Abbott Laboratories - Water Security 2021

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

Abbott is a global company with a straightforward purpose: We help people live more fully with life-changing health technologies and products. Since 1888, our business has brought new products to market for 130 years, creating more possibilities for more people at all stages of life. We create breakthrough products – in diagnostics, medical devices, nutrition and branded generic pharmaceuticals – that help you, your family and your community lead healthier lives, full of unlimited possibilities. Today, 109,000 of us are working to make a lasting impact on health in the more than 160 countries we serve.

With leadership positions in every market we serve, Abbott is prepared for continued above-market growth and consistently strong shareholder returns.

- Our nutrition products build and maintain health at every stage of life.
- Our diagnostic solutions provide the information to guide effective treatment decisions.
- Our branded generic medicines help people get and stay healthy.
- Our medical devices use the most advanced technologies to keep hearts and arteries healthy, to treat chronic pain and movement disorders, and to give people with diabetes more freedom and less pain.

In each of these four core businesses, we innovate early, moving quickly to address developing health needs. Our ability to respond in this way ultimately depends upon our sustainability as a business. For Abbott, sustainability includes operating ethically and responsibly, ensuring quality and safety, valuing our people, building a resilient supply chain, and delivering results for our shareholders.

W-FB0.1a

(W-FB0.1a) Which activities in the food, beverage, and tobacco sector does your organization engage in?

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	January 1 2020	December 31 2020

W0.3

(W0.3) Select the countries/areas for which you will be supplying data.

Argentina
Belgium
Brazil
Canada
Chile
China
Colombia
Costa Rica
Germany
India
Indonesia
Ireland
Japan
Malaysia
Mexico
Netherlands
Norway
Pakistan
Peru
Puerto Rico
Republic of Korea
Russian Federation
Singapore
Spain
Sweden
Switzerland
United Kingdom of Great Britain and Northern Ireland
United States of America
Viet Nam

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

USD

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

Yes

W0.6a

(W0.6a) Please report the exclusions.

Exclusion	Please explain
Small offices and warehouses where water use is minimal, typically limited to drinking water and sanitary use.	Water use in manufacturing and R & D activities is the predominant water impact and risk for Abbott. Water use at small offices and warehouses is estimated to be very small (less than 5% of total use) and typically metering and distribution is controlled by a third party.

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital	Important	Direct Use: Access to water is essential for our manufacturing operations and products. Being a manufacturer of medical, nutritional and pharmaceutical products it is vital to have high quality freshwater for use as an ingredient in our products and during the manufacturing process, in accordance with Good Manufacturing Practices. In addition to ingredient use freshwater is considered essential for heating/cooling processes and for clean in place procedures throughout our manufacturing. Clean water is deemed vital and without access this would impact our direct operations. Indirect Use: Freshwater also plays a critical role in the use of many of our products. As a healthcare company, to use our products customers need access to quality fresh water. Suppliers and third-party manufacturers must also have access to quality fresh water in order to deliver our raw material inputs. Agricultural suppliers that provide soy and dairy for our raw materials input need access to clean water for irrigation and support of livestock. Clean water is considered vital as it could impede raw material/product supply that is essential for many of our final products. Future Dependency: We expect our future dependency in Direct and Indirect Operations to remain the same because freshwater will remain vital for our production and raw material inputs associated with our products. Customers will also need access to freshwater to use our products.
Sufficient amounts of recycled, brackish and/or produced water available for use	Important	Important	Direct Use: We must operate our facilities to meet water quality standards specific for the activity, thus allowing us to utilize various qualities of water. For example, our operations use recycled water in a variety of applications including; boiler and cooling tower makeup, grey water, and landscape irrigation. Use of recycled water throughout our operations reduces demand on freshwater sources. To employ good water management practices for cost and conservation purposes the availability of alternative water sources is important. Indirect Use: Our value chain uses various qualities of water to employ good water management practices, thus the availability of alternative water sources is important. Recycled water is used primarily for heating/cooling, irrigation and cleaning operations. Through our Supplier Responsibility Guideline and Water Position Statement we encourage suppliers to embed sustainable water management principles, including alternative water sources, into their own operations and supply chains. Future Dependency: In the short term we expect our future dependency in Direct and Indirect operations to be about the same for this type of water. However, in the longer term we expect that future dependency for this type of water to be linked to the availability of freshwater. If the availability of freshwater decreases due to increasing water-stress, there will be more of a need to rely on alternative sources of water for production and raw materials inputs.

W-FB1.1a

(W-FB1.1a) Which water-intensive agricultural commodities that your organization produces and/or sources are the most significant to your business by revenue? Select up to five.

Agricultural commodities	% of revenue dependent on these agricultural commodities	Produced and/or sourced	Please explain

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	100%	Abbott actively manages its water use by monitoring the amounts of water withdrawals, water discharges (both impaired and non-impaired) and consumption. Water withdrawals are monitored at 100% of our operations. Method and Frequency: Water withdrawals are measured on a continuous basis using “in-place” flow meters or usage data obtained from water utility providers and reported into our environmental database on at least a quarterly basis as part of our internal environmental monitoring and report routine. To facilitate performance improvement, Abbott evaluates water withdraw data across all operations. Progress toward achieving the 30 percent reduction of water intake, by 2020, is evaluated and reported back to our sites on a quarterly basis, along with other key water data. Abbott’s Environmental Database also flags any data that is greater than 10% from the previous quarter, allowing us to quickly respond to issues that might negatively impact our performance in water.
Water withdrawals – volumes by source	100%	Abbott actively manages its water use by monitoring the amounts of water withdrawals, water discharges (both impaired and non-impaired) and consumption. Water withdrawal volumes by source are monitored at 100% of our operations. Method and Frequency: Sites measure water withdrawals by source on a continuous basis using "in-place" flow meters or usage data provided from water utility providers. Withdrawal by source data that is collected is rolled up and reported on an annual basis. Water withdrawal by source data is used to identify priority areas of focus and to further refine goals. In addition, overall exposure to potential water risks (source dependency) can be quickly evaluated on a site by site basis with detailed information on volume water withdrawal by source.
Entrained water associated with your metals & mining sector activities - total volumes [only metals and mining sector]	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>
Water withdrawals quality	100%	The quality of water withdrawal is monitored at 100% of our operations. Method and Frequency: The quality of incoming potable water and water used in manufacturing are required to be evaluated per Abbott's Global Technical Standard for Water Management and quality requirements. While the frequency varies depending on use in general, non-public potable sources must be measured annually, public potable water sources are evaluated at a frequency required by local regulations, and incoming water quality used in production is analyzed / measured on a per batch frequency. Data on the quality of incoming water is collected and maintained at a site level and periodic Quality and EHS audits ensure compliance to Abbott standards. The parameters are monitored through a combination of in-line meters, batch production records and internal and external lab testing results.
Water discharges – total volumes	100%	Abbott actively manages its water use by monitoring the amounts of water withdrawals, water discharges (both impaired and non-impaired) and consumption. Water discharge volumes are monitored at 100% of our operations. Method and Frequency: Water discharges both impaired and non-impaired are measured on a continuous basis using “in-place” flow meters, data provided from water utility providers or using a water balance equation and reported into our environmental database on at least a quarterly basis as part of our internal environmental monitoring and reporting routine. The environmental database flags any data that is greater than 10% from the previous quarter. This functionality allows sites to understand and quickly respond to those trends.
Water discharges – volumes by destination	100%	Abbott actively manages its water use by monitoring the amounts of water withdrawals, water discharges (both impaired and non-impaired) and consumption. Water discharge volumes by destination are monitored at 100% of our operations. Method and Frequency: Sites measure impaired and non-impaired water discharge volumes on a continuous basis using "in-place" flow meters, data provided from water utility providers or using a water balance equation. Water discharge by destination is used to identify priority areas of focus and to further refine goals. In addition, overall exposure to potential water risks (degradation of receiving waters) can be quickly evaluated on a site by site basis with detailed information on volume water withdrawal by destination.
Water discharges – volumes by treatment method	100%	Water discharges - volumes by treatment method are monitored at 100% of our operations. Sites measure water discharge volumes by treatment on a continuous basis using "in-place" flow meters or usage data provided from water utility providers. Of the water discharged 18% is discharged in a non-impaired state (not requiring further treatment) to freshwater, groundwater, and Third Parties. The remaining 85% of the water discharges are impaired and require further treatment before discharge (Abbott or Third-Party facilities). Internal treatment methods include advanced oxidative process, activated sludge, physical-chemical, aerated lagoons, and neutralization. The remaining impaired water (8646 megaliters) is sent to Third Party treatment for physical, chemical, biological and sludge treatment
Water discharge quality – by standard effluent parameters	51-75	Water discharge quality by standard effluent parameters is monitored at 58% of our operations. Method and Frequency: Sites report water discharge quality by standard effluent parameters data annually through an internal survey. Sites are also required to report the any regulatory exceedances in the global database. Sites are required to maintain records of testing that is performed, and this testing is reviewed during Corporate EHS audits. Water discharge quality standard effluent parameters are measured through "in-line" meters (pH, conductivity) and through routine analytical testing. Frequency of measurement is normally monthly or quarterly but varies based on permit requirements or local regulations.
Water discharge quality – temperature	1-25	Water discharge quality - temperature is measured at 22% of our operations. Method and Frequency: Sites report water discharge quality temperature data annually through an internal survey. Sites are also required to report the any regulatory exceedances in the global database. Sites are required to maintain records of testing data that is performed, and this data is reviewed during Corporate EHS audits (minimum - once every three years). Compliance to permits is reviewed and reported on a quarterly basis. Temperature is monitored on a continuous basis using "in-place" meters or grab samples. Frequency of measurement is normally monthly but varies based on permit requirements or local regulations.
Water consumption – total volume	100%	Abbott actively manages its water use by monitoring the amounts water withdrawals, water discharges (both impaired and non-impaired) and consumption. Water consumption volumes are monitored at 100% of our operations. Method and Frequency: Information on water consumption is obtained through continuous "in-place" meters, from respective use streams, production records, or are estimated through water balance equation. Sites report water consumption data into our environmental database on at least a quarterly basis. The environmental database flags any data that is greater than 10% from the previous quarter. This functionally allows sites to understand and quickly respond to those trends.
Water recycled/reused	100%	The amount of water recycled/reused is monitored at 100% of our operations. Method and Frequency: Sites measure the amount of water that is recycled or reused through continuous "in-place" flow meters or rates are estimated based on knowledge of production processes. Sites report recycling/reuse volumes data annually through an internal survey as part of our internal environmental monitoring and reporting routine. In 2020 we recycled and reused 17 percent of the water across our operations. The number of facilities with water recycling activities also increased from 25 to 29 manufacturing sites.
The provision of fully-functioning, safely managed WASH services to all workers	100%	We provide access to WASH services for our workers in 100% of our operations. Abbott is committed to protection of human health, safety and the environment in all the global communities where we conduct our business as identified in our Global Environment, Health and Safety Policy. Per our Global Water Policy all Abbott operations are required to comply with our internal global technical standard for water management that requires all sites to maintain access to safe water, sanitation, and hygiene for all employees. All sites are routinely audited against this standard every two to three years to ensure compliance. Sites are required to measure and report their performance annually through an internal survey as part of our internal environmental monitoring and reporting routine.

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	13201	About the same	Volume of total withdrawals were stable decreasing by 1.6% when compared to 2019. When comparing data to previous years changes of <5% were considered to be "about the same". Increased production use was offset by water efficiency projects and other operational activities. Reductions and efficiency efforts in water are driven by our water goal and internal water management technical standard. Over 16 water efficiency projects in 6 countries and 12 sites were responsible for saving 14.6 US million gallons of water. Drivers for reduction include more efficient clean in place procedures that use less water, recycling and reuse of water, efficient and improved irrigation (xeriscaping, drip irrigation), incorporating smart water technology, minimizing water use in cooling operations, and repairing leaks. Future volumes are also expected to be stable if not slightly decreasing as we into our new 2030 strategy, which is more focused on context-based water management. A strong water management focus will be placed on our higher risk sites operating in water stressed areas to efficiently manage water withdrawals.
Total discharges	10706	About the same	Total discharges were stable decreasing by 3.6% when compared to 2019. When comparing data to previous years changes of <5% were considered to be "about the same". The slight decrease in discharge was the result of overall reduced water withdrawals and an increase in consumption primarily by utility operations (heating / cooling). Future volumes are also expected to be stable if not slightly decreasing as we into our new 2030 strategy, which is more focused on context-based water management. A strong water management focus will be placed on our higher risk sites operating in water stressed areas effectively manage water discharge.
Total consumption	2495	Higher	Total consumption increased by 8.1 % when compared to 2019. When comparing data to previous years changes of >5% - 25% were considered to be higher. Consumption increases were a direct result of utility demand increases at three of our larger operating locations. The increase was attributed primarily to increased heating/cooling demands at these facilities. Consumption is anticipated to be stable in the future with the volumes used in product remaining consistent and the impacts of weather being offset by more efficient heating and cooling technologies.

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Identification tool	Please explain
Row 1	Yes	26-50	About the same	WRI Aqueduct	In 2020, 33.3% of water was withdrawn from areas with water stress compared to 34.0% in 2019. When comparing data to previous years changes of <5% were considered to be "about the same". Water Stressed sites in 2020 withdrew 4394 megaliters of water compared to 4563 megaliters in 2019, representing a 3.7% decrease in water withdrawn in the previous year. Water stress determination is made by running all sites through the WRI Aqueduct tool and those sites designated by the tool to have high or extremely high baseline water stress (GRI 303-3-b): are designated as sites withdrawing water from water stressed areas. Our sites operating in water stressed areas are then required to complete an Internal Water Management plan that provides a comprehensive analysis of local water risk. The Water Management Planning Internal tool uses, among other tools, site level questionnaires to better define local quantity, quality, regulatory, reputational and efficiency risks at the basin level, opportunity assessment. Future volumes are also expected to be stable if not slightly decreasing as we into our new 2030 strategy, which is more focused on context-based water management. A strong water management focus will be placed on our higher risk sites operating in water stressed areas to efficiently manage water withdrawals.

W-FB1.2e

(W-FB1.2e) For each commodity reported in question W-FB1.1a, do you know the proportion that is produced/sourced from areas with water stress?

Agricultural commodities	The proportion of this commodity produced in areas with water stress is known	The proportion of this commodity sourced from areas with water stress is known	Please explain

W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	558	Higher	Fresh surface water in 2020 was 558 megaliters compared to 516 megaliters in 2019, representing a 8.1% increase. When comparing data to previous years increases of >5% - 25% were considered to be higher. The increase from previous years was attributed to an increase in surface water use at one manufacturing plant and increase in rainwater use at two other plants. In 2020, 4.2% of total water withdrawal came from Fresh surface water sources. This source is considered relevant as is used for processes that do not require treated municipal treated water, like irrigation, grey water, and heating/cooling. We expect this volume to be stable or slightly decreasing in future years as we implement our new 2030 water strategy.
Brackish surface water/Seawater	Not relevant	<Not Applicable>	<Not Applicable>	No brackish surface water/Seawater is used in our operations.
Groundwater – renewable	Relevant	2368	About the same	Renewable groundwater use in 2020 was 2368 megaliters compared to 2288 megaliters in 2019, representing a 3.5% or slight increase from the previous year. When comparing data to previous years changes of <5% were considered to be "about the same". The slight increase from previous year was attributed to normal operational fluctuations and the addition of two new sites drawing a portion of their water from renewable groundwater. In 2020, 17.9% of total water withdrawal came from renewable groundwater water sources. This source is considered relevant as often it is used for processes that do not require treated municipal treated water, like irrigation and heating/cooling. We expect this volume to be stable or slightly decreasing in future years as we implement our new 2030 water strategy.
Groundwater – non-renewable	Relevant	24	Much lower	Non-renewable groundwater use in 2020 was 24 megaliters compared to 47 megaliters in 2019, representing a 48.9% decrease from the previous year. When comparing data to previous years decreases of >25% were considered to be much lower. In 2020, 0.2% of total water withdrawal came from non-renewable groundwater sources. This source is considered relevant as it is a source of water for used that is used at one of our operations. The decrease in in non-renewable groundwater was the result of our plant shifting much of its use to municipal (Third party) supply. We expect this volume to be stable or slightly decreasing in future years as we implement our new 2030 water strategy.
Produced/Entrained water	Not relevant	<Not Applicable>	<Not Applicable>	Produced water was not relevant in 2020 as we only used a small amount of produced water in our operations. In 2020, we only used <1 megaliters. Future use of produced water is not expected to change.
Third party sources	Relevant	10251	About the same	Third party source water use in 2020 was 10251 megaliters compared to 10570 megaliters in 2019; representing a 3.0% decrease from the previous year. When comparing data to previous years changes of <5% were considered to be "about the same". The slight decrease was attributed to normal operational fluctuations. In 2020, 77.6% of total water withdrawal came from Third party sources. This source is considered relevant as it is a primary source of water for most of our operations and is used in our products and throughout our key manufacturing processes and for drinking water. We expect this volume to be stable or slightly decreasing in future years as we implement our new 2030 water strategy.

W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water	Relevant	1604	About the same	Fresh surface water discharge in 2020 was 1604 megaliters compared to 1639 megaliters in 2019, representing a -2.1% decrease from the previous year. When comparing data to previous years changes of <5% were considered to be "about the same". The slight decrease was attributed to normal operational fluctuations and the overall reduction of water withdrawn; we expect this trend to be stable or slightly decreasing in the future. Fresh surface water discharge was considered relevant in 2020 as 15% of total water discharged was returned to the natural cycle. There are mainly two types of discharge that were safely returned to the natural environment; Non-impaired water that does not come in contact with products and wastewater that has undergone internal wastewater treatment to return it back to a non-impaired state.
Brackish surface water/seawater	Relevant	4	Much higher	Brackish surface water/seawater discharge in 2020 was 4 megaliters compared to 0 megaliters in 2019. When comparing data to previous years changes of >25% were considered to be "much higher". While the % change is high the discharge quantity is relatively low. The surface water/ seawater water discharge is considered relevant as one of our smaller sites is discharging its treated wastewater directly to this source. We expect this volume to remain stable in future years.
Groundwater	Relevant	183	Lower	Groundwater discharge in 2020 was 183 megaliters compared to 194 megaliters in 2019, representing a -5.7% decrease from the previous year. When comparing data to previous years decreases of >5% - 25% were considered to be lower. Groundwater discharge was considered relevant in 2020 as 1.7% of total water discharged was discharged to groundwater. There are mainly two types of water discharge that were safely returned to the natural environment; Non-impaired water that does not come in contact with products and wastewater that has undergone internal wastewater treatment to return it back to a non-impaired state. Water used in irrigation was the main source of groundwater discharge. Improved irrigation techniques and xeriscaping has played a role in the decrease. We expect this volume to remain stable in future years.
Third-party destinations	Relevant	8915	About the same	Third-party destinations discharge in 2020 was 8915 megaliters compared to 9278 megaliters in 2019, representing a 3.9% decrease from the previous year. When comparing data to previous years changes of <5% were considered to be "about the same". Water discharges to Third-party destinations are relevant as this water requires treatment before it can be returned to the environment. In 2020, 83% of Abbott's wastewater was treated in Third party wastewater treatment plants. The slight decrease was attributed to normal operational fluctuations and the overall reduction of water withdrawn. We expect this volume to be stable or slightly decreasing in future years as we implement our new 2030 water strategy.

W1.2j

(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Relevant	1249	Lower	11-20	Tertiary treatment in 2020 was 1249 megaliters compared to 1378 megaliters in 2019, representing a 9.4% decrease. When comparing data to previous years decreases of >5% - 25% were considered to be lower. Decrease levels of tertiary treatment was attributed to lower overall water withdrawal leading to lower discharge. Future trend should be stable.
Secondary treatment	Relevant	6410	About the same	11-20	Secondary treatment in 2020 was 6410 megaliters compared to 6270 megaliters in 2019, representing a 2.2% increase. When comparing data to previous years increases of <5% were considered to be about the same. Volume of secondary treatment was stable as sites using this treatment also had stable volumes of water withdrawal. Future trend should be stable.
Primary treatment only	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	No sites are treating water to a primary levels
Discharge to the natural environment without treatment	Relevant	660	Lower	1-10	Discharge to the natural environment with out treatment in 2020 was 660 megaliters compared to 700 megaliters in 2019; representing a 5.7% decrease. When comparing data to previous years decreases of >5% - 25% were considered to be lower. It is expected that this discharge without treatment will be stable in the future. Water used for irrigation and non-contact cooling water are the primary sources of this discharge.
Discharge to a third party without treatment	Relevant	2387	Lower	71-80	Discharge to a Third Party without treatment in 2020 was 2387 megaliters compared to 2762 megaliters in 2019; representing a 14% decrease. When comparing data to previous years decreases of >5% - 25% were considered to be lower. Decrease levels of discharge to a Third Party was attributed to lower overall water withdrawal leading to lower discharge. Future trend should be stable or slightly increasing as this is the main source that is used to treat our discharge. Water that does not meet regulatory requirements for direct discharge is sent to Third Party treatment.
Other	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Other is not relevant as options above cover our responses.

W-FB1.3

(W-FB1.3) Do you collect/calculate water intensity for each commodity reported in question W-FB1.1a?

Agricultural commodities	Water intensity information for this produced commodity is collected/calculated	Water intensity information for this sourced commodity is collected/calculated	Please explain

W1.4

(W1.4) Do you engage with your value chain on water-related issues?

Yes, our suppliers

W1.4a

(W1.4a) What proportion of suppliers do you request to report on their water use, risks and/or management information and what proportion of your procurement spend does this represent?

Row 1

% of suppliers by number

Less than 1%

% of total procurement spend

1-25

Rationale for this coverage

Abbott makes significant efforts to gain greater visibility into our supply chain to better understand sustainability-related risk exposure and mitigate those risks, which are supported by our global policies and procedures for evaluating the potential risks of new and existing suppliers. In 2020, Abbott spent $17 billion with approximately 70,000 tier 1 suppliers; however only about 12,000 suppliers had a spend greater than $50,000. As part of our supply chain sustainability assessment process, we focus on suppliers with significant spend as well as those operating in high sustainability risk areas to identify and mitigate Abbott's supply chain sustainability risks. In 2020, water performance and risk data was solicited from key suppliers through our Social Responsibility and API supplier audit programs; suppliers are surveyed at least every 3 yrs. and audited based on survey responses and/or criticality.

Impact of the engagement and measures of success

Like Abbott, our suppliers' operations are affected by and contribute to environmental issues, such as climate change, greenhouse gas emissions, water management, waste generation and natural resource availability. Understanding these environmental impacts, risks and opportunities is key to ensuring a sustainable and resilient supply chain. Through our Supplier Sustainability program, we first assess suppliers based on their operating region and industry classification to determine their level of sustainability risk exposure, and then send a supplier questionnaire, including water performance and management practices, to ensure that they are ethically and responsibly managing their water risk exposures. The success of our engagements is measured through the percent of high-risk suppliers that we engage with -- which has resulted in increased awareness, performance monitoring, and minimization of environmental exceedances/fines levied on these suppliers related to water management. In 2017, Abbott's branded generic medicines business established an engagement program to identify suppliers operating in at-risk regions that handle chemicals of high environmental concern if released into the environment, including active pharmaceutical ingredients (APIs). These regions include China, Europe, India and Latin America. The program aims to minimize our environmental risk exposure and ensure business continuity. Through this engagement program, we assess and audit suppliers that we determine to be critical to business continuity, that have negative media exposure and/or notices of violation. Since this program launched in 2017, we have completed 160 EHS audits at supplier facilities (31 desktop audits were permitted in 2020 due to COVID-19); 276 suppliers have completed self-assessments.

Comment

Our 2030 Sustainability Plan sets the following 2030 targets for the development and management of our shared sustainability impacts across our supply chain: • Work with 50 key suppliers in high water-stressed areas to reduce water quality and quantity risks to Abbott and the community. • Ensure ethical sourcing from all suppliers with high-risk sustainability factors through 100% auditing. Additional supplier-related targets can be found in our 2020 Global Sustainability Report.

W1.4b

(W1.4b) Provide details of any other water-related supplier engagement activity.

Type of engagement
Innovation & collaboration

Details of engagement
Other, please specify (1:1 Collaboration/Partnerships)

% of suppliers by number
Less than 1%

% of total procurement spend
1-25

Rationale for the coverage of your engagement
Abbott makes significant efforts to gain greater visibility into our supply chain to better understand sustainability-related risk exposure and mitigate those risks, which are supported by our global policies and procedures for evaluating the potential risks of new and existing suppliers. In 2020, Abbott spent $17 billion with approximately 70,000 tier 1 suppliers; however only about 12,000 suppliers had a spend greater than $50,000. As part of our supply chain sustainability assessment process, we focus on suppliers with significant spend as well as those operating in high sustainability risk areas to identify and mitigate Abbott's supply chain sustainability risks. Our Global Procurement and Global Environment, Health and Safety (GEHS) teams actively engage with strategic suppliers in one-to-one partnerships to identify and address sustainable supply chain risks and opportunities. We work with these suppliers to share best practices on the management of sustainability issues, as well as to explore initiatives to improve the sustainability of Abbott products, and the products and services our suppliers provide to us. In the past three years, Abbott has partnered with nine strategic suppliers to engage on sustainability issues (including water), and in 2020 we partnered with three. In addition to this, our 2030 Sustainability Plan highlights the importance of supply chain sustainability to deliver innovative healthcare solutions to the millions of people who need them. Our Plan sets the following 2030 targets for the development and management of our shared sustainability impacts across our supply chain which will drive our water-related supplier engagements into the future: • Work with 50 key suppliers in high water-stressed areas to reduce water quality and quantity risks to Abbott and the community. • Ensure ethical sourcing from all suppliers with high-risk sustainability factors through 100% auditing. • Address 50 million pounds of packaging through high-impact sustainable design programs. • Work with our key carbon-intensive suppliers to implement sustainable programs to reduce our Scope 3 carbon emissions.

Impact of the engagement and measures of success
1:1 relationships included information and best-practice sharing for sustainability-related programming and initiatives, as well as exploring collaborative projects to improve product sustainability. Through these relationships, we identified opportunities to work together to enhance both Abbott's and the suppliers' sustainability programs. Considerations included product sourcing and manufacturing, alternative (more sustainable) products and product take-back at end of life. Among such opportunities were information and best-practice sharing for sustainability-related programming and initiatives, exploring collaborative projects to improve product sustainability, and supply chain mapping to validate the sustainable and ethical sourcing of current purchases. Furthermore, these supplier engagements Abbott have demonstrated that 1:1 relationships are valuable for the purposes of: mentoring to grow the potential and quality of a supplier; ensuring sustainability and ethical procurement of goods and services; and identifying and exploring additional opportunities, such as reduced costs, improved efficiencies and/or reduced environmental footprint of Abbott products. We will continue to foster relationships like these in 2021 and beyond.

Comment
Our 2030 Sustainability Plan sets the following 2030 targets for the development and management of our shared sustainability impacts across our supply chain: • Work with 50 key suppliers in high water-stressed areas to reduce water quality and quantity risks to Abbott and the community. • Ensure ethical sourcing from all suppliers with high-risk sustainability factors through 100% auditing. Additional supplier-related targets can be found in our 2020 Global Sustainability Report.

Type of engagement
Other

Details of engagement
Other, please specify (Mapping Critical Suppliers Operating in Water Stressed Areas)

% of suppliers by number
Less than 1%

% of total procurement spend
1-25

Rationale for the coverage of your engagement
We monitor supplier compliance with the basic principles outlined in our Supplier Guidelines, and we engage with critical and strategic suppliers that represent our greatest environmental and social sustainability risks and opportunities. We annually assess the performance of suppliers representing a high sustainability risk. We use supplier classification models to identify critical suppliers, so we can form strategic partnerships with them to help manage risk. Our critical suppliers include those supplying materials, components and services that can influence the safety and performance of our products, as well as those that are the only approved source of materials, components and services. We use the World Resources Institute Aqueduct™ tool to determine which suppliers have the greatest risk of water supply interruptions. This mapping has identified that 23% of our critical suppliers currently operate in areas of high and extremely high baseline water stress. Mapping water stress in this way allows our businesses to engage with affected suppliers to ensure business continuity.

Impact of the engagement and measures of success
We monitor supplier compliance with the basic principles outlined in our Supplier Guidelines, and we engage with critical and strategic suppliers that represent our greatest social sustainability risks and opportunities. We annually assess the performance of suppliers representing a high sustainability risk. We use supplier classification models to identify critical suppliers, so we can form strategic partnerships with them to help manage risk. Our critical suppliers include those supplying materials, components and services that can influence the safety and performance of our products, as well as those that are the only approved source of materials, components and services. We use the World Resources Institute Aqueduct™ tool to determine which suppliers have the greatest risk of water supply interruptions. This mapping has identified that 23% of our critical suppliers currently operate in areas of high and extremely high baseline water stress. Mapping water stress in this way allows our businesses to engage with affected suppliers to ensure business continuity.

Comment
Our 2030 Sustainability Plan sets the following 2030 targets for the development and management of our shared sustainability impacts across our supply chain: • Work with 50 key suppliers in high water-stressed areas to reduce water quality and quantity risks to Abbott and the community. • Ensure ethical sourcing from all suppliers with high-risk sustainability factors through 100% auditing. Additional supplier-related targets can be found in our 2020 Global Sustainability Report.

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

No

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

No

W3. Procedures

W-FB3.1

(W-FB3.1) How does your organization identify and classify potential water pollutants associated with its food, beverage, and tobacco sector activities that could have a detrimental impact on water ecosystems or human health?

W-FB3.1a

(W-FB3.1a) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your food, beverage, and tobacco sector activities.

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Direct operations

Coverage

Full

Risk assessment procedure

Water risks are assessed as part of other company-wide risk assessment system

Frequency of assessment

Annually

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Tools on the market
Enterprise Risk Management
Databases
Other

Tools and methods used

WRI Aqueduct
Internal company methods

Comment

To have a top-line understanding of water risk across our geographies, we prioritize our efforts and focus resources by mapping our direct operations using the WRI Aqueduct tool to identify sites operating in water stressed basins. These sites are required to perform a comprehensive local-site water risk assessment using an internal Water Management tool, of which existing and future water risks are evaluated.

Supply chain

Coverage
Full

Risk assessment procedure
Water risks are assessed as part of other company-wide risk assessment system

Frequency of assessment
Annually

How far into the future are risks considered?
3 to 6 years

Type of tools and methods used
Tools on the market
Enterprise Risk Management
Databases

Tools and methods used
WRI Aqueduct
Other, please specify (DHL Resilience 360)

Comment
Abbott has global policies and procedures for evaluating the potential risks of new and existing suppliers, as well as the overall supply chain resilience. Abbott's Supply Chain Council and Business Continuity Group worked together to identify our critical suppliers across our four businesses and to map them in Supplier mapping risk matrix tool, DHL Resilience 360. We also use the World Resources Institute Aqueduct™ tool to determine which suppliers have the greatest risk of water supply interruptions. This mapping has identified that 23% of our critical suppliers currently operate in areas of high and extremely high baseline water stress. Mapping water stress in this way allows our businesses to engage with affected suppliers to ensure business continuity.

Other stages of the value chain

Coverage
None

Risk assessment procedure
<Not Applicable>

Frequency of assessment
<Not Applicable>

How far into the future are risks considered?
<Not Applicable>

Type of tools and methods used
<Not Applicable>

Tools and methods used
<Not Applicable>

Comment

W3.3b

(W3.3b) Which of the following contextual issues are considered in your organization's water-related risk assessments?

	Relevance & inclusion	Please explain
Water availability at a basin/catchment level	Relevant, always included	Water availability risks are evaluated using both the WRI Aqueduct and our internal Water Management Plan Tool. If risks are identified sites are required to investigate opportunities to mitigate the risk. Relevant because risk is a function of the total availability of water considering the impact of all stakeholders on the basin. Water use restrictions and other regulations that might impact operations increase as water availability decreases. Ultimate risk mitigation strategies might involve internal and external activities that protect the basin. Water withdrawals, consumption and discharges are measured at the site level and entered at least quarterly in our environmental database. Thus, allowing us to monitor performance.
Water quality at a basin/catchment level	Relevant, always included	Water quality risks are evaluated in the risk assessment survey associated with our internal Water Management Plan. Questions in quality risk survey are focused on basin/catchment level discharge. If risks are identified sites are required to investigate opportunities to mitigate the risk. Relevant because risk is a function of the total quality of water considering the impact of all stakeholders in the basin. Water basins with diminishing water quality often leads to additional regulatory restrictions on discharge.
Stakeholder conflicts concerning water resources at a basin/catchment level	Relevant, always included	Stakeholder conflicts concerning water resources at the basin/catchment level are evaluated in the risk assessment survey associated with our internal Water Management Plan. The risk evaluation questions include, among others, determining if there are any impacts of the sites water usage on the local community and if there are concerns in the local community about the water shed. The risk questions also evaluate whether there are any legal disputes or treaties that are being contested in the local basin regarding access to water or water rights. Relevant because in recent years stakeholder conflicts have been identified concerning water resources in several regions globally.
Implications of water on your key commodities/raw materials	Relevant, always included	Relevant because in recent years stakeholder conflicts, climate change and natural disasters have been identified concerning water resources at the local level. Abbott works to ensure the resilience of our supply chain by collaborating across business functions to address complex supply chain challenges, leverage technology and improve transparency. This approach delivers an increased understanding, and through this, we are able to adapt our supply chain to address external factors that may impact business continuity and improve our shared sustainability impacts across our value chain. Abbott's Supply Chain Council and a Business Continuity group use the DHL Resilience360© risk matrix tool to: analyze sourcing locations for our critical suppliers, assess their level of risk and track geopolitical, security, sustainability, environmental and infrastructure risks that could affect our supply chain. Through this system, we monitor supply chain disruptions in real time to identify suppliers and locations at high risk of impacting business continuity due to natural disasters and other issues. Abbott businesses have prepared contingency plans for such catastrophic events. We also use the World Resources Institute Aqueduct™ tool to determine which suppliers have the greatest risk of water supply interruptions. This mapping has identified that 23% of our critical suppliers currently operate in areas of high and extremely high baseline water stress. Mapping water stress in this way allows our businesses to engage with affected suppliers to ensure business continuity. Through this process, we can identify which industries and suppliers are more likely to have water related risks that could have a substantive impact to allow us effective monitor and manage these accounts.
Water-related regulatory frameworks	Relevant, always included	Regulatory risks are evaluated in the risk assessment survey associated with our internal Water Management Plan. The evaluation includes determining how regulatory changes could influence the sites' operations so they can pro-actively mitigate future risks associated with regulatory change. Considered relevant because we have seen regulatory changes regarding access and increased quality requirements at the local level around wastewater discharge. Regulatory frameworks are also relevant as part of our internal commitment to comply with applicable regulations.
Status of ecosystems and habitats	Relevant, always included	Is considered relevant due to increasing public concerns over impacts related to water withdrawal and discharge on the ecosystems and habit. This issue is incorporated into our direct operations through our Internal Water Management tool that evaluates both water withdraw and discharges, including water stress, upstream storage, flooding, droughts, impacts to communities, reputational and regulatory issues. Our pharmaceutical manufacturing involved in the manufacture of APIs have also undergone a risk assessment of discharge to evaluate any potential impacts to ecosystems and habitats. Relevant tools as inputs to the water risk assessment include WRI Aqueduct, WWF, WBCSD, Alliance for Water Stewardship Standard, SETAC and PSCS).
Access to fully-functioning, safely managed WASH services for all employees	Relevant, always included	Relevant because access to fully-functioning, safely managed WASH services is essential to the health and safety of our employees. Our Water Management Technical Standard requires that all sites maintain access to safe water, sanitation, and hygiene for all employees. All sites are routinely audited against this standard.
Other contextual issues, please specify	Relevant, always included	Abbott's Internal Water Management Plan also requires sites to evaluate operating efficiency, and political risks as it relates to water. This is relevant because in areas of chronic stress it is important to evaluate operational efficiency and awareness efforts related to water conservation, water reuse and recycling and other processes leading to more efficient water use in the local community where the site is operating. Changing policies at the international, national, or local level may impact public and government expectations on the management water related impacts. Governmental disputes over water rights has also been witnessed in recent years as the level of water stress increases. The latest revision to Abbott's Internal Water Management Plan for high risk water stressed sites requires that sites reach out to stakeholders in the communities where they operate to get a better understanding of potential water related issues associated with the basin. Information that is recorded includes Stakeholder name, organization, type of stakeholder, date of engagement, type of engagement, potential waste risk identified, ability of the stakeholder to influence and need for follow-up are recorded. Stakeholders include water suppliers, water treatment suppliers, local utilities, regulators, other companies, supplies and consultants.

W3.3c

(W3.3c) Which of the following stakeholders are considered in your organization's water-related risk assessments?

	Relevance & inclusion	Please explain
Customers	Relevant, always included	Our customers are relevant and factored in our risk assessments as they expect high-quality products and our access to quality water is important. As a healthcare company, to use our products, customers also need access to quality fresh water. Freshwater plays a critical role in the use of many of our products, however the amount of water required to consume or use our products is minimal. Some of our customers draw from the same watershed areas where our plants operate. Abbott is committed to maintaining sustainable, efficient, and comprehensive water management programs that are respectful of the needs and concerns of the communities where we operate. Our water risk assessment process evaluates quantity, quality, reputation/political, regulatory and efficiency risks at the local level. Likewise, some of our products could have water quality impacts after use. We have developed a product stewardship program to minimize the impact of our products throughout the product life cycle. The program tracks and addresses regulations regarding restricted chemicals and ensures products instructions are provided for appropriate and safe disposal of products. Abbott informs customers about water performance, conservation measures and water risk in its annual non-financial Global Sustainability Report. In 2018 and 2019, our executive management team launched an in-depth materiality analysis of the most important environmental, social and governance (ESG) issues that included climate and water, for our business as the basis for developing a new sustainability strategy. We partnered with an external consultancy, Corporate Citizenship, to develop and conduct a robust materiality process. As part of the process we conducted extensive research on potential issues that included engaging ratings and rankings organizations, peers, and competitors, tracking emerging issues, and consulting best practices from across different industries. Customers were included in the analysis. Customers are included as their input is key to ensuring that our future actions on social and environmental issues are aligned with their expectations. Customer engagement methods included customer meetings, customer call centers, sales ambassadors and customer relationship managers, field service representatives, focus groups, business and country representatives, brand websites and social media.
Employees	Relevant, always included	We have an Global EHS Technical Standard for Water that has specific requirements for effective water management in terms of use and discharges to protect employee and the public; minimizes adverse impacts in terms of quantity and quality; performance metrics data collection, and reporting; and identifying and reducing business risks associated with water use and discharges as well as related regulatory requirements. Our water risk assessment process evaluates quantity, quality, reputational/political, regulatory and efficiency risks at the local level. It is relevant because our employees play a key role in helping us identify water-related risks and opportunities and may be impacted by our activities. Employees are informed of our water management policies. We work to improve our water management through training and awareness campaigns. Abbott is committed to maintaining sustainable, efficient, and comprehensive water management programs that are respectful of the needs and concerns of the communities where we operate. To promote water risk awareness and education, we provide training to our EHS employees on applicable EHS regulations and internal technical standards, encourage them to gain external certifications, and support attendance at external training and conferences. We promote EHS awareness and share best practices across Abbott and conduct a monthly webinar series featuring subject-matter experts and presentations from business sites that have reached high performance in our priority EHS areas of focus.

	Relevance & inclusion	Please explain
Investors	Relevant, always included	Abbott's water risk assessment process allows sites to identify and take action to mitigate risks, which is key to maintaining sustainable operations. This is relevant to us as Investors are interested in investing in successful companies that have a proven track record of sustainability. In 2018 and 2019, our executive management team launched an in-depth materiality analysis of the most important environmental, social and governance (ESG) issues that included climate and water, for our business as the basis for developing a new sustainability strategy, We partnered with an external consultancy, Corporate Citizenship, to develop and conduct a robust materiality process. As part of the process we conducted extensive research on potential issues that included engaging ratings and rankings organizations, peers, and competitors, tracking emerging issues, and consulting best practices from across different industries. We conducted more than 40 hours of interviews with 57 internal and external stakeholders. Investors were included as a stakeholder in this analysis. Investors are included as their input is key to ensuring that our future actions on social and environmental issues are aligned with their expectations and are material to our business. Investor engagement methods included; investor calls, in person meetings, Annual Shareholders' Meeting, quarterly earnings calls and conferences, Global Sustainability Report, investor section of Abbott.com and social media. Our stakeholder engagement is also conducted formally through the many associations and partnerships of which we are members including; NAEM, WRI, WBCSD, AWS and PSCI. We also seek to engage with stakeholders more informally through networks and organizations in which we participate.
Local communities	Relevant, always included	Our water risk assessment process evaluates quantity, quality, reputational, regulatory, political and efficiency risks at the local level. Community is included because it is essential for us to have community support of our operations and therefore it is critical that we understand community concerns related to water. The latest revision to Abbott's Internal Water Management Plan for high risk water stressed sites requires that sites survey stakeholders in the communities where they operate to get a better understanding of all potential water related issues associated with the basin. Information from the survey that is recorded includes Stakeholder name, organization, type of stakeholder, date of engagement, type of engagement, potential waste risk identified, ability of the stakeholder to influence and need for follow-up are recorded. Community stakeholders include water suppliers, water treatment suppliers, local utilities, regulators, other companies, suppliers, and consultants. Engagement methods include phone calls, meetings, and conferences.
NGOs	Relevant, always included	To have a top line understanding of water risk across our geographies, we prioritize our efforts and focus resources by mapping our direct operations using the WRI Aqueduct tool to identify sites operating in water stressed basins. These sites are required to perform a comprehensive local-site water risk assessment using our internal Water Management tool, of which existing and future water risks are evaluated. Relevant because NGO tools are used directly or as inputs to build Abbott's Internal Water Management Planning tool that is used for water risk assessment at the basin level. Inputs from NGOs for development of our Internal Water Management Plan include; WRI Aqueduct, WWF, WBCSD and Alliance for Water Stewardship Standard. NGOs are included not only for tool support, but we also look to NGOs for support on determining emerging trends related to water risk in various geographies. This is done through phone calls, conference interaction, webinars, and meetings. Abbott actively engaged with the Alliance for Water Stewardship and WRI in 2020 related to the development of its 2030 strategy in water. Abbott also supported WRI, Public Water Mapping initiative.
Other water users at a basin/catchment level	Relevant, always included	Our water risk assessment process evaluates quantity, quality, reputational/political, regulatory and efficiency risks at the local catchment or basin level. Part of the Water Management Plan risk assessment process is for sites to survey stakeholders in the communities where they operate. Other water users such as other industries or suppliers compete for the same water source. Getting feedback from these stakeholders allow us to better understanding of all potential water related issues associated with the basin. Information from the survey that is recorded includes Stakeholder name, organization, type of stakeholder, date of engagement, type of engagement, potential waste risk identified, ability of the stakeholder to influence and need for follow-up are recorded. Stakeholders include water suppliers, water treatment suppliers, local utilities, regulators, other companies, suppliers, and consultants. Engagement methods include phone calls, meetings, and conferences. These stakeholders are included to get direct feedback on the relevant water risks in the community where the plant operate.
Regulators	Relevant, always included	All sites must comply with local regulatory requirements, as outlined in the water global technical standard. Our water risk assessment process evaluates regulatory risks at the local catchment or basin level. Part of the Water Management Plan risk assessment process is for sites to survey stakeholders in the communities where they operate to get a better understanding of all potential water related issues associated with the basin. Information from the survey that is recorded includes Stakeholder name, organization, type of stakeholder, date of engagement, type of engagement, potential waste risk identified, ability of the stakeholder to influence and need for follow-up are recorded. Community stakeholders include water suppliers, water treatment suppliers, local utilities, regulators, other companies, suppliers, and consultants. Engagement methods include phone calls, meetings, and conferences.
River basin management authorities	Relevant, always included	In our water management plan assessment of risk is evaluated. Sites operating in water-stressed areas are required to evaluate risks associated with water source stakeholders which could include River basin management authorities, special interest groups, local regulatory agencies, etc. Engagement methods include; phone calls, meetings and conferences. River basin management are factored into water risk assessments because they have knowledge about potential future water related risks specific to the watershed. They serve as a point of contact for water users on emerging issues and potential future risks.
Statutory special interest groups at a local level	Relevant, always included	Sites operating in water-stressed areas are required to evaluate risks at the local level. In some basins statutory special interest groups can often provide valuable information about local water conditions and risks associated with water source. Engagement methods with special interest groups include; phone calls, meetings and conferences. This is relevant because it is important to understand all risks potentially impacting operations including issues associated with special interest groups.
Suppliers	Relevant, always included	Abbott works to ensure the resilience of our supply chain by collaborating across business functions to address complex supply chain challenges, leverage technology and improve transparency. This approach delivers an increased understanding, and through this, we are able to adapt our supply chain to address external factors that may impact business continuity and improve our shared sustainability impacts across our value chain. Abbott's Supply Chain Council and a Business Continuity group use the DHL Resilience360© risk matrix tool to: analyze sourcing locations for our critical suppliers, assess their level of risk and track geopolitical, security, sustainability, environmental and infrastructure risks that could affect our supply chain. Through this system, we monitor supply chain disruptions in real time to identify suppliers and locations at high risk of impacting business continuity due to natural disasters and other issues. Abbott businesses have prepared contingency plans for such catastrophic events. We also use the World Resources Institute Aqueduct™ tool to determine which suppliers have the greatest risk of water supply interruptions. This mapping has identified that 23% of our critical suppliers currently operate in areas of high and extremely high baseline water stress. Mapping water stress in this way allows our businesses to engage with affected suppliers to ensure business continuity. This is relevant because through this process, we can identify which industries and suppliers are more likely to have water related risks that could have a substantive impact to allow us effective monitor and manage these accounts.
Water utilities at a local level	Relevant, always included	Water utilities at the local level are included in the risk assessment process because they provide us with valuable input on risks associated with both quantity and quality of water and their capacity to meet our operating needs. Water utilities also provide valuable information on the status of source water that can be used in our risk assessment process. In our water management plan assessment of risk is evaluated for both quantity and quality of water intake and discharge. Sites operating in water-stressed areas are required to evaluate risks associated with all water supply and water discharge sources used by the facility. Sites operating in water-stressed areas are required to evaluate risks associated with water source stakeholders which include water utilities at the local level. Engagement methods include phone calls, meetings, and conferences. Water utility engagement is relevant since 78.5% of all incoming water supplies are sourced from Third Parties and 83% of all water discharged goes to Third Party treatment. A complete understanding of water risks requires interaction with water utilities.
Other stakeholder, please specify	Not considered	All are covered above

W3.3d

(W3.3d) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

Abbott is committed to identifying and mitigating climate- and water- related risks that have the potential to impact our operations, supply chain and distribution network. We have an integrated multi-disciplinary company-wide risk management process which assesses and manages risks at various levels of the organization to ensure that our businesses and operations are resilient. Our policies, standards and programs drive business resilience and are regularly updated to align with current and future global requirements.

Substantive change is defined as any event which could impact our direct operations or supply chain to a degree that it would significantly disrupt product flow to our customers in any of the global markets that we serve. Abbott's Business Continuity Management program considers the impact of margin (financial risk) combined with reputational, operational, compliance risks and impact on other segments of the business. For each critical process within a Business Continuity Plan (BCP), a maximum tolerable period of disruption is identified. This becomes the trigger to activate the BCP if the disruption is greater than the acceptable amount.

Abbott's Enterprise Risk Management process identifies and evaluates the most critical risks to our business and provides guidance to our Board of Directors and management team. Our ERM process is designed to evaluate risks on a consistent basis, measuring likelihood, impact and velocity to ensure the largest risks to Abbott have the appropriate focus and attention of our management team. Sustainability is incorporated into the ERM process through risks arising from the impact of climate change and extreme weather patterns on human health and disease. We also assess the vulnerability of Abbott's operations to extreme weather events and climate-related financial risks and take steps to ensure the continuity of our business and our supply chain.

Abbott's EHS Governance teams and businesses also monitor emerging trends and regulations to analyse their potential impact on Abbott and understand our risk exposures and develop appropriate management strategies. To calculate the financial implications of potential climate-related risks, Abbott's EHS and Economics organizations undertake scenario sensitivity risk-modelling analyses; recent analyses have considered COP21, potential carbon taxes, water scarcity and impacts to agriculture supply chains.

Through these processes, we have concluded that Abbott is not exposed to water-related risks that have potential to generate a substantive change in business operations, revenue or expenditure at a corporate level; however, we have determined that limited water-related risks exist at site and regional operation levels and throughout our supply chain. Through Abbott's diverse geographical distribution, the potential for water-related risks to have a substantive impact on our business is significantly mitigated.

The physical risks associated with water cannot be prevented, however we are prepared to mitigate the risks associated with these types of events. Through the work of our Business Continuity and Crisis Management, EHS, Engineering and Supply Chain groups, we identify and implement measures to ensure our business resilience. Our dedicated Crisis and Business Continuity organization addresses acute physical risks, such as unforeseen extreme weather events and changing precipitation patterns. Similarly, Abbott's Engineering and EHS policies and management standards consider chronic physical risks, such as water scarcity, and require sites to conduct regular risk and opportunity evaluations and implement mitigation strategies. Likewise, a core part of Abbott's business strategy includes reducing our water footprint in the communities in which we operate and engaging our value chain in strategic sourcing categories.

Abbott's Global Technical Standard for water requires an annual assessment of water stress at all manufacturing locations. The WRI Aqueduct tools are used in concert to identify sites that are operating in water-stressed basins; both current and future water stress (through 2020, 2030 and 2040) is evaluated. Sites identified as operating in a water-stressed region are required to perform a detailed local water risk analysis to characterize the degree of water risk, identify opportunities to reduce these risks and develop targets and goals. Potential water-related risks are also considered for new plant or site expansion projects.

Abbott also proactively identifies suppliers in high-risk industries and geographies. We assess sustainability risk through our Supplier Sustainability Program and a supplier mapping risk matrix tool. Critical suppliers are then mapped against water stress using the WRI Aqueduct Tool. Through this process we identify suppliers likely to have water-related risks that could have a substantive impact and allows us to monitor and manage these accounts.

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

No

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

Abbott is committed to identifying and mitigating water-related risks that may have the potential to impact our operations, supply chain and distribution network. These risks include potential physical risks, as well as emerging transitional risks. We have an integrated multi-disciplinary company-wide risk management process which assesses and manages water-related risks at various levels of the organization to ensure that our businesses and operations are resilient. Our policies, standards and programs drive business resilience and are regularly updated to align with current and future global requirements.

Substantive change is defined as any event which could impact our direct operations or supply chain to a degree that it would significantly disrupt product flow to our customers in any of the global markets that we serve. Abbott's Business Continuity Management program considers the impact of margin (financial risk) combined with reputational, operational, compliance risks and impact on other segments of the business. For each critical process within a Business Continuity Plan (BCP), a maximum tolerable period of disruption is identified. This becomes the trigger to activate the BCP if the disruption is greater than the acceptable amount. For example, the emergency crisis management team was activated in advance of Hurricane Florence and ensured preparedness as the storm made its way along the eastern seaboard and into NC and VA. In the Western United States, wildfires have the potential to be a large threat. Annually, the Crisis Action team based in California collaborates with all businesses and the Executive Crisis Management team to proactively monitor areas listed as high drought or wildfire prone areas that may impact our facilities, employees, or supply chain. Once an incident is identified, Abbott develops a map to overlay our resources with the projected fire perimeter. Crisis plans are activated and communication between the local teams and the Executive team begins occurring ensuring collaboration of resources and information until the conclusion of the event.

These processes have also served to increase business resiliency in the face of other forms of extreme events. During the COVID-19 pandemic, at a time when flights were grounded and many borders closed, our processes enabled us to produce millions of COVID-19 tests in a matter of weeks while continuing to provide all our other essential products to people around the world.

Abbott's ERM process identifies and evaluates the most critical risks to our business and provides guidance to our Board of Directors and management team. The process is designed to evaluate risks on a consistent basis, measuring likelihood, impact and velocity to ensure the largest risks to Abbott have the appropriate focus and attention of our management team. Sustainability is incorporated into the ERM process through risks arising from the impact of climate change and extreme weather patterns on human health and disease. We also assess the vulnerability of Abbott's operations to extreme weather events and climate-related financial risks and take steps to ensure the continuity of our business and our supply chain.

Abbott's EHS Governance teams and businesses also monitor emerging climate-related trends and regulations to analyse their potential impact on Abbott and understand our risk exposures and develop appropriate management strategies. To calculate the financial implications of potential climate-related risks, Abbott's EHS and Economics organizations undertake scenario sensitivity risk-modelling analyses; recent analyses have considered COP21, potential carbon taxes, water scarcity and impacts to agriculture supply chains.

To address water-related risks and ensure our business' resilience, Abbott's Business Continuity and Crisis Management, EHS, Engineering and Supply Chain organizations work to implement measures which allow us to ensure business continuity and minimize the financial impacts from physical water-related risks. Likewise, a core part of Abbott's business strategy includes reducing our water footprint in our operations and engaging our value chain in strategic sourcing categories.

W4.2b

(W4.2b) Why does your organization not consider itself exposed to water risks in its direct operations with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	While water is a key resource for manufacturing, the company is not exposed to significant water risk at a corporate level. Interruption of water supply to any single manufacturing site or locale would have a local impact; however, operating contingencies and geographic diversification limit these risks to Abbott's business, operations, revenue, and expenditures. In 2020, we used the WRI Aqueduct tool to identify the risk level for direct operations on an annual basis to identify sites operating in water stressed areas. Having a clear definition for water stress allows us to identify sites that require a more intensive local water risk assessment, which in turn allows us to proactively address those risks to prevent them from becoming substantive. In 2020, 28 of our 112 manufacturing and R&D sites operated in water-stressed regions. However, more than 54% of the sites in water-stressed areas each used less than 15 million gallons of water per year. This minimized Abbott manufacturing and R&D site exposure to water risk, as well as minimized our impacts in water-stressed areas where we operate. Water Management Planning Tools, Global Technical Standard for Water and Water Efficiency Guidelines provide water-stressed sites direction and support for reducing local risk in alignment with a context-based water management approach.

W4.2c

(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	Through Abbott's risk management processes, we have determined that climate- and water- related risks and opportunities exist at site and regional operation levels and throughout our supply chain, however Abbott is not exposed to any substantive climate related risks or opportunities at a global level. Interruption of water supply to any single supplier could have a local impact; however, operating contingencies and geographic diversification limit these risks. Abbott proactively identifies suppliers in high-risk industries, geographies and spend categories, conducting intensive screening. We assess sustainability risk on an annual basis through our Supplier Classification Model, which guides supply chain visibility and resilience efforts. In cases where Abbott utilizes single source suppliers, additional screening and contingency plans are employed to reduce risk to the site. Abbott's Supply Chain Council and Business Continuity Group identifies critical suppliers and map them in supplier mapping risk matrix (DHL Resilience 360) to determine sustainability-risk hot spots, track events in real-time and automatically alert key stakeholders to risks with the potential to affect supply chains.

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

No

W4.3b

(W4.3b) Why does your organization not consider itself to have water-related opportunities?

	Primary reason	Please explain
Row 1	Opportunities exist, but none with potential to have a substantive financial or strategic impact on business	Abbott defines substantive change as any event which could impact our direct operations or supply chain to a degree that it would significantly interrupt product flow to our customers in any of the global markets that we serve. Through Abbott's risk management processes, we have determined that climate- and water- related risks and opportunities exist at site and regional operation levels and throughout our supply chain, however Abbott is not exposed to any substantive climate related risks or opportunities at a global level. This diversification, along with the actions we have already taken to ensure the efficiency of our operations and the business sector we are in, limits our exposure to both physical and regulatory climate- and water- related risks. Compared to many industries, Abbott's water footprint is relatively small and our water risks and opportunities are likewise not substantive to our business. Abbott has worked to develop a comprehensive management program to address our water-related risks and opportunities. This positions our company to address potential market changes due to water risks. At a site level, Abbott's Global Technical Standard for Water requires that water-stressed sites and significant water users complete a comprehensive local water risk assessment every five years that includes identifying opportunities. In 2020, over 16 water efficiency projects in 6 countries and 12 sites were responsible for saving 14.6 US million gallons of water. Drivers for reduction include more efficient CIP procedures that use less water, recycling, improved irrigation (xeriscaping, drip irrigation), incorporating smart water technology, minimizing water use in cooling operations, and repairing leaks. While these projects are important, they aren't deemed as having a substantive impact on overall company performance. Regarding the products that we supply, Changes to the climate have the potential to influence the disease burden and result in increased need for the pharmaceutical, diagnostics, medical devices and nutrition products that Abbott makes. However, we do not anticipate that this will have a substantive financial or strategic impact on our business. We will continue to respond to increased humanitarian needs as a result of severe weather events and changes in the spread of disease in line with our caring values and primarily through our philanthropic organization and product donations.

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

Yes, we have a documented water policy that is publicly available

W6.1a

(W6.1a) Select the options that best describe the scope and content of your water policy.

	Scope	Content	Please explain

	Scope	Content	Please explain
Row 1	Company-wide	Description of business dependency on water Description of business impact on water Description of water-related performance standards for direct operations Description of water-related standards for procurement Company water targets and goals Commitments beyond regulatory compliance Commitment to water-related innovation Commitment to stakeholder awareness and education Commitment to water stewardship and/or collective action Commitment to safely managed Water, Sanitation and Hygiene (WASH) in the workplace Recognition of environmental linkages, for example, due to climate change	Abbott's Water Policy on Access to Clean Water publicly recognizes that water is a critical natural resource essential to sustaining life, human health, economic growth, and ecosystems. Clean, safe water is becoming increasingly scarce in many parts of the world due to factors such as growing populations, climate change/drought, industrial expansion, water pollution and intensive agriculture. Our Water Policy, highlights the importance of water as a resource and our company-wide commitment to maintain sustainable, efficient, and comprehensive water management programs that are respectful of the needs and concerns of the communities where we operate. Abbott has a company-wide water strategy implemented through its policies, standards, and goals. In 2017, we updated our Water Policy to reinforce our desire to work with suppliers to ensure they are transparent in their water management practices and embed sustainable water management principles into their operations and supply chains.

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual	Please explain
Director on board	The Board has four key committees: Audit, Compensation, Nominations and Governance and Public Policy. Each of these board committees are fully independent. The Public Policy Committee is composed of several board members, with one appointed as the Chairman. This Committee assists the Board of Directors in fulfilling its oversight responsibility with respect to Abbott's public policy, certain areas of legal and regulatory compliance and governmental affairs and healthcare compliance issues that affect Abbott. In addition, this Committee has responsibility to review social, political, economic and environmental trends (including water-related issues) and public policy issues that affect or could affect Abbott's business activities, performance, and public image, and review them with the Board as appropriate. The Public Policy Committee Charter, which details the Committee's Authority and Responsibilities, is at http://dam.abbott.com/en-us/documents/pdfs/investors/public-policy-committee-charter-672018.pdf

W6.2b

(W6.2b) Provide further details on the board's oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Overseeing acquisitions and divestiture Reviewing and guiding major plans of action Reviewing and guiding strategy	Abbott is committed to strong corporate governance that aligns with shareholder interests. Our Board of Directors and senior management lead our sustainability activities. Abbott's Board of Directors spends significant time with Abbott's senior management to understand the dynamics, issues and opportunities in its environment, and to provide both insights and ask probing questions that guide decision-making. This collaborative approach to risk oversight and emphasis on long term sustainability begins with our leaders and is ingrained in Abbott's culture. The Board also regularly monitors leading practices and trends in governance and adopts measures that it determines are in the best interest of Abbott and its shareholders. The Board's Public Policy Committee is responsible for reviewing and evaluating our policies and practices regarding corporate responsibility.

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)
Other C-Suite Officer, please specify (SVP Quality, Regulatory & Engineering)

Responsibility
Both assessing and managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues
As important matters arise

Please explain
In 2019, our EHS organization began reporting directly to the Senior Vice President, Quality Assurance, Regulatory and Engineering Services, to shorten lines of accountability and strengthen senior-level leadership support. The SVP is a senior corporate officer who reports to our CEO and leads our EHS management efforts. The Senior Vice President, Quality Assurance, Regulatory and Engineering Services oversees our environmental strategy (including water-related risk and opportunity identification and mitigation strategies), reviews environmental metrics, key programs and progress regularly, and reports key developments to our Chairman and CEO, as needed. In 2019, the SVP was the executive sponsor for the development of Abbott's next generation climate and water strategy and participated in multiple corporate executive team meetings to consider the adoption of climate and water targets within Abbott's next generation sustainability strategy.

Name of the position(s) and/or committee(s)
Other committee, please specify (Global Operations Council)

Responsibility
Both assessing and managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues
Not reported to board

Please explain
The Global Operations Council (GOC) oversees execution of the strategy for all Abbott operations (Manufacturing, Supply Chain, Engineering and Environment, Health and Safety) based on internal assessment, risk profiles and industry best practices to continuously improve Abbott's performance. The council is chaired by our Senior Vice President, Quality Assurance, Regulatory and Engineering Services, and includes three corporate officers and 26 divisional vice presidents, representing division and corporate operations. For more information on our management of operational sustainability, see the Safeguarding Our Environment, Strengthening Our Supply Chain and Valuing Our People sections of the Global Sustainability Report.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	Yes	

W6.4a

(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive	Performance indicator	Please explain
Monetary reward	Corporate executive team	Reduction of water withdrawals Improvements in efficiency - direct operations	All levels of the organization go through an annual goal and performance review process. In particular, performance incentive goals are taken by senior leaders across a wide variety of disciplines, some of which impact Abbott's climate change performance, including transportation, packaging, supply chain, energy management, resource efficiency, etc. These goals have a trickle-down effect throughout the organization, as management goals are adopted by staff reporting into that position. Senior leadership levels receive performance incentives if they accomplish their goals. Depending on the person's area of responsibility, a goal could be (1) supportive of water related issues, such as improving operational and/or supply chain efficiency, (2) or water specific, such as developing Abbott's next generation sustainability strategy, including climate and emissions performance.
Non-monetary reward	Other, please specify (All employees)	Please select	We encourage employees to manage activities that are focused on reducing "water risk" and improving water efficiency. We provide guidance through our "Water Policy, Water Efficiency Guidelines and our Technical Standard for Water". Per the Water Technical Standard Sites identified as operating In water stressed areas are required to go through a Water Management Planning exercise where business water related risks and impacts, opportunities to reduce or eliminate the business risks and external impacts are assessed. Through our on-going Governance activities sites are required to set annual goals around water usage to allow us to meet our water reduction targets. Through active Governance and Awards Programs, we encourage a culture of continuous improvement and share best practices. Our Excellence Awards specifically recognize individuals/ teams that improve our water and carbon footprint, reduce waste and drive efficiency.

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

Yes, other

W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

Abbott's direct advocacy efforts with government policymakers focus on issues related to health care, appropriate nutrition, and the business environment in which we operate. Abbott's primary focus is the manufacturing of our products and providing consumers access to these products. All participation in trade associations must be approved by the Senior Director of Global Environmental Health and Safety. Part of the approval process is to ensure that the associations mission statement and objectives are in alignment with Abbott's water management practices and policies. Abbott's EHS management system, including water, is developed and regularly updated by technical and management experts with consideration for current and future global requirements and emerging issues; this includes consideration of current and emerging policy and guidance provided by global thought leaders, such as NGOs, academic and governance organizations. Abbott has directly engaged with the Alliance for Water Stewardship providing feedback on their International Water Stewardship Standard an certification program in 2020. We also actively engaged with WRI on future strategies related to establishing water context-based goal and targets throughout 2019 and 2020 and participated in thier Public Water Mapping project in 2020.

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

Yes (you may attach the report - this is optional)

2020 Abbott Proxy.PDF

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	11-15	Abbott's environmental governance and management systems are part of an integrated Environmental, Health and Safety (EHS) approach. Our long-term environmental strategy focuses on identifying and mitigating risks, delivering cost efficiency, ensuring business continuity, and addressing our stakeholder's expectations to be a responsible and sustainable leader. We are committed to managing our water use in an efficient, responsible manner, as well as to improving access to clean water for our customers and the communities where we operate. Abbott is an active participant in the global dialogue on health and the broader role of business. This enables us to respond with relevant, local solutions that meet people's changing needs and tackle the world's most important challenges. To this end our water strategy reaches beyond the 10-year time horizon and tries to understand water risks like chronic water stress, water quality, regulatory changes, climate change impacts (drought, flooding) and water rights issues in a longer 15 year time horizon. Tools like the WRI Aqueduct tool allow us to anticipate chronic water stress, seasonal variability, water supply and water demand risks out to 2040 to help inform our targets and actions related to water strategy. To help drive our long-term strategy we set targets on a 10-year time horizon to stay current with existing trends but allowing us flexibility to adapt our targets as informed by our long-term strategy.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	11-15	We take a systematic approach to continuous improvement in environmental performance through the EHS management system. This is based on Abbott's public EHS policy and internal management and technical standards, which are regularly updated to reflect current and future environmental practices and regulatory changes. Our EHS management and governance systems incorporate environmental focus within our day-to-day planning and business processes, with clear lines of accountability and senior-level leadership and support. To maintain progress toward our 2020 water target and identify continuous improvement measures, each Abbott business establishes annual water goals, reported in quarterly scorecards and shared with executive leadership. In addition, we conduct annual water-stress mapping and analysis (with up to 30-year time horizons) across our value chain to support our water management strategies and to position us to address potential market changes due to water scarcity-related risks. In 2018, we integrated a context-based approach into Abbott's water management technical standard, which governs our operational water management. The new approach includes monitoring and measuring our basin-level impacts in the communities where we operate, assessing water-related business risks across the value chain, and embedding water-efficient design as a key element in our management and manufacturing processes.
Financial planning	No, water-related issues were reviewed but not considered as strategically relevant/significant	5-10	Abbott is committed to identifying and mitigating water-related physical and transitional risks that impact our operations and value chain. Through these processes, we have concluded that Abbott is not exposed to substantive water-related risks at a corporate level; however, we have determined that limited water-related risks exist at site and regional operation levels and throughout our supply chain. Water-related issues are addressed at site and regional levels in our operations and integrated into the appropriate financial planning at those levels. In 2020, over 16 water efficiency projects in 6 countries and 12 sites were responsible for saving 14.6 US million gallons of water. Drivers for reduction include more efficient clean in place procedures that use less water, recycling and reuse of water, efficient and improved irrigation (xeriscaping, drip irrigation), incorporating smart water technology, minimizing water use in cooling operations, and repairing leaks.

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

42

Anticipated forward trend for CAPEX (+/- % change)

20

Water-related OPEX (+/- % change)

-8

Anticipated forward trend for OPEX (+/- % change)

0

Please explain

Abbott tracks water-related CAPEX spend via an internal database which tracks environment-related projects at each facility (i.e., upgrades to water infrastructure, water recycling, modifications to water systems, etc.). We track OPEX according to our annual spend on water utilities through our Global Procurement Organization. From 2019 to 2020, we experienced a high CAPEX percent increase of over 42% due to an increase in the scale of water efficiency projects implemented. From 2020 to 2021, we anticipate CAPEX to increase based on anticipated 2021 project investments, including new facilities and expansions. From 2019 to 2020, we saw a -8% decrease in water OPEX due to a reduction in water withdrawal and favorable contracts. OPEX spend is anticipated to remain about the same in 2021.

W7.3

(W7.3) Does your organization use climate-related scenario analysis to inform its business strategy?

	Use of climate-related scenario analysis	Comment
Row 1	Yes	In 2017, Abbott contracted with the WRI to complete a 2-degree scenario analysis, based on 2015 performance data for Abbott's global direct operations, i.e. scope 1 and 2 data. In order to align the analysis with the COP21 Paris Agreement's 2-degree target, the IPCC's RCP 2.6 was chosen as the scenario. The analysis applied the Sector Decarbonization Approach (SDA) using the "other Industry" segment and the absolute contraction approach. The absolute contraction approach applied a 3.13% compounded annual reduction rate and a 1.67% compounded annual reduction rate, for scope 1 and 2 emissions, from 2010 to 2050. Through this analysis, the absolute contraction approach yielded the most ambitious results through 2030 for a scope 1 and 2 emissions. The analysis included consideration for Scope 3 emissions, as they are a substantial portion of value chain emissions for companies in the various sectors Abbott operates in (nutrition, pharmaceuticals, medical devices, diagnostics).

W7.3a

(W7.3a) Has your organization identified any water-related outcomes from your climate-related scenario analysis?

Yes

W7.3b

(W7.3b) What water-related outcomes were identified from the use of climate-related scenario analysis, and what was your organization's response?

	Climate-related scenarios and models applied	Description of possible water-related outcomes	Company response to possible water-related outcomes
Row 1	Other, please specify (Multiple Models)	In addition to modeling the 2-degree scenario listed above: to understand and calculate the financial implications of emerging climate- and -water related trends and regulations, Abbott's EHS and Economics organizations undertake scenario sensitivity risk-modelling analyses on identified potential and emerging environmental risks. Recent analyses have considered COP21, potential carbon taxes, the financial implications of water scarcity, and climate change / water scarcity impacts to agriculture supply chains.	These analyses are shared with the appropriate stakeholders within the business to ensure that appropriate management strategies are in place. Furthermore, findings from these issue-specific analyses have allowed us to conclude that while climate- and water-related risks and opportunities exist at site and regional levels throughout our value chain, Abbott is not exposed to any substantive climate-related risks or opportunities at a global level.

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

No, but we are currently exploring water valuation practices

Please explain

Abbott's EHS and Economics teams partnered in 2017 and 2018 to evaluate water pricing across our manufacturing operations. Findings of this analysis concluded that water costs across our manufacturing operations were not substantive. Abbott continues to evaluate global trends and application of internal water pricing initiatives.

W8. Targets

W8.1

(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Company-wide targets and goals Business level specific targets and/or goals Site/facility specific targets and/or goals	Targets are monitored at the corporate level Goals are monitored at the corporate level	As part of our environmental management strategy, Abbott establishes targets for reducing GHG emissions, water use and waste. Abbott has been setting public-facing long-term environmental performance targets since 2001 and are now in our 4th generation of targets. Our current 2020 targets were set in 2012 and compare our performance to 2010 levels adjusted for sales. These targets were set with consideration for future sales and performance projections, as well as anticipated technology and performance improvements. To maintain progress toward our 2020 targets and to identify continuous improvement measures, each Abbott business establishes annual environmental goals, reported in quarterly scorecards and shared with executive leadership. We verify our performance data using an independent assurance provider, Apex Companies (formerly Bureau Veritas North America). Additionally, manufacturing sites that are significant water users consuming more than 50 million gallons of water annually, significant water users that operate in water-stressed areas and sites that operate in water-stressed areas but are not significant water users are required to develop water management plans, which include annual water use reduction goals.

W8.1a

(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.

Target reference number

Target 1

Category of target

Water withdrawals

Level

Company-wide

Primary motivation

Water stewardship

Description of target

Access to water is essential to Abbott's manufacturing operations and business continuity and also plays a critical role in the use of many of our products. We are committed to managing our water use in an efficient, responsible manner, as well as to improving access to clean water for our customers and the communities where we operate. Through our 2020 water reduction target to decrease Abbott's total water intake by 30 percent by 2020, compared to 2010 and adjusted for sales, we ensure the water efficiency of our operations and reduce our water-related impacts. Since 2010, we have reduced our water intake by more than 4.1 percent on an absolute basis and 34

percent when adjusted for sales.

Quantitative metric
% reduction in total water withdrawals

Baseline year
2010

Start year
2012

Target year
2020

% of target achieved
100

Please explain
During 2020, we succeeded in reducing our water use by nearly 150 million gallons compared to 2010, meaning we have now lowered our total worldwide water intake by 4.1 percent, on an absolute basis, and 34 percent, on a sales-adjusted basis, since 2010.

Target reference number
Target 2

Category of target
Water withdrawals

Level
Business

Primary motivation
Reduced environmental impact

Description of target
Each year each business is required to establish a water target to help support our overall company-wide target of decreasing Abbott's total water intake by 30 percent by 2020, compared to 2010 and adjusted for sales. Each business was required to look at 2019 actual data and then account for any water related projects and or business changes that would potentially impact 2019 performance to formulate their water target for 2020. This target setting practice is an annual exercise that is conducted by Governance.

Quantitative metric
% reduction in total water withdrawals

Baseline year
2019

Start year
2019

Target year
2020

% of target achieved
100

Please explain
In 2019 our businesses established a 2020 target of 13976 megaliters. Actual water use in 2020 for all of our businesses was 13201 megaliters.

Target reference number
Target 3

Category of target
Supplier engagement

Level
Company-wide

Primary motivation
Water stewardship

Description of target
TARGET: "Work with 50 key suppliers in high water-stressed areas to reduce water quality and quantity risks to Abbott and the community." This target works to engage key suppliers sourcing to Abbott from high water-stressed areas, from across Abbott's entire supply base and encompassing all Abbott businesses. In 2020 Abbott engaged suppliers on water management through various programs, including Abbott's Supplier Sustainability Survey, Waste Supplier Assessment Program, and Chemicals & APIS Audit Program. Depending on the program suppliers were asked to report on their water management and targets.

Quantitative metric
Other, please specify (# Suppliers Engaged)

Baseline year
2020

Start year
2020

Target year
2030

% of target achieved
0

Please explain
Abbott established this target in December 2020.

W8.1b

(W8.1b) Provide details of your water goal(s) that are monitored at the corporate level and the progress made.

Goal
Providing access to safely managed Water, Sanitation and Hygiene (WASH) in workplace

Level
Site/facility

Motivation
Other, please specify (Abbott is committed to the health and safety of all of our employees globally and access to fully-functional, safely managed WASH services is essential to meet this commitment.)

Description of goal
Abbott has made a commitment to maintain 100% access to fully-functioning, safely managed WASH services at all of our operating locations. Our Water Management Technical Standard is the primary driver of the commitment and requires that all sites maintain access to safe water, sanitation and hygiene for all employees. All sites are routinely audited against this standard to ensure compliance at a minimum frequency of once every three years. The is relevant because Abbott is committed to the health and safety of all of our employees globally and access to fully-functional, safely managed WASH services is essential to meet this commitment. Lack of adequate WASH facilities could lead to increased illness rates and lower overall employee moral.

Baseline year
2010

Start year
2012

End year
2020

Progress
During 2020 we have maintained 100% compliance towards the goal with all facilities having access to safely managed WASH services. Our Water Management Technical Standard is the primary driver of the commitment and requires that all sites maintain access to safe water, sanitation and hygiene for all employees. All sites are routinely audited against this standard to ensure compliance at a minimum frequency of once every three years. Sites are required to report their WASH status annually.

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?
Yes

W9.1a

(W9.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

Disclosure module	Data verified	Verification standard	Please explain
W1 Current state	2020	ISAE 3000	Abbott engaged an independent assurance provider, Apex Companies (formerly Bureau Veritas North America), to conduct assurance of selected 2020 environmental and safety data; this included data for water intake, water consumption, wastewater discharge: impaired and non-impaired.

W10. Sign off

W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

W10.1

(W10.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	Senior Vice President, Quality Assurance, Regulatory and Global Engineering Services	Other, please specify (Other C-Suite Officer)

W10.2

(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].

Yes