Amgen is a biopharmaceutical company focused on developing, manufacturing, and marketing biopharmaceuticals. The company focuses primarily on nephrology, inflammatory diseases, cancer, and cardiovascular treatments. It also has a portfolio of biosimilar products. Amgen serves healthcare providers, including physicians or their clinics, dialysis centers, hospitals, and pharmacies. It distributes its products through pharmaceutical wholesale distributors, as well as direct-to-consumer channels. The company was founded and incorporated in California in 1980 with headquarters in Thousand Oaks, and became a Delaware corporation in 1987. It generated approximately $25 billion in annual revenue in 2020 and is present in nearly 100 countries.

In our view, Amgen’s Green Bond framework, published on Feb. 16, 2022, is aligned with:

✔ Green Bond Principles, ICMA, 2021

**Issuer’s Sustainability Objectives**

Amgen’s key sustainability objectives are described via four strategic pillars underpinned by the company’s mission to serve patients. These include:

- **Healthy People:** focuses on facilitating equitable access to health care;
- **Healthy Society:** aims to promote a more just society for Amgen’s employees and the patients it serves;
- **Healthy Planet:** aims to minimize Amgen’s environmental impact while preserving natural resources; and
- **Healthy Amgen:** focuses on achieving high operational standards while ensuring that its culture and products represent its values.

Recently, Amgen has taken further steps to align its strategic pillars with its sustainability targets. In 2021, it announced a seven-year sustainability plan that includes commitments to achieve carbon neutrality from its operations, reduce water consumption by 40%, and reduce waste disposal by 75%*. To further its sustainability goals, Amgen has developed a Green Financing Framework to align its funding strategy with its sustainability commitments. The company plans to deploy investments to address climate change and preserve natural resources across its operations.

*Reductions take into account only verified reduction projections, and do not take into account changes associated with the contraction or expansion of Amgen, and are compared to a 2019 baseline. Carbon emissions reduction refers to scope 1 and 2.
## Second Party Opinion

### Second Party Opinion Summary

#### Use of proceeds

<table>
<thead>
<tr>
<th>Alignment</th>
<th>Amgen’s green bond framework is aligned with this component of the Green Bond Principles.</th>
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</thead>
<tbody>
<tr>
<td>Score</td>
<td>Not aligned</td>
</tr>
</tbody>
</table>

Amgen commits to using the net proceeds of any instrument issued under its framework to finance or refinance, in whole or in part, projects that meet a defined set of eligible green project categories. The company also provides a clear description of the eligible categories.

#### Process for project evaluation and selection

<table>
<thead>
<tr>
<th>Alignment</th>
<th>Amgen’s green bond framework is aligned with this component of the Green Bond Principles.</th>
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</tbody>
</table>

Amgen’s framework clearly outlines its process to assess and select eligible green projects. All potential eligible projects are evaluated by representatives of the company’s Healthy Planet Initiative Steering Committee (ISC), which makes recommendations for approval by the chief financial officer and treasurer. The ISC ensures projects are assessed for environmental (and social) risk according to the company’s policies and guidelines, including its Environmental, Health & Safety policy.

#### Management of proceeds

<table>
<thead>
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</table>

Amgen commits to track the proceeds allocated to eligible green projects through its current accounting and financing practices. Unallocated proceeds will be managed in line with the company’s normal liquidity practices.

#### Reporting

<table>
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<td>Score</td>
<td>Not aligned</td>
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</tbody>
</table>

Amgen commits to report annually on the allocation of proceeds across eligible projects until full allocation. It will also disclose estimated quantitative impact metrics and qualitative case studies for eligible projects when feasible and subject to confidentiality.
Framework Assessment

Use of proceeds

The Principles make optional recommendations for stronger structuring practices, which inform our alignment opinion as aligned, strong, or advanced. For use of proceeds, we consider the commitments and clarity on how the proceeds are used.

✔ Amgen’s green bond framework is aligned with this component of the Green Bond Principles.

Commitments score

We consider Amgen’s overall use of proceeds commitments to be aligned.

Amgen commits to using an amount equivalent to the net proceeds of financing securities issued under the framework to finance or refinance eligible green projects. The framework provides a clear set of eligible green project categories and a set of example projects, which in our view supports Amgen’s overarching sustainability objectives. Eligible categories include:

- Green Buildings, which involve expenditures to achieve LEED gold or platinum certification.
- Eco-Efficient Operations & Processes, which includes energy efficiency, sustainable water and waste, along with wastewater management, pollution prevention, and waste management.
- Eco-Efficient Products that focus on environmentally friendly and circular economy-adapted products and product packaging. This includes green chemistry developments to reduce waste, energy, and hazardous waste, research and development for more sustainable packaging design, and procurement of certified sustainable paperboard.
- Renewable Energy with on-site and off-site wind and solar power generation and storage infrastructure, including long-term project-specific power purchase agreements; and
- Clean Transportation investments for electric vehicles for its field fleet and charging stations.

Amgen commits to a 24-month lookback period for refinanced projects, which is a narrower time horizon than standard practice and thereby ensures funded projects are more recent. However, the company does not commit to disclosing the proportion of funds used for financing versus refinancing, which is a best market practice.

Process for project evaluation and selection

The Principles make optional recommendations for stronger structuring practices, which inform our alignment opinion as aligned, strong, or advanced. For our process for project selection and evaluation, we consider the commitments and clarity on the process used to evaluate and select eligible projects to fund with the proceeds of the sustainable finance instrument.

✔ Amgen’s green bond framework is aligned with this component of the Green Bond Principles.

Commitments score

We consider Amgen’s overall use of proceeds commitments to be aligned.

Amgen’s green bond framework clearly outlines the process to select and approve green projects with appropriate levels of review and oversight to ensure proceeds are allocated according to eligible categories. All projects are evaluated by the ISC. The ISC is composed of representatives from relevant and cross-functional internal departments including Operations; Environment, Health, Safety and Sustainability; along with Research and Development; Global Strategic Sourcing; ESG; Legal; and Finance. The ISC assesses eligible projects, and its recommendations are ultimately reviewed and approved by the company’s treasurer and chief financial officer. The
framework also specifies that updates on project selection will be made regularly to the ESG Council, a cross-functional executive management team responsible for establishing the company’s overarching ESG strategy, and the audit committee of the board of directors.

Moreover, the eligibility criteria are well defined, and certain categories include additional criteria such as energy efficiency thresholds or use of third-party certification systems. For example, energy efficiency expenditures must reduce energy by at least 20% over the baseline while expenditures for green buildings are expected to achieve LEED Gold or Platinum certification.

The framework also specifies that the ISC will ensure that environmental and social risks associated with eligible projects are evaluated and comply with Amgen’s policies, resources, and guidelines, including its publicly available Sustainability Plan and Environmental Health & Safety Policy.

### Management of proceeds

The Principles require disclosure of the issuer’s management of proceeds from sustainable finance over the life of the funding. The alignment opinion focuses on how clear in the documentation is the issuer’s commitment to ensure that the funds raised will remain dedicated to eligible sustainability projects throughout the life of the sustainable finance funding.

✔ Amgen’s green bond framework is aligned with this component of the Green Bond Principles.

Amgen commits to track the net proceeds from financing issued under the framework according to its internal financing practices and tools, which is a fairly common practice for sustainable debt. Furthermore, Amgen commits to reallocate proceeds to new eligible assets, on a best-efforts basis, if the original assets no longer meet the framework's eligibility criteria.

Amgen will manage unallocated proceeds in line with its normal liquidity practices. This includes temporarily using the funds for short-term investments, repaying existing borrowings, or holding them as cash and cash equivalents. However, in our view, the use of unallocated proceeds for debt repayment is not the best practice.

### Reporting

The Principles make optional recommendations for stronger disclosure practices, which inform our disclosure opinion as aligned, strong, or advanced. We consider plans for updates on the sustainability performance of the issuer for general purpose funding, or the sustainability performance of the financed projects over the lifetime of any dedicated funding, including any commitments to post-issuance reporting.

✔ Amgen’s green bond framework is aligned with this component of the Green Bond Principles.

### Disclosure score

We consider Amgen’s overall use of proceeds commitments to be Aligned.

Amgen commits to reporting annually on the allocation of proceeds until all proceeds are fully allocated. The report will be accompanied by assertions from Amgen’s management on the amounts allocated to each eligible category and independent third-party verification of management assertions on proceeds allocation, which ensures an independent review in the case of any material assertions with respect to these allocations.

Amgen also commits to annual impact reporting, including estimated impact metrics and qualitative case studies for eligible projects, subject to confidentiality considerations. The framework includes numerous example impact indicators, such as energy savings in megawatt-hour (MWh), greenhouse gas emissions reduced or avoided in metric tons of CO2 equivalent, water reduced in cubic meters, and waste reduced in metric tons. However, the methodology used to calculate these indicators is not disclosed and there is no commitment for external review of these impacts, which we view to be a stronger practice.
## Mapping To The U.N.'s Sustainable Development Goals

The Sustainable Development Goals (SDGs), which the United Nations (U.N.) set up in 2015, form an agenda for achieving sustainable development by 2030.

We use the International Capital Market Association’s (ICMA’s) SDG mapping for this part of the report. We acknowledge that ICMA’s mapping does not provide an exhaustive list of SDGs and that ICMA recommends each project category be reviewed individually to map it to the relevant SDGs.

Amgen’s Green Bond Framework intends to contribute to the following SDGs:

<table>
<thead>
<tr>
<th>Use of proceeds</th>
<th>SDGs</th>
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<tbody>
<tr>
<td><strong>Green Buildings</strong></td>
<td></td>
</tr>
<tr>
<td>[Icon of buildings]</td>
<td>11. Sustainable cities and communities*</td>
</tr>
<tr>
<td><strong>Eco-Efficient Operations &amp; Processes</strong></td>
<td></td>
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<tr>
<td>[Icon of water]</td>
<td>6. Clean water and sanitation</td>
</tr>
<tr>
<td>[Icon of processes]</td>
<td>9. Industry, innovation and infrastructure</td>
</tr>
<tr>
<td>[Icon of recycling]</td>
<td>12. Responsible consumption and production</td>
</tr>
<tr>
<td><strong>Eco-Efficient Products</strong></td>
<td></td>
</tr>
<tr>
<td>[Icon of processes]</td>
<td>9. Industry, innovation and infrastructure</td>
</tr>
<tr>
<td>[Icon of recycling]</td>
<td>12. Responsible consumption and production*</td>
</tr>
<tr>
<td><strong>Renewable Energy</strong></td>
<td></td>
</tr>
<tr>
<td>[Icon of sun]</td>
<td>7. Affordable and clean energy*</td>
</tr>
</tbody>
</table>
Clean Transportation

11. Sustainable cities and communities*

*The eligible project categories link to these SDGs in the ICMA mapping.
Second Party Opinion

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