

# OUR TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) REPORT

AbbVie committed in early 2022 to support and publicly disclose in alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) framework. AbbVie has historically disclosed elements recommended in the TCFD framework via our responses in the publicly available CDP ([Climate Change Questionnaire](#)). Aligning to the TCFD framework is intended to allow our stakeholders to understand how AbbVie manages, identifies and addresses climate-related risks.



## Governance

AbbVie maintains an established governance process for oversight and management of our environmental sustainability efforts. AbbVie’s board of directors and its Public Policy and Sustainability Committee provide oversight on matters related to climate-related risks and strategies, with annual updates from executive management, led by the Executive Vice President (EVP), Chief Operations Officer, on environmental strategy, action plans, objectives and progress against established sustainability goals. The Board of Directors also oversees the enterprise risk management review. AbbVie’s EVP, Chief Operations Officer has direct responsibility for climate-related issues. The EVP, Chief Operations Officer is an AbbVie c-suite corporate officer, who reports directly to the CEO and is responsible for AbbVie’s Operations organization, including the Global Environment, Health & Safety organization, which manages the identification and monitoring of climate-related matters and mitigation strategies.

In addition to the oversight provided by the board of directors on climate-related topics, AbbVie’s ESG Council ensures strategic, enterprise-aligned delivery on AbbVie’s ESG Framework. Chaired by our Senior Vice President, Corporate Affairs and composed of

senior cross-functional leaders, the ESG Council’s purpose is to champion business sustainability and mitigate business risks by monitoring, reviewing and recommending actions in support of our ESG framework and strategy. The ESG Council meets regularly and maintains sub-committees aligned to AbbVie’s material ESG topics, which includes Environmental Sustainability.

| TCFD Recommendation (Governance)  | AbbVie Response                     |
|---|-------------------------------------|
| a) Describe the board’s oversight of climate-related risks and opportunities. (Refer to CDP questions.) | Refer to CDP questions 4.1.1, 4.1.2 |
| b) Describe management’s role in assessing and managing climate-related risks and opportunities.        | Refer to CDP questions 4.3, 4.3.1   |

CDP is a not-for-profit organization that runs a global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. Questions in their annual questionnaire are aligned to the TCFD framework. AbbVie has voluntarily responded to this questionnaire annually since 2014.

## Strategy

We anticipate that climate change may have varying levels of impact on our business across the short-, medium-, and long-term. AbbVie seeks to understand and anticipate these impacts to ensure we sustain the discovery and development of innovative medicines for both current and future patients. This effort involves evaluating our operations and supply chains for potential disruptions in connection with climate change and implementing contingency plans or advance preparedness. We invest in business continuity efforts that contribute to mitigating the potential for risk of loss and promote business continuity in the event a climate-related risk materializes. AbbVie's Crisis Preparedness and Business Continuity group develops and maintains the needed infrastructure, procedures and practices that enable us to mitigate risks, including climate

risk, and respond to crisis events that may adversely impact our business, employees or surrounding communities. Each operating and commercial division has documented business continuity plans that address key products and operations. The overall Crisis Preparedness and Business Continuity plan is reviewed at the executive level on an annual basis, and all business continuity plans are reviewed on a biennial basis. AbbVie also invests in the assurance of supply activities including selecting redundant suppliers for raw materials, manufacturing products at multiple locations globally, and redundant shipping supply chains to deliver our products. The combination of our crisis preparedness activities and our assurance of supply activities is the way that AbbVie seeks to effectively address increasing climate risk.

| TCFD Recommendation (Strategy)   | AbbVie Response  |
|--|--|
| <p>a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.</p> | <p><b>Climate-related Risks:</b></p> <ul style="list-style-type: none"> <li>• <b>Short Term, Acute Physical</b> – Increased severity and frequency of wildfires and extreme weather events (e.g., cyclones, hurricanes, or floods): For example, AbbVie has operations in California where there is an increased risk of wildfires. Although the sites are not in areas of high direct physical risk, fires may cause business disruption associated with power outages and smoke. Likewise, AbbVie has operations in Puerto Rico where there is an increased risk of stronger hurricanes, which could result in business disruption.</li> <li>• <b>Medium Term, Chronic Physical</b> – Water Stress: AbbVie has operations at multiple sites where water stress is increasing, and there is increased risk that water demands may not be met resulting in limitations on freshwater resources. As a result, in the medium term, there is a risk that clean water supplies may become more limited.</li> <li>• <b>Medium Term, Emerging Regulation (Transition)</b> – Carbon Pricing Mechanisms: Potential regulations on energy, in particular carbon, may result in increased cost of energy used to support our operations and increased cost if we are not successful at limiting the associated emissions.</li> <li>• <b>Long Term, Chronic Physical</b> – Rising Sea Levels: Though AbbVie has facilities in coastal regions, the sites are not in areas where there is high direct physical risk. However, long-term coastal flooding may have significant impact to critical public infrastructure in the area, which has the potential for business disruption.</li> </ul> <p>These physical risks and transition risks also apply to our suppliers located in similar regions.</p> <p><b>Climate-related Opportunities:</b></p> <ul style="list-style-type: none"> <li>• <b>Short Term, Resource Efficiency:</b> AbbVie has an opportunity to reduce operating costs through our energy efficiency strategy and initiatives. AbbVie has developed an energy efficiency strategy and has implemented energy efficiency projects.</li> <li>• <b>Short Term, Energy Source:</b> AbbVie can adopt new technologies which will increase our energy efficiency and reduce our energy use and GHG emissions. AbbVie has implemented new energy efficiency technology at selected sites.</li> <li>• <b>Long Term, Products and Services:</b> AbbVie frequently evaluates long-term competitive advantage of our products. Ensuring that the packaging of our products is optimized for recovery and has a minimized carbon footprint is an example.</li> </ul> |

| TCFD Recommendation (Strategy)   | AbbVie Response  |
|--|--|
| <p>b) Describe the impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning.</p>                         | <p>AbbVie's focus to discover and deliver innovative medicines and products to solve serious health issues remains constant. The climate-related risks that have been identified would not alter that mission for the benefit of both current and future patients. Climate-related risks, however, inform how we evaluate our operations and supply chains for potential disruptions in connection with climate change, implement contingency plans, and advance our preparedness. AbbVie has invested in business continuity efforts aimed at mitigating the potential for risk of loss and promoting business continuity in the event a climate-related risk materializes. For example, AbbVie dedicates resources to assurance of supply activities, such as selecting redundant suppliers for raw materials, manufacturing products at multiple locations globally, and redundant shipping supply chains to deliver our products. The financial impact of these activities are evaluated within our annual and long-range financial planning cycles.</p> <p>The climate-related opportunities that have been identified require additional investment. AbbVie has established a centralized capital fund for global energy efficiency and decarbonization efforts.</p>   |
| <p>c) Describe the resilience of the organization's strategy taking into consideration different climate-related scenarios, including a 2 C or lower scenario.</p> | <p>AbbVie has identified the increased severity of climate-related weather events as having the potential to impact operations and supply chain. Disruption to our manufacturing sites could impact assurance of supply for our products, if resiliency plans are not implemented or effective. AbbVie invests in, and creates, business continuity plans to mitigate identified climate-related weather events. For example, AbbVie maintains a facility in Puerto Rico where product components are manufactured. Due to its location in the Caribbean, this site is at an increased risk of hurricane. To promote business continuity of operations, AbbVie has invested heavily in redundant manufacturing capabilities in Massachusetts and Singapore, which would allow for a continuity of supply in the event the Puerto Rico location is unable to function.</p> <p>We realize that weather events may not only impact AbbVie but also the partners we rely on within AbbVie's supply chain. To mitigate climate-related disruptions to AbbVie's supply chain, AbbVie works with its supply chain partners to ensure they have robust continuity plans and makes investments itself in assurance of supply activities. This investment includes, but is not limited to, obtaining redundant suppliers for raw materials, manufacturing products at multiple locations globally, and using redundant shipping supply chains to deliver our products.</p> |

## Risk Management

AbbVie's approach to identifying, assessing and managing climate-related risks is integrated through its company-wide risk management processes and formal evaluations. Climate-related risks and risk mitigation are reviewed by the board of directors at least annually. The Global Environment, Health & Safety organization leads the process for identifying and monitoring climate-related issues and related recommendations. This includes performing periodic climate risk assessments, educating business functions on current

and emerging climate-related risks, and elevating these risks appropriately, including up to the enterprise risk management review with the Audit Committee and the board of directors. The scope of physical risk assessments includes the evaluation of AbbVie sites around the world including manufacturing, R&D, and warehouse locations, along with selected commercial offices. Other risk assessments may also include evaluating transition risks associated with climate change, such as regulatory transition.

| TCFD Recommendation (Risk Management)   | AbbVie Response                                 |
|---|---|
| <p>a) Describe the organization's processes for identifying and assessing climate related risks.</p>  | <p>Refer to CDP questions 2.2, 2.2.1, 2.2.2</p> |
| <p>b) Describe the organization's processes for managing climate related risks.</p>   | <p>Refer to CDP question 2.2.2</p>              |
| <p>c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.</p> | <p>Refer to CDP question 2.2.2</p>              |

## Metrics and targets

- AbbVie has already made progress against its environmental sustainability targets.
- AbbVie has an absolute target to reduce our GHG emissions (Scope 1 & 2) by 25% from a 2015 baseline by 2025 and 50% by 2035. AbbVie successfully achieved the 25% target reduction at the end of 2021.
- AbbVie has a target to increase purchased renewable electricity to 50% by 2025 and 100% by 2035. In 2021, AbbVie increased purchased renewable electricity to 32% against this target.
- In June 2021, AbbVie committed to setting a 1.5°C Science Based Target. This target will replace the existing absolute GHG reduction and renewable electricity targets listed above. AbbVie submitted these targets to the Science Based Target Initiative (SBTi) for validation in August 2022, and we expect approval of this Science Based Target in 2023.
- Additional details on our emissions and other environmental data can be found in [AbbVie's ESG Action Report](#) in the Environment section.

| TCFD Recommendation (Metrics and Targets)   | AbbVie Response   |
|---|---|
| a) Describe the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. | Refer to CDP question 2.1, 2.2.2, 2.4                     |
| b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.   | Refer to CDP question 7.6, 7.7, 7.8                       |
| c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.                       | Refer to CDP questions 7.53, 7.53.1, 7.54, 7.54.1, 7.54.2 |