow colleagues.”



Lis Rakanovic
Senior Compliance Analyst and ALN Co-chair



Black Business
Network

Black Business Network (BBN) promotes career advancement and professional development, encourages thoughtful discourse, shares cultural education and provides a safe place for Black employees. Among other initiatives in 2020, BBN provided a forum for dialogue on race, allyship and how each of us can be part of the solution and can engage in courageous dialogue so we can all do our part at work or home. In 2020, the BBN allocated their \$100K AbbVie Foundation Grant to Big Brothers Big Sisters of Metropolitan Chicago and The Fuller Center for Housing.

“It provides ongoing opportunities, career development, early-career mentoring and sponsorship.”



Tony Shaw
Regional Sales Director and BBN Chair



Women Leaders
in Action

Women Leaders in Action (WLA) strives to be a resource that empowers women to take control of their career journeys and shape their own futures. The group hosts many events throughout the year to support skills development such as Executive Series networking, resume writing techniques, stress management workshops and mentoring programs. In 2020, the group focused on how members could drive impact within their teams.

Community impact through the empowerment of young girls and women is also an important element. In 2020, the WLA allocated their annual \$100K grant from the AbbVie Foundation to Dress for Success, a global nonprofit organization dedicated to empowering underprivileged women to achieve economic independence and the Chocolate Chips Association whose mission is to instill a passion for STEAM subjects in girls.



Xongi Phaleng
Business unit manager, Immunology and WLA South Africa, Chair

Key Performance Indicators

	2016	2017	2018	2019	2020
Total employees ¹	28,939	29,777	30,612	30,776	48,000 ¹
% women globally ¹	52.9%	53.4%	53.2%	53.3%	54%
% women in management positions (manager level and above) ¹	44.7%	46.9%	47.1%	48.0%	49%
% women in Director and Manager positions ^{1,2}	—	—	—	—	50%
% women in VP and above positions ¹	35.0%	37.9%	34.8%	34.6%	35%
% women in management positions in revenue-generating functions ^{1,2}	—	—	—	—	48%
% women in STEM-related positions ^{1,2}	—	—	—	—	53%
% U.S. employees who are members of underrepresented populations ¹	—	30.1%	31.4%	32.0%	33%
% U.S. employees who are veterans	3.2%	3.4%	3.8%	3.8%	4%
% U.S. employees who have disabilities	0.9%	1.2%	1.2%	1.2%	2%

1. This number includes Allergan

2. New KPI for 2020, we did not track data historically

U.S. workforce by ethnicity¹

	Share in total workforce (as % of total workforce)	Share in all management positions (manager level and above as % of total management workforce)
Asian	17%	20%
Black or African American	6%	4%
Hispanic/Latinx	9%	5%
White	67%	69%
Other (includes Native American/Alaska Native, Native Hawaiian/Other Pacific Islander, and two or more races)	2%	2%

1. This number includes Allergan

Developing our people

We believe in a development-focused culture, where employees have opportunities to learn, grow and find purpose. We take a personalized approach to development, identifying each employee's individual development needs, encouraging employees to set a learning goal and prioritizing development opportunities aligned with their interests. This allows us to offer highly relevant opportunities that make a difference to employees' success and allows them to grow their careers and contribute to their fullest potential.

For all employees, our award-winning, global program, '**Learn. Develop. Perform.**' (**LDP**) offers webinars, online tools and mobile resources to help employees learn the necessary skills and capabilities to be their best. In 2020, we moved all training resources online in response to COVID-19 and 59% of global employees regularly engaged with LDP resources. All employees also have access to a suite of career development materials that enable self-guided planning to define career interests, investigate job openings and identify opportunities for improvement. We also make training resources available to help employees evolve their "Ways We Work" skills.

Our leaders play an essential role in bringing out the best in their teams. We provide a suite of live and virtual training resources focused on leadership development. **Leadership Essentials** is a series of workshops that help AbbVie leaders build the skills and behaviors to drive performance and includes: Leadership Expectations, which focuses on equipping new people leaders by defining our leadership practices and expectations; Leading Performance which focuses on how leaders raise the bar on their own performance and that of their team; and Leading Teams which helps leaders develop their strategy for inclusive leadership and keeping teams motivated.

Through our **AbbVie Executive Development program**, we provide focused development for managers and directors who are designated as "key talent" based on performance and leadership potential. In 2020, 336 managers and directors participated in the program, which we redesigned in response to COVID-19 to be delivered virtually. Additionally, we regularly review, update, and develop talent according to succession plans which are

designed to ensure that we are prepared for the future and have a sustainable and agile talent pipeline. Succession planning supports business continuity and helps ensure we can continue delivering medicines to our patients.

Performance management and recognition

All categories of employees use our **Raise the Bar performance management process** to establish expectations, set goals and evaluate annual performance based on accomplishing established goals and demonstrating the **Ways We Work**—behaviors expected of all employees regardless of level, role and geographic location. During the year, employees receive feedback during "Time to Talk" points throughout the year. These two-way dialogue check-ins are designed to support performance, motivate development, and build trust. Leaders consider a range of inputs to fairly assess each employee based on achievements and behaviors for a formal year end assessment. The resulting rating guides merit pay increases, and for those eligible, annual bonus payouts and long-term incentive stock grants.

Key Performance Indicators: Talent attraction, retention & development

	2016	2017	2018	2019	2020
Overall turnover rate	9.2%	8.4%	8.6%	11.1%	8%
Voluntary turnover rate	5.9%	5.3%	5.5%	6.6%	4%
Average hours of training and development per FTE	7	28	28	29	29
Average amount spent on training and development per FTE (US\$)	1590	1620	1650	1690	1750
Number of new hires	—	—	3000	3400	3400
Percentage of open positions filled by internal candidates	25.7	30.7	27.1	31%	30%
Employee engagement rate*	81%	—	84%	—	—
Percent of employees who indicate that AbbVie equips them well to perform in their role*	76%	—	79%	—	—

*Source: Employee Survey, which is conducted every two years. We conducted an abbreviated survey in 2020. Full survey results will be available in the 2021 ESG Action Report.

Protecting human rights and workplace safety

We believe in the inherent dignity of every human being. We uphold and respect individual rights as set out in the **Universal Declaration of Human Rights**, focusing on preventing, mitigating and remedying any adverse human rights impacts across our value chain. Our **Commitment to Human Rights** and **Code of Business Conduct** describe the ways in which we ensure respect for all people, including our employees, contractors, suppliers and patients. We absolutely prohibit child labor, forced labor, involuntary labor, human trafficking and unfair wages and benefits from our own operations and within our supply chain. We do not tolerate harassment, discrimination or intimidation of any kind and are committed to maintaining a work environment free from intimidation, violence or threats of violence. Additionally, our **Global Privacy Policy** protects our employees', patients' and customers' personal information.

We comply with each country's labor laws and **respect our employees' rights to collective bargaining and freedom of association**. In countries with collective bargaining agreements, we have regular conversations with representatives to maintain

an open dialogue – 23% of our employees are represented by an independent trade union or covered by collective bargaining agreements. In Europe, our AbbVie European Employee Forum represents more than 10,000 employees and provides a forum to share information and build constructive dialog with employee representatives from European countries.

Ensuring the safety of our employees across our workplaces is one of our cornerstone commitments to human rights. We provide comprehensive workplace safety training for all employees, as appropriate for their environment. Our guiding philosophy is called "**Zero. Believe It. Achieve It.**" which reflects the core belief that every environmental, health and safety incident is preventable if each employee adopts a preventative mindset. We also obtain external certifications for workplace safety. All of our manufacturing sites are certified to the international standards for safety associated with **OHSAS-18001** or **ISO 45001**. All OHSAS-18001 certified sites will move to ISO 45001 by end of 2021.

In 2020, we continued to lead the industry in employee health and safety. Since our launch as an independent company, we have been a **Dow Jones Sustainability Index (DJSI) leader in occupational health and safety** across the biotechnology industry, reflecting our commitment to continuously improving our best-in-class safety programs. We demonstrated our commitment to workplace safety through initiatives such as the **STOP Program**

for **Frontline Supervision**, a safety training observation program designed to reduce workplace injuries and illnesses through training, peer-to-peer support and coaching. This program aligns with our culture of risk anticipation and is intended to improve our detection and elimination of environmental, health and safety incidents. To date, more than 650 supervisors have received training globally.

Key Performance Indicators: Workplace safety, lost-time injuries frequency rate

	2016	2017	2018	2019	2020
Recordable incident rate (per 200,000 hours worked)*	0.30	0.28	0.27	0.25	0.14
Lost time injuries frequency rate (per million hours worked) *	0.50	0.30	0.24	0.43	0.20

* Data reported in 2016-2018 has been restated due to changes in classification of injury/illness cases post year.
Periodically, cases will change Recordability or Lost Time status based on medical case management.

Enhancing employee well-being

At AbbVie, we are driven by the holistic well-being of our employees world-wide. That's why we promote **AbbVie Vitality**, a sustained set of **healthy behaviors: physical, mental, emotional, financial, workplace and work-life** to help employees be their best selves—at work and at home. Vitality resources cover areas including preventive health, fitness, nutrition, mental health, financial support and work-life well-being. The program offers a wide range of local and global events, programs, resources and tools:

- Seminars and online resources on topics such as stress management, nutrition, safety and work-life well-being
- Health promotion programs, including for diabetes, cancer and weight management
- On-site health screenings and immunizations in several countries, including COVID-19 testing in 2020
- Mental health awareness campaigns
- Listening sessions to understand points of view and experiences with regard to racial equity
- Financial and well-being support, including retirement programs and online and in-person learning and seminars
- Fitness and resilience resources including on-site fitness and rehabilitation centers

We encourage our employees to ask for help, whether in their personal or professional lives and support our employees around the world through our **AbbVie Employee Assistance Program**, which provides assistance with personal concerns, free short-term counseling and referral services, and the **AbbVie Foundation's Employee Assistance Fund (AEAF)**. The AEAF funds programs that offer employees assistance at two pivotal moments—when a child goes to college and if a disaster or personal hardship strikes. In 2020, 319 scholarships were awarded to children of AbbVie employees from 38 countries as part of the

AbbVie Possibilities Scholarship Program, and \$3.2 million was provided in financial assistance to employees from 21 countries as part of the Employee Relief Program.

Work-life well-being

We support work-life well-being and flexibility to help our employees sustain high performance, productivity and engagement. We provide managers and their teams with tools, tips and guidelines on effectively managing workloads, managing teams from a distance and supporting flexible work practices. Flexible work schemes include flex time, part-time, job sharing, shift changes, compressed work weeks, remote work, telecommuting and in the U.S., a phased retirement program. In 2020, flexible work arrangements were offered in 79 countries.

We have **industry-leading parental leave policies and on-site daycare** in several locations to support working parents. In the U.S., parental leave policy provides eight weeks paid and up to 10 weeks unpaid leave that may be used incrementally to phase back into work after having a child. In 2020, 35 percent of employees who took parental leave used the phase back option.

The **Family Care Navigator program** helps U.S. employees navigate their health benefits with a special focus on accessing pediatric care, including a primary contact to manage cases and provide patient advocacy.

During 2020, AbbVie provided numerous resources to employees to support their ability to work effectively during the COVID-19 pandemic, while managing their own well-being and caring for their families. These resources continue to remain in place and cover caring for physical, emotional and financial health, collaborating with coworkers virtually, supporting managers to effectively lead and collaborate with their teams, virtual development opportunities and caregiver support services for working parents.



Benefits

AbbVie is committed to providing a comprehensive total rewards package that is relevant and competitive in attracting, retaining and engaging the talent we need to drive our business growth. We offer employees a combination of robust and meaningful benefits, compensation and well-being programs—including health care and retirement benefits, life and disability insurance, sick pay, medical leave and well-being programs, to name a few. Our well-rounded compensation programs include short-and long-term incentives designed to ensure we are competitive with our peers.



Celebrating our working parents of the year

Our talented employees include many hardworking mothers and fathers, and each year we recognize the parents of our workforce who demonstrate great mentorship, overcome hardships, make significant contributions to social causes and act as a positive role model. Candidates are nominated by co-workers or managers for the Working Parent of the Year recognition. By recognizing talented and hard-working parents within our workforce, we want to encourage a strong culture of work-life balance.

In 2020, we named Eric Lynch as our Working Dad and Brenda Gerald as our Working Mother of the Year. Both Eric and Brenda inspire their colleagues through their work ethic, dedication to their families, and perseverance when times get rough.

Eric, a director in Care Model Strategy for patient services, is a single father of three. In 2010, Eric devastatingly lost his wife and the mother of his children to cancer. Through this recognition, we celebrate the extraordinary job Eric has done in both his career and home life.

Brenda, a field access specialist in patient services, has her hands full as a single mother of four children and four dogs. In the past four years, Brenda has suffered through two devastating hurricanes which forced her to live out of hotels for months at a time with her family. However, Brenda's perseverance led her family out of this devastation stronger than before.

For the Strength of Our Communities

We think long-term. We invest in innovative ways to sustainably and measurably improve the collective health of people and our planet. We are proud to uphold our commitment to serving the community.

Aligning with our Principles

Serving the Community

We are proud to serve and support the community and do our part to protect the environment. We make a remarkable impact that is felt within health care and beyond.

Contributing to the SDGs



2020 Highlights

\$21.7M

raised during employee giving campaign and AbbVie Foundation matching

\$1.3M

donated to disaster relief organizations in addition to our donations for COVID-19 relief efforts

24%

reduction in carbon emissions since 2015 baseline

89%

of waste diverted from landfill

18%

reduction in water consumption since 2015 baseline

Supporting long-term community strength

Giving back is an integral part of who we are. As a biopharmaceutical company, our opportunity to make positive contributions to society starts with the innovative medicines we discover, develop and deliver. Making them accessible to people who need them is a critical part of our contribution. However, for people without reliable access to health and wellness services, that's not enough. That's why we support community-based and education programs that enhance access to health care more broadly and build long-term community strength.

AbbVie and the [AbbVie Foundation](#)'s philanthropic giving focuses on three main areas: **building strong communities, strengthening health care systems and effective educational programs**. In addition to these three areas, through our medicine donation programs, we provide medicines for people who would have no other means of accessing them. We have seven ongoing medicine donation partnerships with non-governmental organizations providing care in low- and middle-income countries (LMICs). We support requests for medical donations for pediatric health, mental health, and HIV/AIDS, and access to surgical care by donating our general anesthesia treatment for use in free surgeries. Furthermore, we donate medicines for use in disaster relief efforts and in response to humanitarian crises. Since 2013, we have donated medicines for use in over 100 countries.

Strategic philanthropic partnerships

In 2020, we continued to advance a multi-year investment, announced in 2018, that provided **\$350 million to nine partner organizations** across the United States and Puerto Rico. Within this donation, \$155 million was invested in partners strengthening health systems and enhancing access to health care for underserved communities, \$95 million was provided to partners to achieve education equity by changing the trajectory of the lives of marginalized students, and \$100 million for disaster relief in Puerto Rico following Hurricanes Irma and Maria. Year over year, we continue to see significant results from these partnerships.

Strengthening health care systems

- Through our partnership with **Ronald McDonald House Charities (RMHC)**, our donation has helped RMHC add more than 670 new guest sleeping rooms at 33 Ronald McDonald Houses so far, providing more than 246,000 additional nights when families could be close to hospital care. During the COVID-19 pandemic, with AbbVie's support these 33 Ronald McDonald Houses provided respite for front-line health care professionals, created alternative means for expectant mothers to receive care and issued immunizations to children outside of the hospital.
- Our donation has enabled **Family Reach** to expand its financial support services for families facing cancer to 25 new hospitals in 23 states, serving an additional 4,223 families in immediate need. 860 families were provided with financial planners, a free resource for cancer patients and caregivers, all of whom reported that they would recommend the program. Additionally, 325 social workers and resource navigators were trained and added to the Family Reach Network to help ensure long-term sustainability for the organization.



Effective Educational Programs

- **Communities in Schools (CIS)** aims to provide equitable opportunities to low-income students to excel in the classroom through a community of support based within schools. With our support, during the academic year 2019 – 2020, CIS served 77,719 students in 115 schools, including more than 5,000 with intensive case management needs. For the current school year 2020 – 2021, CIS is already serving 67,294 students, including more than 4,500 with intensive case management.
- **City Year** aims to increase math and literacy support in low-income schools and among at-risk students. In 2020, our support enabled City Year to expand into 24 new schools in seven new cities and supported a total of 22,015 students across 282 schools. In addition, 17 new sites began to use the AbbVie-funded new National Math and Literacy Academic curriculum.
- During 2020, the **University of Chicago Education Lab** and Superintendent of Chicago Public Schools received a landmark \$1.1 million investment from the City of Chicago to expand their mentorship program for youth involved in gun and other traumatic violence, at risk or involved in gang activity or on probation. This was a direct result of an AbbVie-funded impact study and allows the program to offer year-round services for more than 2,000 students over the next three years. Results of a second AbbVie-funded study demonstrated successful and cost-effective ways to reduce the achievement gaps between minority, low-income children and their peers.



Building Strong Communities

Following the devastation caused by Hurricanes Maria and Irma in 2018, we donated to organizations in Puerto Rico invested in long-term solutions to build community resilience by strengthening access to health care and housing on the island. As a result of our efforts in 2020:

- **Habitat for Humanity International** completed 99 substantial home repairs, trained 22 local workers in OSHA certified building practices and created an island-wide initiative to provide 500 families with title clearance to establish a clear title for property ownership and allow owners to seek FEMA recovery or relief for property damage.
- **Direct Relief** repaired and strengthened 16 additional community health centers and provided 39 mobile medical units to help clinics reach the most remote and vulnerable populations. The initiative also helps integrate innovative tele-health care technology into future public health offerings. Direct Relief also installed new solar power to provide energy for 12 health facilities and 18 community water pumps. To enhance preparedness for future disasters, nearly 800 emergency packs were supplied by Direct Relief to the Medical Reserve Corps and other health care providers. With the investment in community resilience resources created by Direct Relief with AbbVie's support, communities were better equipped and less impacted by power, medical stock and water loss when earthquakes hit Puerto Rico in 2020.



Spotlight: International Medical Corps

In March 2020—within days of the COVID-19 pandemic declaration—AbbVie donated \$35 million to help support underserved communities and health care systems working to address the impact of COVID-19. \$20 million of the donation supported International Medical Corps, a global first responder delivering emergency health care in 30 countries.

AbbVie's donation enabled International Medical Corps to deploy emergency medical field units to support 28 hospitals

with 27 field units across the United States, provide 759,000 items of personal protective equipment and 10,321 pieces of medical equipment including oxygen concentrators, ultrasounds, defibrillators and more, and cover 74 medical staff shifts providing over 8,100 hours of service.

Learn more about our COVID-19 response in [A Year Unlike Any Other](#).



Our approach to promoting health and education equity

Our approach to grant-making includes open conversations with our partners and listening to our community. In our conversations with community and nonprofit leaders, we consistently heard that reducing health disparities and providing educational and workforce-related opportunities for underserved Black communities were areas where the AbbVie Foundation could have a meaningful impact. As a result, the AbbVie Foundation has made a \$50 million investment to support health and education opportunity in underserved Black communities across the U.S.

With our headquarters in the Chicago area, we took time to evaluate non-profits that have strong roots in our community locally, as well as those with national scope. We identified and vetted more than 40 non-profits, both new and well-established AbbVie Foundation partners, and selected six to partner with as part of this initiative. Each of these philanthropic partners

anticipate measurable improvements in health, education and workforce disparities rooted in racism. They are looking at new ways to improve tomorrow's systems while empowering communities today.

Our five-year commitment entails a two-pronged approach – scaling existing programs and launching new programs to address inequity. First, we looked to scale existing programs with non-profits that have evidenced-based, tested programs by bringing them to new locations and through mentorship and skills-based volunteering by our employees. We also launched new programs with Direct Relief's Fund for Health Equity and United Negro College Fund's Healthcare Diversity Workforce program. Our hope is that our long-term commitment will serve as a catalyst for others to join in this important work.

Learn more about our Racial Equity investment in [A Year Unlike Any Other](#).



Supporting our local community in North Chicago

Since the company's inception in 2013, AbbVie and the AbbVie Foundation have contributed significant funding directly to the North Chicago community surrounding our global headquarters through more than 30 local non-profits. This includes support toward education through contributions to classroom, library and athletic facility renovations, math and reading curricula development and adoption, teacher trainings, a school-based health center and building the district's first preschool.

In 2020, designs for rebuilding the Neal Math & Science Academy, North Chicago's only middle school, using a \$40 million donation from AbbVie were completed and construction began. The new building will be operational in Fall 2022 and will provide a safer, modernized learning environment to support student success.

Despite the challenges and restrictions to in-person education and mentoring due to the COVID-19 pandemic this year, our partnership with the Illinois Science and Technology Institute (ISTI) enabled students from the local high school to explore

potential careers in science through the AbbVie STEM Challenge. 125 students were paired with 59 AbbVie employees acting as mentors. Students presented their solutions to a "real world" challenge in a virtual poster session with the consistent and steady support of their mentors. As a result of the program, most students reported gaining confidence in collaboration, research skills, problem solving, implementing feedback, STEM skills and decision making.

During 2020, with our support, North Chicago Community Partners quickly pivoted to providing ongoing essential care resources for 100+ families each week, created a Volunteer from Home Program that assembled more than 57,000 bilingual activities to supplement learning, provided full-time in-school support for vulnerable students, held pop-up health clinics for children and teens and helped launch hybrid learning in North Chicago's public K-5 schools. In 2020, our commitment to the North Chicago community also included support for the Northern Illinois Food Bank, as part of our response to the COVID-19 pandemic, described in [A Year Unlike Any Other](#).



Partnerships

The AbbVie Foundation works with extraordinary **global partners** to help change lives. This year, our support has enabled partners to continue with their important work and respond to new challenges created by the COVID-19 pandemic.

Baylor College of Medicine International Pediatric AIDS Initiative (BIPAI)

AbbVie Foundation supports BIPAI in providing comprehensive and holistic HIV care, treatment, prevention and psychosocial support in Romania and Malawi for 30,000 children and adults living with HIV/AIDS annually. Over the course of the partnership, our support has enabled the training of more than 5,000 health care workers, leading to increased adherence rates and reduced morbidity and mortality. Because of the COVID-19 pandemic, adherence rates decreased, but BIPAI has worked to adapt their care and treatment services to the new circumstances, and as a result adherence rates are projected to return to usual in 2021.

AMPATH (Academic Model Providing Access to Health Care)

AMPATH seeks to make health care available for all Kenyans through universal health coverage and an integrated approach to care that serves hard-to-reach populations and addresses multiple health challenges. This year, some funding was reallocated to purchase personal protective equipment and to ensure access to basic needs including food when the supply chain was impacted, allowing the program to continue engaging health workers and communities.

Partners In Health (PIH)

PIH's innovative community health programs strengthen the capacity of community health workers in parts of Mexico. In 2020, AbbVie Foundation's support enabled PIH to serve 1,100 patients with chronic diseases, during more than 4,700 consultations, provide mentorship, supervision and more than 100 training sessions to 80 local community health care workers (CHW) and coaching to health care providers on helping people with diabetes prevent disease progression. CHWs were also trained and redeployed to support PIH's COVID-19 response, with contact tracing becoming one of the CHWs primary responsibilities.

Additionally, a household screening visit program is being piloted, where a community health worker regularly visits a home to provide preventative care. So far, the program has led to improvement in rates of control for diabetes and hypertension.

MAP International

Complementing our pro bono research program on neglected tropical diseases, AbbVie Foundation supports MAP International in their efforts to prevent and manage Chagas disease in Bolivia. Their community-based approach includes health education, training community health workers, diagnosis and treatment support and practical action to minimize transmission such as repairing and constructing latrines. In 2020, more than 5,500 people were screened during home visits and referred for care. These efforts help to increase awareness and co-operation between stakeholders including health care services, the educational system, child protection agencies and grassroots and ethnic organizations.

Employee giving and volunteering

Community engagement is an integral part of AbbVie's culture and our employees are committed to giving back. In recognition of our giving culture, Great Place to Work® and PEOPLE again named AbbVie as one of PEOPLE's **50 Companies That Care** in 2020.

Our employee giving and matching program encourages employees to make charitable donations to eligible nonprofit organizations. Through an online platform supported by AbbVie, employees, retirees and former and current members of the board of directors may make contributions to charities of their choice. The AbbVie Foundation matches those contributions dollar for dollar, up to \$5,000 per employee per year. This year, we expanded the program from North America to be available globally, and committed to matching employee donations 2:1 to COVID-19 related charities and 3:1 to **civil rights non-profits** fostering racial equity. Each year we run an Employee Giving Campaign and consistently exceed 85 percent U.S.-based employee participation in the campaign.

In 2020, AbbVie employees in 50 countries raised \$21.7 million through our matched giving program to benefit more than 8,100 charities which was a 69% increase over the prior year.

All employees can use up to two days of paid work time to volunteer in the community. We run several pro bono programs so that our specialized employees can donate their skills in the most useful way. These include a research program where AbbVie R&D experts donate paid work time to collaborations with global health partners to address unmet needs and public health issues, particularly those affecting people in low- and middle-income countries.

Through our legal pro bono program, AbbVie attorneys and legal staff have teamed up with the **National Immigrant Justice Center (NIJC)**, a nonprofit that provides legal services to immigrants and asylum seekers, donating their time and skills to represent people seeking asylum in the United States on grounds of political and gender persecution. We are proud to be part of protecting human rights in this way.

Key Performance Indicators: Economic activity, volunteerism and philanthropy

	2016	2017	2018	2019	2020
Employee community volunteers (worldwide)	8,174	7,247	7,494	10,059	772 ¹
Students reached through education projects	9,107	56,840	56,807	57,033	236,906 ²
Funds raised during employee giving campaign (millions)	\$6.5	\$7.90	\$11.80	\$13.0	\$21.7 ³
Number of disaster relief efforts supported ⁴	7	9	10	6	6
Total amount donated to disaster relief organizations (excluding product donations, millions)	\$0.4	\$4.5	\$2.6	\$1.5	\$1.3

1. In 2020, all AbbVie-organized, in-person volunteering programs were paused due to COVID-19. That included our annual, global volunteering event Week of Possibilities. As a result, our 2020 volunteering numbers are not in line with our usual volunteering efforts and relate to skill-based volunteering by a small number of specialized employees.

2. Our corporate \$350 million philanthropic commitment that began in 2018 contained a significant education component. The increase in students reached in 2020 reflect the results of these programs.

3. 2020 was a unique year for AbbVie's Giving and Matching program. In 2020, the Employee Giving Campaign more than doubled its footprint from an AbbVie U.S. program with 15,000 employees to an international program serving nearly 37,000 employees all over the world. We also provided a temporary 2:1 matching for non-profits dealing with the impact of COVID-19 and for those fostering civil rights and racial equity. In December 2020, the 2:1 civil rights and racial equity program expanded to 3:1 as part of the company's \$50 million 5-year commitment to racial equity.

4. AbbVie and AbbVie Foundation's response to disasters varies any given year based on a range of variables. In 2017 and 2018, large-scale disasters occurred in regions such as Puerto Rico where a significant number of AbbVie employees live and work. Fewer large-scale disasters occurred in 2019 and 2020, however AbbVie made a \$35 million philanthropic response to organizations engaged in disaster relief efforts related to COVID-19.

Prioritizing environmental sustainability

We prioritize environmental sustainability within and beyond AbbVie to support our patients, people and planet. Our environmental sustainability strategy is focused on reducing our environmental footprint, growing sustainability through inspiring innovation and engaging our workforce to steward sustainability. We have set ambitious, long-term environmental sustainability targets for absolute reductions to carbon emissions, water use and waste generation, striving for zero waste to landfill at our sites while driving increases in renewable electricity. We disclose our efforts and impacts through participation in various reports, including [CDP](#).

Climate change impacts human health. In 2021, we committed to joining the **Science Based Targets initiative (SBTi)** by setting ambitious science-based emissions reduction targets to support limiting global temperature rise to no more than 1.5°C above pre-industrial levels, in line with the Paris Climate Agreement and the 2018 Intergovernmental Panel on Climate Change. Working with the SBTi allows us to access expert resources to support us on our journey to meaningfully reduce our climate impact and provides external assessment and validation of our approach and target. We intend to formally announce our SBTi-approved science-based targets in 2022, using 2021 as our baseline year.

AbbVie environmental targets (all changes are relative to 2015 baseline)

	2020 Achieved	2025 Target	2035 Target
Reduce absolute carbon emissions (scope 1 & scope 2 – market based)	24%	25%	50%
Increase percentage of electricity purchased from renewable sources (excluding leased commercial offices)	28%	50%	100%
Reduce absolute water withdrawal (including non-contact cooling water)	-3%	20%	50%
Reduce absolute total hazardous and non-hazardous waste generated (excluding construction and demolition waste)	13%	20%	---
Achieve and maintain combined recycling rate for hazardous & non-hazardous waste (excluding construction and demolition waste)	38%	50%	---
Achieve zero waste to landfill (excluding leased offices)	89%	---	100%

+ Includes waste disposed of in the following manner: beneficial use, recycled, composted, treated, fuel blending, incinerated with energy recovery and incinerated without energy recovery.

Reducing our footprint

We work to advance the sustainability of our global operations by reducing the energy and water we consume and the waste we generate. We also monitor our operations to ensure that the manufacture, use and disposal of our medicines do not adversely affect the environment or human health. We operate robust environmental and energy management systems that maintain the integrity of our environmental sustainability strategy. All our manufacturing sites have ISO 14001 certification for effective environmental management systems, ten have ISO 50001 certification for effective energy management systems and we are working toward two additional ISO 50001 certifications. Three of our sites are Energy Star Certified.

We also expect our suppliers to join us in our efforts to protect the environment. As stated in our [Supplier Code of Conduct](#), we expect suppliers to operate in an environmentally responsible manner and strive to minimize adverse impacts on the environment. Our supplier sustainability audits include a thorough assessment of the environmental stewardship practices of key suppliers. Through our [sustainable procurement policy](#), we

prioritize the selection of suppliers and purchased goods that have lower impact on the environment when compared with competing products. View our commitment to [environmental stewardship](#) and our position on [global climate change](#) for additional information.

Energy and carbon emissions

Our determined efforts to reduce carbon emissions are being achieved largely through investment in technology, infrastructure and processes that increase **energy efficiency** and use **cleaner energy sources**. For example, our new co-generation system at our manufacturing site in Barceloneta, Puerto Rico enables AbbVie's plant to generate its own electricity and operates completely on liquefied natural gas, replacing our use of #6 fuel oil, which has higher emissions. In 2020, we increased the amount of renewable electricity that we purchase to power North American sites and are on track to meet our 2025 target of increasing renewable energy sourcing by 50% compared with the 2015 baseline. We also continue to expand the use of electric and hybrid vehicles in our fleets, as well as explore other opportunities to reduce emissions.

Climate change adaptation

We continually evaluate the impact of climate change on our business, particularly in terms of potential supply disruption. To protect continuous access to medicines and mitigate supply risks, we conduct climate risk assessments and implement adaption projects. Climate risk is integrated into our enterprise risk management process. In 2020, we partnered with [S&P Global Trucost](#) to perform a **Climate Risk Assessment for Physical Risks**. The analysis focuses on extreme weather impacts today and other climate impacts in **2020 to 2050**. The risk assessment encompassed **100 global sites and locations** including all manufacturing, R&D, warehouse locations, along with selected commercial affiliate offices. It also included the top 35 locations of our critical suppliers, the top 20 locations for our third-party logistic warehouses and all 9 of our global third-party data centers. We are in the process of analyzing the results of this assessment and will publicly disclose the results as part of our **2021 CDP Climate submission**.

We use qualitative and quantitative climate-related scenario analysis for physical risks. The Trucost dataset focuses on three future climate change scenarios based on IPCC Representative Concentration Pathways (RCP) and informed by the TCFD technical guidelines (FSB, 2017): High Climate Change Scenario (RCP 8.5), Moderate Climate Change Scenario (RCP 4.5), and Low Climate Change Scenario (RCP 2.6). AbbVie analyzes climate risks against the **RCP 2.6, RCP 4.5 and RCP 8.5** scenarios. AbbVie conducts general level assessments on the physical impact of climate change and includes our upstream operations in addition to our downstream operations and clients. This includes analysis of water risk across our manufacturing and research sites. We use the WRI Aqueduct tool to assess direct and indirect water-related risks through 2030.

Some of the actions we've already taken to adapt to climate risk include updating physical features at our Barceloneta, Puerto Rico site in preparation for stronger hurricanes. Our roofs have been designed and reinforced to withstand a category 5 hurricane, and our co-generation system has been replaced to ensure that we can self-generate power if one of the engines is damaged. In preparations for power interruptions from wildfires in California, we installed and commissioned an on-site emergency generator at our new R&D site in South San Francisco.

Water

Access to clean water is crucial for health, and we are committed to using water responsibly and doing our part to protect this vital resource. We have set an ambitious goal to **halve our absolute water withdrawal by 2035** when compared with our 2015 baseline. To achieve this goal, we focus our efforts on reducing our total global water consumption and invest in innovative technologies that allow us to use water more efficiently. For example, at our manufacturing site in Sligo, Ireland, our investment in a new on-site water treatment system has enabled us to reduce hazardous aqueous waste by 5,000 metric tons per year.

Waste

As a pharmaceutical company, we produce hazardous and non-hazardous waste at our manufacturing and research sites. We recognize the importance of minimizing these and using appropriate waste disposal methods, avoiding landfill wherever possible. We continuously evaluate opportunities to **reduce, reuse and recycle** waste materials. In 2016, we set a goal to send zero waste to landfill by 2035.

To ensure proper management, we characterize our waste streams to determine waste classification and proper disposal methods and ensure our employees are fully aware of correct classification and procedures. Waste management training is provided to AbbVie employees and contract workers before they undertake any responsibility for hazardous waste management activities. We routinely audit the procedures and practices of third-party waste management providers to ensure our waste is responsibly managed and disposed of.



Growing sustainably

Integrating sustainability into our design, planning and development allows us to embed environmental sustainability into our business activities, supporting our environmental targets and sustainable business growth. In 2020, we refreshed our **Global Facility Design Guidelines** to include more than 100 ways to incorporate sustainability into our office and laboratory renovations, new builds and leased facilities globally.

Our Sustainable Packaging Program has been developed with **circular economy principles** in mind, focusing on designing packaging in a way that will enable its recovery through reuse or recycling. The program also looks at optimizing packaging solutions during transportation to reduce carbon emissions and working with suppliers to source innovative materials that reduce the environmental impact of our packaging solutions.

Inspiring innovation

The SPARK Innovation Accelerator is an incubator for employee driven AbbVie sustainability ideas focused on accelerating our efforts to reduce energy, water and waste. In 2020, colleagues from 37 different global sites submitted over 200 ideas and 13 winning ideas will be implemented by November 2021.

On Earth Day 2020, we launched **EcoChallenge**, a virtual employee sustainability engagement event to encourage our global community of changemakers to take action to make a healthier and better world possible. In 2020, over the course of 3.5 weeks, 2,200 colleagues from 36 different countries participated and completed over 48,100 sustainable actions to reduce energy, water and waste.



Spark Innovation Accelerator: 2020 Celebration of Impact

Our inaugural year of Spark Innovation Accelerator in 2019 received over 100 ideas. We selected eight winning teams from five global sites to accelerate their ideas into action in 2020, and our pilot results indicate the projects will have an estimated collective positive impact of reducing 95,700 cubic meters of water (38 Olympic swimming pools) and 613 metric tons of waste (307 garbage trucks) by 2025.

Two of our winning Spark teams came from Singapore, and their projects have had an impressive impact already:

Make every drop count

Singapore is a high-water stress location with an extremely dense population, yet not enough open land to collect water. AbbVie's Make Every Drop Count team came up with a rainwater harvesting program to reduce the amount of fresh water used for cooling at one of our manufacturing sites. The project is estimated to reduce fresh water use by 20,000 cubic meters, the equivalent of 14.5 Olympic swimming pools, and save \$36,000 USD annually by 2025.

Single-use plastic recycling

Much of the plastic used in the manufacturing process at our biologics plant in Singapore was used only once before being discarded due to sanitation requirements. To address this, the team looked for ways to redirect the plastic from the waste stream. After thoughtfully searching for the right vendor, the team reached an agreement with Environmental Solutions, which converts the plastic into pyrolysis oil, a petroleum-substitute biofuel. Thanks to the team's hard work, an estimated 400 metric tons of plastic will be diverted from landfill each year by 2025. AbbVie is the first biotech company in Singapore to pioneer this recycling solution.

Key Performance Indicators: Environmental sustainability

	2016	2017	2018	2019	2020
Change in absolute carbon emissions vs. 2015 baseline* (scope 1 and scope 2, market based) [2025 target: -25%]	-8%	-13%	-13%	-16%	-24%
Change in absolute water withdrawal vs. 2015 baseline* (includes non-contact cooling water)** [2025 target: -20%]	+4%	+1%	+4%	-6%	+3%
Change in absolute water consumption** vs. 2015 (excludes non-contact cooling water)**	-5%	-12%	-11%	-12%	-18%
Combined recycling rate for hazardous and non-hazardous waste (excluding construction & demolition) [2025 target: 50%]	37%	37%	32%	35%	38%
Percentage of global waste diverted from landfills (annually) **,+ (excluding construction & demolition)	77%	83%	85%	88%	89%
Percentage of electricity purchased from renewable sources (excluding leased facilities) [2025 target: 50%]	9%	16%	20%	25%	28%

Figures exclude two R&D facilities which were not included in the 2015 baseline.

* This key performance metric includes manufacturing and R&D, which account for most of our operations.

+ Includes waste disposed of in the following manners: beneficial use, recycled, composted, treated, fuel blending, incinerated with energy recovery and incinerated without energy recovery.

++ Non-contact cooling water is returned to the source in the same amount and with the same quality as was withdrawn. The increase we've seen in our non-contact cooling water use is generally due to seasonal variations in source water temperatures



For the Resilience of Our Business

We believe that good citizenship is good business. We lead with ethical decision making and a commitment to sustainable solutions that ensure business resiliency and long-term success.

Aligning with our Principles

Acting with Integrity

We strive to always do the right thing. With uncompromising integrity at the heart of everything we do, we pursue the highest standards in quality, compliance, safety and performance.



Contributing to the SDGs



2020 Highlights

99%

of employees certified
in our Code of Business
Conduct training

+\$544M

spend with small and
diverse suppliers

Delivering sustainable growth

We believe that good citizenship is good business. By leading with ethical decision making and a commitment to sustainable solutions, we ensure business resiliency and long-term success. We operate a sustainable, agile business model and governance structure that anticipates and evolves with a dynamic industry environment, while consistently assuring a supply of innovative medicines. We pride ourselves in our unwavering commitment to financial controls and strong corporate governance practices which enable us to continuously deliver to our stakeholders.

Our focus on **product innovation** and **patient health and engagement** is the key to successful patient outcomes as well as the sustainable health of our business. Our strong **human capital management** practices provide the opportunity for innovation to flourish through an inclusive culture and meaningful sustainable growth opportunities. Through all these we drive meaningful change that creates a remarkable impact on people's lives.

Corporate governance

Our board of directors is committed to strong corporate governance tailored to meet the needs of AbbVie and its shareholders to enhance long-term stockholder value. Eleven of our twelve directors are independent, including the chairs and all members of the board's Audit Committee, Compensation Committee, Public Policy Committee and Nominations and Governance Committee. Since our inception, we have had a lead independent director with robust and well-defined responsibilities to ensure the appropriate level of oversight and independence is applied to all board decisions. The lead independent director is chosen by and from the independent members of the board of directors. Each committee follows a **charter** that details its purpose, authority and responsibilities. In 2020, the board spent a significant amount of time overseeing the company's response to the COVID-19 pandemic, as well as overseeing AbbVie's response to the U.S. racial justice movement, in addition to their usual areas of focus such as risk management, human capital management, long-term company strategy and succession planning.

To ensure continued effective oversight, the board and its committees annually conduct detailed, anonymous self-evaluations. The full board, led by the lead independent director, discusses the evaluation reports to determine what, if any, actions or improvements should be undertaken.

Board composition and diversity

Diverse perspectives strengthen the oversight of AbbVie's business, and we are committed to having a diversity of experiences on our board of directors as well throughout our workforce. Director nominees are considered based on a range of criteria, including diversity of race, ethnicity, gender, age and geography together with other voluntarily identified diversity criteria. In the process of identifying nominees to serve as a member of the board of directors, the nominations and governance committee considers the existing board's diversity and assesses the effectiveness of the recruitment process in achieving a diverse board. Currently, **42% of our board are women or members of underrepresented ethnic groups**.



Ethical conduct

To make a positive long-term impact for patients, we earn and maintain their trust by acting with integrity in everything we do. We follow all relevant laws and industry codes, and through our **Code of Business Conduct, Supplier Code of Conduct** and our **internal anti-harassment and discrimination policy**, we set clear expectations for appropriate behavior. Our Code of Business Conduct applies to all employees globally and is available in **31 languages**. Each year, all employees are required to complete training on the Code and certify that they will adhere to it. Our compliance training is continually reviewed and updated as necessary. We also provide training to employees on anti-harassment and anti-discrimination policies and practices, and employees in relevant functions receive additional mandatory training on topics such as anti-corruption and anti-bribery, conflicts of interest and more. We are committed to ethical marketing practices, as outlined in our Code of Business Conduct.

Creating an environment where employees can raise questions and concerns helps us advance our commitment to ethical behavior. We have established systems and processes for all employees to ask questions and report suspected or actual violations of our Code, policies and procedures. We offer various reporting resources to employees, such as our Ethics and Compliance Helpline, a telephone and Web-based hotline which is available 24/7 and can be used anonymously. Employees may also contact the Office of Ethics and Compliance or Chief Ethics and Compliance Officer directly. All allegations are promptly investigated. If we find that violations have occurred, we take corrective or disciplinary action as appropriate. We do not tolerate retaliation against anyone who makes a good faith report.

As part of our commitment to ethical privacy practices and compliance with global privacy laws, in 2020 we launched a **global privacy awareness campaign** with engaging interactive content, highlighting important privacy principles for our employees. The program reinforced the ways our employees can remain compliant with privacy requirements in their day-to-day work and emphasizes the importance of being good stewards of AbbVie's data.

More information on our approach to Ethics & Compliance can be found on our [website](#).

Ethical treatment of animals

Animal testing is required by law for the development of new medicines. We apply the internationally accepted and ethically guided "3Rs" principles of animal testing; reduce, replace and refine. In our efforts, we seek to reduce the number of animals required to achieve research objectives, when possible, replace animal studies with non-animal or sentient alternatives; and if animals must be studied, we refine our practices to minimize any potential for pain and/or distress. **Our Commitment to Humane Care and Use of Animals** outlines our approach. We promote the 3Rs principles to our scientists with training and an Impact Award Program to recognize innovative approaches.

Key Performance Indicators: Ethics & compliance

	2016	2017	2018	2019	2020
Number of employees certifying on the AbbVie Code of Business Conduct*	28,580	28,906	29,595	29,160	28,816
Number of regulatory inspections of AbbVie commercial manufacturing facilities	41	52	37	27	24
Rate of expedited adverse event reporting to EMA	>98%	>98%	>98%	>98%	>98%
Backorders as percentage of total orders	<0.01%	<0.01%	<0.01%	<0.01%	<0.01%

* This figure fluctuates with the workforce.

Risk management

Risk management is one of the key priorities of our board of directors, who review enterprise risks and discusses them with our senior management on a regular basis. The board receives regular reports from our **Risk Council**, comprising of cross functional leaders that are well trained and educated in risk management. Each member is responsible for pro-actively identifying and mitigating risk in their respective functions and providing feedback on these risks to the council. Specific risks are additionally overseen by our Risk Management and Global Security teams. Our **Executive Crisis Management Team** anticipates and mitigates internal and external business risks by establishing risk management strategies and formal plans for each area of our business. Plans are routinely checked and adjusted to improve effectiveness and strengthen protections for

our patients, employees, and our business. Our Executive Crisis Management Team led our company's response to COVID-19. Our **Global Anti-Counterfeiting Steering Committee** is responsible for identifying and mitigating risks related to AbbVie medicines. In 2020, the Office of Ethics & Compliance worked with an external consulting firm to review AbbVie's policies, systems and controls related to high-risk business areas/activities.

All employees are trained annually on the principles of decision-making to avoid risk including legal, compliance, reputational and operational risks. Additionally, we run regular training sessions at a functional level to educate employees and reinforce risk awareness.

Public policy

AbbVie is committed to transparency and is guided by our Code of Business Conduct in all of our public policy engagement. We pursue activities that shape policies to benefit patients, with a focus on improving access to new medical advances. AbbVie makes extensive **disclosures** regarding our political activities and **political contributions** as required by law and voluntarily discloses additional related information on our website. We

have been recognized in the first tier of companies providing the highest level of political transparency and accountability in the **CPA-Zicklin Index** every year from 2014-2020. We are an active member of **trade associations** and other membership organizations, that are aligned with our business objectives, including through our **employees serving as board members**.



Our supply chain

We create business opportunity for **thousands of suppliers in 129 countries**. In 2020, we purchased goods and services valued at more than **\$14 billion from suppliers** around the world. This included more than \$544 million from approximately **1,600 small and diverse businesses** in North America, including Puerto Rico.

A key objective of our supply chain management strategy is to maintain **assurance of supply**, which requires all suppliers of key inputs to be able to deliver quality inputs on time. Our goal is to always have product available for patients. Over 99% of the time our product is available for our patients. In 2020, backorders comprised fewer than <0.01% of the total orders we fulfilled.

We prioritize the selection of suppliers and purchased goods that have lower impact on the environment when compared with competing products that serve the same purpose, as outlined in our **Environmental Procurement Guidelines**. We expect our suppliers to uphold the same high standards of ethical conduct, human rights and health & safety as we do, as stated in our **Supplier Code of Conduct**. Adherence to the code is part of new supplier contracts. We participate in the **Pharmaceutical Supply Chain Initiative** to promote responsible practices in labor, health, safety and environmental sustainability in supply chains, and evaluate all suppliers to ensure they provide safe working conditions, treat workers with dignity and respect, maintain environmentally responsible manufacturing processes and implement sufficient management systems and ethical practices.

We also conduct quality assessments and audits of our critical suppliers to ensure they are upholding our quality standards, based on a detailed risk evaluation that considers the potential impact on product efficacy, safety, availability or patient experience among other factors. We aim to assess each of these critical suppliers in-depth at least once every three years. We also take strong proactive measures to maintain the security of our supply chain. Our approach to supply chain management is detailed in more depth [here](#).

Supplier diversity

Our Supplier Diversity program is designed to integrate small and diverse businesses into our supply chain. We offer opportunities for historically underutilized populations, including underrepresented populations, women, military veterans and others to do business with AbbVie. Our Environmental, Health and Safety (EHS) team, in partnership with our office of Supplier Diversity, offers support to small and diverse suppliers with pro bono services including EHS audits and sustainability training. Other supplier development activities consist of annual mentoring on a variety of topics by our experienced teams.



Looking Ahead

AbbVie's mission is to discover and develop innovative medicines and products that solve serious health issues and enhance people's lives today, address the medical challenges of tomorrow with ground-breaking science and achieve top-tier financial performance. We will do this through the lens of scientific stewardship – by nurturing diverse talent – the source of our innovation – and partnering and collaborating with health care systems, diverse suppliers and community organizations to deliver effective medicines and supportive strategies that advance science, improve health outcomes and strengthen our collective impact. Our pipeline of promising new medicines and our recent acquisition of Allergan provides us with a strong outlook for 2021. Over the coming years, we will continue to innovate with integrity and intention to advance the long-term health of our patients, our people and our planet. We are driven by our commitment to science which is a commitment to better our society.

Key Performance Indicators: Supplier spend and diversity

	2016	2017	2018	2019	2020
Total supplier spend (worldwide)	\$8.2B	\$9.7B	\$13.3B	\$13.8B	\$14.8B ¹
Total spend with small and diverse suppliers (millions)	\$516	\$741	\$894	\$934	\$544 ²
Number of supplier sites assessed in-depth for quality	488	540	474	491	192*
Percentage of supplier sites with greatest impact on product quality and safety assessed in-depth ³	32%	41%	41%	48%	24%*

1. Figures include L-AGN

2. COVID-19 related factors impacted 2020 spend

3. Some sites not assessed during the four-year period are new and still within the required audit window.

* COVID-19-related factors impacted in-depth site assessments

SASB Index

Safety of Clinical Trial Participants

HC-BP-210a.1	Discussion, by world region, of management process for ensuring quality and patient safety during clinical trials	<ul style="list-style-type: none"> Conduct of Clinical Trials & Postmarketing Commitments Registration of protocols & results reporting
HC-BP-210a.2	Number of FDA Sponsor Inspections related to clinical trial management and pharmacovigilance that resulted in (1) Voluntary Action Indicated (VAI) and (2) Official Action Indicated (OAI)	<ul style="list-style-type: none"> U.S. Food & Drug Administration Inspection Classification Database
HC-BP-210a.3	Total amount of monetary losses as a result of legal proceedings associated with clinical trials in developing countries	Not reported.

Access to Medicines

HC-BP-240a.1	Description of actions and initiatives to promote access to health care products for priority diseases and in priority countries as defined by the Access to Medicine Index	<ul style="list-style-type: none"> Making Medicine Accessible Our Commitment to Access to Medicine AbbVie Contribution to Combating Neglected Tropical Diseases
HC-BP-240a.2	List of products on the WHO List of Prequalified Medicinal Products as part of its Prequalification of Medicines Programme (PQP)	<ul style="list-style-type: none"> World Health Organization Prequalification of Medical Products

Affordability & Pricing

HC-BP-240b.1	Number of settlements of Abbreviated New Drug Application (ANDA) litigation that involved payments and/or provisions to delay bringing an authorized generic product to market for a defined time period	If there are material legal proceedings associated with ANDA litigation and public disclosure criteria are met, details would be included in 2020 Annual Report on Form 10-K and in Quarterly Reports on Form 10-Q
HC-BP-240b.2	Percentage change in: (1) average list price and (2) average net price across U.S product portfolio compared to previous year	Not reported.
HC-BP-240b.3	Percentage change in: (1) list price and (2) net price of product with largest increase compared to previous year	Not reported.

Drug Safety

HC-BP-250a.1	List of products listed in the Food and Drug Administrations (FDA) MedWatch Safety Alerts for Human Medical Products database	<ul style="list-style-type: none"> U.S. Food & Drug Administration (FDA) Med Watch Safety Alerts for Human Medical Products
HC-BP-250a.2	Number of fatalities associated with products as reported in the FDA Adverse Event Reporting System	<ul style="list-style-type: none"> U.S. Food & Drug Administration (FDA) Adverse Event Reporting System (FAERS) Public Dashboard
HC-BP-250a.3	Number of recalls issued, total units recalled	<ul style="list-style-type: none"> U.S. Food & Drug Administration (FDA) Adverse Event Reporting System (FAERS) Public Dashboard
HC-BP-250a.4	Total amount of product accepted for takeback, reuse or disposal	Not reported.
HC-BP-250a.5	Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP) by type	Not reported.

Counterfeit Drugs

HC-BP-260a.1	Description of methods and technologies used to maintain traceability of products throughout the supply chain and prevent counterfeiting	Specific risks are overseen by our Risk Management and Global Security teams. Our Global Anti-Counterfeiting Steering Committee is responsible for identifying and mitigating risks related to AbbVie medicines. They coordinate proactive strategies for preventing counterfeiting and diversion of our medicines and conduct routine monitoring to identify signals of possible counterfeiting or diversion. In 2020, the Office of Ethics and Compliance worked with an external consulting firm to review AbbVie's policies, systems and controls related to high-risk business areas/activities.
HC-BP-260a.2	Discussion of process for alerting customers and business partners of potential or known risks associated with counterfeit products	AbbVie also takes strong proactive measures to maintain the security of our supply chain including participation in the Trusted Trader programs run by the U.S., E.U., and other customs authorities. For more information, please see Suppliers AbbVie
HC-BP-260a.3	Number of actions that led to raids, seizure, arrests and/or filing or criminal charges related to counterfeit products	AbbVie has established and maintains systems for global reporting of events and deviations, including counterfeit products. Any possible events will be submitted accurately and timely per the pertinent regulations. See AbbVie Supplier Code of Conduct

Ethical Marketing

HC-BP-270a.1	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	If there are material legal proceedings associated with false marketing claims and public disclosure criteria are met, details would be included in 2020 Annual Report on Form 10-K and in Quarterly Reports on Form 10-Q
HC-BP-270a.2	Description of code of ethics governing promotion of off-label use of products	AbbVie only promotes our pharmaceutical products for uses that have been approved or authorized by appropriate government or regulatory agencies. AbbVie product claims are grounded in scientific evidence, accepted medical practice and government-approved labeling rules in all countries where we operate. See AbbVie Code of Business Conduct

Employee Recruitment, Development & Retention

HC-BP-330a.1	Discussion of talent recruitment and retention efforts for scientists and research and development personnel	For the Growth of Our Employees
HC-BP-330a.2	(1) Voluntary and (2) involuntary turnover rate for: (a) executives/senior managers, (b) midlevel managers, (c) professionals, and (d) all others	For the Growth of Our Employees

Supply Chain Management

HC-BP-430a.1	Percentage of (1) entity's facilities and (2) Tier 1 suppliers' facilities participating in the Rx-360 International Pharmaceutical Supply Chain Consortium audit program or equivalent third-party audit programs for integrity of supply chain and ingredients	AbbVie Supplier Code of Conduct
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Business Ethics

HC-BP-510a.1	Total amount of monetary losses as a result of legal proceedings associated with corruption and bribery	If there are material legal proceedings associated with corruption and bribery and public disclosure criteria are met, details would be included in 2020 Annual Report on Form 10-K and in Quarterly Reports on Form 10-Q
HC-BP-510a.2	Description of code of ethics governing interactions with health care professionals	AbbVie is fair and open in our interactions with health care professionals. AbbVie does not offer or give gifts or other items or services of value to earn favor for our products or to sway medical judgement. AbbVie relies on product quality and health care outcomes to influence purchasing and prescribing practices. See AbbVie Code of Business Conduct

Activity Metrics

HC-BP-000.A	Number of patients treated	Approximately 57 million
HC-BP-000.B	Number of drugs (1) in portfolio and (2) in research and development (Phases 1-3)	AbbVie medicines and devices treat more than 60 conditions across infant, adolescent, adult and senior stages of life. AbbVie's pipeline currently includes more than 90 compounds, devices or indications in development individually or under collaboration or license agreements. Of these programs, more than 50 are in mid- and late-stage development.

Stay up to date on recent news, stories and more by connecting with us.



stories.abbvie.com

abbvie.com/societal-impact

responsibility@abbvie.com

Email us to subscribe to our quarterly responsibility e-newsletter.

Polices, codes, and compliance standards

Our public positions and views align with our work to improve lives—and to do so in a transparent and sustainable way. Additional policies, codes and compliance standards on a range of areas are also publicly available.

Data assurance and reporting standards

Specified 2020 environmental and safety data have been assured by DNV GL. Where noted, minor changes have been made to previously stated data.

The **2020 Assurance Report** outlines performance for corporate-wide environmental and safety data. All environmental data is presented as absolute data; safety data is presented as rates, using hours worked.



For more information, visit:

abbvie.com

abbvie.com/societalimpact



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