

## W0. Introduction

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### W0.1

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

Abbott is a global healthcare company that helps people live fuller lives with our life-changing technology. 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, 103,000 of us are working to make a lasting impact on health in the more than 160 countries we serve.

Abbott's four core businesses are positioned for leadership across diverse markets and geographies, providing more ways to grow by helping people live better lives:

- Our medical devices business uses 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.
- Our diagnostics business provides accurate, timely information so people can make better decisions for their health.
- Our nutrition business uses the latest science to create better ways to nourish bodies at every stage of life.
- Our medicines business delivers high-quality, trusted and affordable medicines to help people get and stay healthy.

In each of our businesses, we innovate early, moving quickly to address developing health needs and empowering people and their doctors with the data and knowledge required to make better, faster and more complete decisions about their health.

Our ability to respond in this way ultimately depends upon our sustainability as a business. This 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

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

Please select

### W0.2

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#### (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 2018	December 31 2018

### W0.3

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

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

**W0.4**

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

USD

**W0.5**

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**(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**

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

Yes

**W0.6a**

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**(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**

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**W1.1**

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**(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. 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 to ensure that they deliver products that meet our quality standards.
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 used 1,673 mega-liters of 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 are 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. 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.

**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
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**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%	Method and Frequency: Water withdrawal data into our environmental database on at least a quarterly basis. 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. This process allows us to monitor progress and make any adjustment to stay on track with the goal. Abbott's Environmental Database also flags any data that is greater than 10% from the previous quarter. This allows us to quickly respond to issues that might negatively impact our performance in water.
Water withdrawals – volumes from water stressed areas	100%	Method and Frequency: On an annual basis, Global EHS Governance evaluates and identifies Abbott manufacturing sites that are operating in water stressed areas using WRI's Aqueduct Global Water Tool. Sites operating in water stressed areas enter water withdrawal data into our environmental database on at least a quarterly basis. Sites operating in water stressed areas are considered to carry higher water risks and thus are required to evaluate local water risk through a formal water management planning process. The formal process is outlined in our Technical Standard for Water Management.
Water withdrawals – volumes by source	100%	Method and Frequency: Sites report water withdraw by source data annually through an internal survey. Water withdrawals by source could be used to identify priority areas of focus and to further refine goals, in the future. In addition, overall exposure to potential water risks can be quickly evaluated on a site by site basis with detailed information on volume water withdrawal by destination.
Entrained water associated with your metals & mining sector activities - total volumes [only metals and mining sectors]	<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%	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. Data is collected and maintained at a site level at a frequency specified in the standards.
Water discharges – total volumes	100%	Method and Frequency: Sites report impaired and non-impaired water discharge 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 functionality allows sites to understand and quickly respond to those trends.
Water discharges – volumes by destination	100%	Method and Frequency: Sites report water discharges by destination. Data is collected annually through an internal survey. Volume by destination could be used to identify priority areas of focus and to further refine goals, in the future. In addition, overall exposure to potential water risks can be quickly evaluated on a site by site basis with detailed information on volume by destination.
Water discharges – volumes by treatment method	51-75	Method and Frequency: Sites report water discharges - volumes by treatment method data annually through an internal survey. Volume by treatment method could be used to identify priority areas of focus and to further refine goals, in the future. In addition, overall exposure to potential water risks can be quickly evaluated on a site by site basis with detailed information on volume by treatment method.
Water discharge quality – by standard effluent parameters	26-50	Method and Frequency: Sites report water discharges quality by standard effluent parameters data annually through an internal survey. Volume by standard effluent parameters could be used to identify priority areas of focus and to further refine goals, in the future. In addition, overall exposure to potential water risks can be quickly evaluated on a site by site basis with detailed information on water discharge quality by standard effluent parameters.
Water discharge quality – temperature	Not monitored	Method and Frequency: Compliance to regulatory discharge effluent standards is a requirement in our Global Technical Standard for Water and sites are required to report any exceedances into our global database .
Water consumption – total volume	100%	Method and Frequency: 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 functionality allows sites to understand and quickly respond to those trends.
Water recycled/reused	100%	Method and Frequency: Sites report water recycled/reused data annually through an internal survey. Because recycling is a key parameter in reducing water withdrawals tracking rates provides us with an understanding of where improvements can be made.
The provision of fully-functioning, safely managed WASH services to all workers	100%	Method and Frequency: Abbott standards require that 100% of all Abbott facilities provide fully-functional WASH services for all workers

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	13134	About the same	Volume of total withdrawals increased 1.9% when compared to 2017. When comparing data to previous years changes of <5% were considered to be "about the same". Administrative controls in the database ensure that withdrawals equal discharges plus consumption. Volume of withdrawal is projected to be higher by ~8.3% over the next two years primarily due to production increases.
Total discharges	10477	About the same	Volume of total discharges increased 3.8% when compared to 2017. When comparing data to previous years changes of <5% were considered to be "about the same". Administrative controls in the database ensure that withdrawals equal discharges plus consumption. Future absolute discharge volumes are projected to increase in proportion to withdraws over the next two years primarily due to production increases.
Total consumption	2657	About the same	Volume of total consumption decreased 4.8% when compared to 2017. When comparing data to previous years changes of <5% were considered to be "about the same". Administrative controls in the database ensure that withdrawals equal discharges plus consumption. Future absolute consumption volumes are projected to increase in proportion to withdraws over the next two years primarily due to production increases.

W1.2d

(W1.2d) Provide the proportion of your total withdrawals sourced from water stressed areas.

	% withdrawn from stressed areas	Comparison with previous reporting year	Identification tool	Please explain
Row 1	45	Much higher	WRI Aqueduct	The percent of water withdrawn from water stressed areas increased by 175% in 2018 primarily due to a change in the global water tool used to determine water stress. When comparing data to previous years changes of >25% were considered to be much higher. In the past water stressed sites were determined only when there was agreement between the WBCSD and WRI Aqueduct tool. In 2018 we shifted to using only the WRI Aqueduct tool to determine water stressed sites. 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 are designated as sites withdrawing water from water stressed areas.

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 water stressed areas?

Agricultural commodities	The proportion of this commodity produced in water stressed basins is known	The proportion of this commodity sourced from water stressed basins is known	Please explain
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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	531	About the same	Volume of fresh surface water decreased 0.5% when compared to 2017. When comparing data to previous years changes of <5% were considered to be "about the same". Water withdraw from freshwater sources is relevant as it is considered essential for our Site's manufacturing operations and products.
Brackish surface water/Seawater	Not relevant	<Not Applicable>	<Not Applicable>	Brackish surface water was not relevant in 2018 because it was not used in our operations. Brackish water typically has limited application due to its high salt content and corrosive properties. Future use of brackish surface water is not expected to change over the next several years.
Groundwater – renewable	Relevant	2328	About the same	Volume of renewable groundwater increased 4.6% when compared to 2017. When comparing data to previous years changes of <5% were considered to be "about the same". Renewable groundwater is relevant because some sites use it as a primary water supply source for manufacturing, operations, and drinking water. Sites also use it as a supplemental source to their main source of water.
Groundwater – non-renewable	Relevant	30	Much lower	Volume of non-renewable groundwater decreased 76% when compared to 2017. When comparing data to previous years decrease changes of >25% were considered to be "much lower". Non-renewable groundwater is relevant because some sites use it as a primary water supply source for manufacturing, operations, and drinking water. Sites also use it as a supplemental source to their main source of water.
Produced/Entrained water	Not relevant	<Not Applicable>	<Not Applicable>	Produced water was not relevant in 2018 as we only used a small amount of produced water in our operations. In 2018 only 0.001 mega-liters. Future use of produced water is not expected to change over the next several years
Third party sources	Relevant	10245	About the same	Volume of third party surface water increased 3% when compared to 2017. When comparing data to previous years changes of <5% were considered to be "about the same". The majority of water that Abbott sources (78%) comes from third party sources. Third party sources is relevant as it is essential source of water for our Site's manufacturing operations, products and drinking water.

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	1671	About the same	Volume of discharge to fresh surface water increased 0.7% when compared to 2017. When comparing data to previous years changes of <5% were considered to be "about the same". Water discharges to fresh surface water are relevant at a few sites where water can be directly returned back to the natural cycle. Water discharged to fresh surface water must comply with all local regulations and permits.
Brackish surface water/seawater	Not relevant	<Not Applicable>	<Not Applicable>	Brackish surface water/ seawater are not relevant because we do not discharge water to brackish surface water from our operations. We have not discharged to brackish water since 2017 and we expect this trend to continue in the future.
Groundwater	Relevant	155	About the same	Volume of discharge to groundwater decreased 3.9% when compared to 2017. When comparing data to previous years changes of <5% were considered to be "about the same". Water discharges to groundwater are relevant at a few sites where water can be directly returned back to the natural cycle. Water discharged to groundwater must comply with all local regulations and permits.
Third-party destinations	Relevant	8651	About the same	Volume of discharge to third-party destinations increased 4.6% when compared to 2017. When comparing data to previous years changes of <5% were considered to be "about the same". All wastewater discharges are controlled by local regulations and permits. Water discharges to third-party destinations is relevant because 83% of all of Abbott's discharge worldwide is sent to municipal treatment before being returned back to the natural cycle.

W1.2j

(W1.2j) What proportion of your total water use do you recycle or reuse?

	% recycled and reused	Comparison with previous reporting year	Please explain
Row 1	11-25	About the same	Percent recycle and reused water increased 1.1% when compared to 2017. When comparing data to previous years changes of <5% were considered to be "about the same". Increasing the amount of water recycled directly reduces our dependency on third-party and renewable groundwater as these are Abbott's primary sources of incoming water. Elimination of single pass through cooling, reusing water for boiler and cooling tower makeup, grey water, initial wash downs are all being used to by our sites to increase recycling. We anticipate recycling to increase as best practices are shared.

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
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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 2018, Abbott had over 70,000 tier 1 suppliers globally. Only 11,000 suppliers had spend greater than \$50,000 and about 11% of suppliers provided materials and services that directly or indirectly impact regulated product. Thus, when evaluating and engaging suppliers which pose sustainability-related risk to our supply chain, they become a small subset of our overall suppliers by count. In 2018, 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, 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 Social Responsibility 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.

**Comment**

Abbott uses a risk-based approach to determine the level of supplier engagement required based on supplier industry classification, operating region, and supplier spend. These suppliers are then evaluated and monitored for sustainability risks using the DHL Resilience 360 tool. The calculation for sustainability index uses an inverted geo-means formula and category weightings (e.g. worker rights, environment) to indicate the overall sustainability risk.

**W1.4b**

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**(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 2018, Abbott had over 70,000 tier 1 suppliers globally. Only 11,000 suppliers had spend greater than \$50,000 and about 11% of suppliers provided materials and services that directly or indirectly impact regulated product. Thus, when evaluating and engaging suppliers which pose sustainability-related risk to our supply chain, they become a small subset of our overall suppliers by count. In 2018, our Global Procurement and Global Environment, Health and Safety (GEHS) teams engaged in six one-to-one partnerships with strategic suppliers to identify sustainable supply chain opportunities.

**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.

**Comment**

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 2019.

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**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 use supplier classification models to identify critical suppliers, so we can form strategic partnerships with them to help manage risk. Our Approved Suppliers List categorizes all Abbott suppliers as either high (critical), medium or low 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. In 2018, we mapped over 1000 critical supplier operating locations to assess their water stress and reported this information back to the appropriate supplier relationship owners.

**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. To ensure we are aware of water-related risks and opportunities, we assess our supply chain water resilience annually by evaluating our critical suppliers operating in water-stressed areas. Our mapping of critical suppliers using the World Resources Institute Aqueduct™ Tool identified that 23 percent of our critical suppliers currently operate in areas of high and extremely high baseline water stress. This approach allows our businesses to engage with strategic suppliers operating in water-stressed areas to ensure business continuity.

**Comment**

In 2018, Abbott had over 70,000 tier 1 suppliers globally. Only 11,000 suppliers had spend greater than \$50,000 and about 11% of suppliers provided materials and services that directly or indirectly impact regulated product. Thus, when evaluating and engaging suppliers which pose sustainability-related risk to our supply chain, they become a small subset of our overall suppliers by count.

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**W2. Business impacts**

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**W2.1**

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

No

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**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?**

Yes, fines, enforcement orders or other penalties but none that are considered as significant

## W2.2a

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(W2.2a) Provide the total number and financial value of all water-related fines.

### Row 1

Total number of fines

0

Total value of fines

0

% of total facilities/operations associated

100

Number of fines compared to previous reporting year

About the same

### Comment

There were no water related fines in 2018 which is consistent with 2017. However, Abbott was subject to water-related enforcement orders, such as Notices of Violation (NOVs).

## W3. Procedures

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### W-FB3.1

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(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

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(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

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

Yes, water-related risks are assessed

### W3.3a

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**(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?**

>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**

Partial

**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?**

1 to 3 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 analysis identified that 23 percent of our critical suppliers currently operate in areas of high and extremely high baseline water stress. This approach allows our businesses to engage with strategic suppliers operating in water-stressed areas 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**

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**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. 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 ENVision database. Those 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. 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 on the basin.
Stakeholder conflicts concerning water resources at a basin/catchment level	Relevant, always included	Reputation and political risks are evaluated in the risk assessment survey associated with our internal Water Management Plan. The evaluation includes determining any impacts of the sites water usage on the local community.
Implications of water on your key commodities/raw materials	Relevant, always included	Relevant Abbott proactively identifies suppliers in high-risk industries, geographies and spend categories, conducting intensive screening in emerging markets. We assess sustainability risk through our Supplier Classification Model (SCM), which guides our Supplier Social Responsibility Program, and through the Supplier mapping risk matrix tool, which has a Sustainability Index as a component of its wider risk index. Through this process, we are able to 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.
Status of ecosystems and habitats	Relevant, always included	For pharmaceutical manufacturing facilities the status of ecosystems is evaluated relative to pharmaceuticals in the environment using an internally developed risk assessment template.
Access to fully-functioning, safely managed WASH services for all employees	Relevant, always included	Our Global EHS Technical Standards require safe potable water as well as proper treatment of wastewater at all of our facilities. Abbott provides a work environment to ensure a safe and healthy workforce so all employees have access to fully-functioning water, sanitation and hygiene (WASH) services. All Abbott operations are audited to Abbott Standards as part of our internal auditing program.
Other contextual issues, please specify	Relevant, always included	Internal Water Management Plan also requires site to evaluate operating efficiency as it relates to water. Examples include; active leak management and maintenance programs to ensure sites are operating efficiently.

**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 also factored in our risk assessments to the extent that they expect high-quality products and our access to quality water is important. In addition, our customers need access to clean water to use our products. Our water risk assessment process evaluates quantity, quality, reputation/political, regulatory and efficiency risks at the local level. 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.
Employees	Relevant, always included	We provide a work environment to ensure a safe and healthy workforce. Therefore, our Global EHS Technical Standards require safe potable water as well as proper treatment of wastewater. Our water risk assessment process evaluates quantity, quality, reputational/political, regulatory and efficiency risks at the local level. Our employees draw their water from the same watershed area 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. To promote water risk awareness and education, we also 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 with EHS month, as well as 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.
Investors	Relevant, always included	Abbott water risk assessment process allows sites to identify and take action to mitigate risks, which is key to maintaining sustainable operations. Investors are interested in investing in successful companies that have a proven track record of sustainability. A sustainability-related materiality assessment was completed in 2015 which highlighted the importance of water to our stakeholders. The assessment was conducted with a variety of stakeholders, including investors.
Local communities	Relevant, always included	Our water risk assessment process evaluates quantity, quality, reputational, regulatory and efficiency risks at the local level. Sites reliant on municipal water services will engage with local stakeholders to ensure alignment on water management issues, risks and management practices. Furthermore, site employees volunteer in their local communities, participating in local waterway cleanups and even taking ownership of maintaining a portion of local waterways. Abbott's commitment to supporting communities is demonstrated through our employees' passion for giving back. Our direct investment in communities takes the form of cash and in-kind donations, as well as employee time. In 2018, Abbott employees contributed a combined 29,921 volunteer hours supporting causes in China, Costa Rica, Germany, India, Ireland, Japan, Mexico, Russia, the United States and Vietnam, among other countries. An example initiative that improved local water conditions in the communities in which we operate was the adoption and clean-up of local watercourses by our Nutrition manufacturing sites in Asia and Europe. Through this initiative 8 water courses were adopted and over 12 clean-up days were sponsored by Abbott employees and other local volunteers.
NGOs	Relevant, always included	We use tools from different NGOs, such as WRI, WWF, and WBCSD, to help perform our risk assessments. We also look to these and other NGOs for emerging trends related to water risk
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 level.
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 level.
River basin management authorities	Relevant, sometimes 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.
Statutory special interest groups at a local level	Relevant, always included	In our water management plan assessment of business risk is evaluated (reputational). Sites operating in water-stressed areas are required to evaluate risks associated with water source stakeholders which could include special interest groups.
Suppliers	Relevant, always included	Abbott proactively identifies suppliers in high-risk industries, geographies and spend categories, conducting intensive screening in emerging markets. We assess sustainability risk through our Supplier Classification Model (SCM), which guides our Supplier Social Responsibility Program, and through the Supplier mapping risk matrix tool, which has a Sustainability Index as a component of its wider risk index. Critical suppliers are then mapped against water stress using the WRI Aqueduct Tool. Through this process, we are able to identify suppliers which are more likely to have water-related risks that could have a substantive impact to allow us effectively monitor and manage these accounts.
Water utilities at a local level	Relevant, always included	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 including water utilities.
Other stakeholder, please specify	Not considered	

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 impact our operations, supply chain and distribution network. These risks include potential physical risks, as well as emerging transitional risks. Our integrated multidisciplinary company-wide risk management process assesses and manages climate-related risks at various levels of our company 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.

Abbott's enterprise risk management (ERM) process identifies and evaluates the most critical risks to our business and provides guidance to our Board of Directors and management team. We have identified the increasing global focus and expectations to manage and mitigate environmental impacts as an enterprise risk for Abbott.

Abbott's EHS governance teams and businesses also monitor emerging environmental trends and regulations to analyze their potential impact on Abbott, 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-modeling analyses. Recent analyses have considered COP21 (global agreements on climate change), potential carbon taxes, water scarcity and impacts to agricultural supply chains.

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 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 climate-related acute physical 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.

To address water-related risks and ensure our business resilience, Abbott's Business Continuity and Crisis Management organization implements measures to ensure business continuity and minimize the financial impacts of physical water-related risks. 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 more 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. Local water concerns are evaluated as part of the site due diligence process.

Abbott also proactively identifies suppliers in high-risk industries, geographies and spend categories, conducting intensive screening in emerging markets. We assess sustainability risk through our Supplier Classification Model (SCM), which guides our Supplier Social Responsibility Program, and through the Supplier mapping risk matrix tool -- DHL Resilience 360, which has a Sustainability Index as a component of its wider risk index. Critical suppliers are then mapped against water stress using the WRI Aqueduct Tool. Through this process, we are able to identify which suppliers are more likely to have water-related risks that could have a substantive impact to allow us effective monitor and manage these accounts.

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## W4. Risks and opportunities

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### 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

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### W4.1a

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

Abbott is committed to identifying and mitigating climate- and water- related risks that impact our operations, supply chain and distribution network. These risks include potential physical risks, as well as emerging transitional risks. Our integrated multidisciplinary company-wide risk management process assesses and manages climate-related risks at various levels of our company 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.

Abbott’s enterprise risk management (ERM) process identifies and evaluates the most critical risks to our business and provides guidance to our Board of Directors and management team. We have identified the increasing global focus and expectations to manage and mitigate environmental impacts as an enterprise risk for Abbott.

Abbott’s EHS governance teams and businesses also monitor emerging environmental trends and regulations to analyze their potential impact on Abbott, 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-modeling analyses. Recent analyses have considered COP21 (global agreements on climate change), potential carbon taxes, water scarcity and impacts to agricultural supply chains.

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 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 climate-related acute physical 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.

To address water-related risks and ensure our business resilience, Abbott’s Business Continuity and Crisis Management organization implements measures to ensure business continuity and minimize the financial impacts of physical water-related risks. 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 more 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. Local water concerns are evaluated as part of the site due diligence process.

Abbott also proactively identifies suppliers in high-risk industries, geographies and spend categories, conducting intensive screening in emerging markets. We assess sustainability risk through our Supplier Classification Model (SCM), which guides our Supplier Social Responsibility Program, and through the Supplier mapping risk matrix tool -- DHL Resilience 360, which has a Sustainability Index as a component of its wider risk index. Critical suppliers are then mapped against water stress using the WRI Aqueduct Tool. Through this process, we are able to identify which suppliers are more likely to have water-related risks that could have a substantive impact to allow us effective monitor and manage these accounts.

**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 2018, 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 2018, more than 60% of sites operating in water-stress were low-water intensity users with minimal water impacts on our operations and the local water basins. Limited water use by these sites reflects the fact that most of our sites operating in water-stressed basins are relatively low water intensity operations. 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	While water is a key resource for many suppliers, the company is not exposed to significant physical risks that will impact the company at a corporate 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. While water-related opportunities exist at site and regional levels, there are no substantive opportunities that will impact Abbott at a corporate-level, and the associated opportunities are therefore not considered substantive. Furthermore, Abbott constantly shapes its portfolio to ensure that we are in the right markets and success is not over-reliant on a single therapy, technology or country. 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. Similarly, Abbott works to award high-performing sites and to share best practices across our operations to encourage a culture of continuous improvement, this includes a High Performance Award for Water Management as well as Communities of Practice which work to find solutions through sharing knowledge and understanding. In 2018, 15 water efficiency projects were implemented, including water recycling and reuse, landscaping upgrades, utility modifications and process management changes. For example, in 2018: water recycling and recovery projects were implemented at two of our Nutrition facilities operating in water-stressed locations (China and India) resulting in 13.4 million gallons of annual water savings. While these projects are important they aren't deemed as having a substantive impact on overall company performance.

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
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 Acknowledgement of the human right to water and sanitation	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 <a href="http://dam.abbott.com/en-us/documents/pdfs/investors/public-policy-committee-charter-672018.pdf">http://dam.abbott.com/en-us/documents/pdfs/investors/public-policy-committee-charter-672018.pdf</a>

**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	Sporadic - as important matters arise	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

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**(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**

Our Environment, Health and Safety management and governance systems reflect our environmental targets and incorporate them within our day-to-day planning and business processes. Improving our performance requires clear lines of accountability and senior-level leadership and support. A key role is taken by the Divisional Vice President, Compliance and Operational Services who then elevates matters, as needed, to the Senior Vice President, Quality Assurance, Regulatory and Engineering Services, a senior corporate officer who reports to our Board Chairman and CEO. 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.

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**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.

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## W-FB6.4/W-CH6.4/W-EU6.4/W-OG6.4/W-MM6.4

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**(W-FB6.4/W-CH6.4/W-EU6.4/W-OG6.4/W-MM6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?**

Please select

## W6.5

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

No

## W6.6

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

No, and we have no plans to do so

## W7. Business strategy

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### W7.1

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**(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. As part of our environmental management strategy, we establish environmental targets. These targets are set on a 10-year time horizon, however when evaluating these issues to inform our strategy, we will leverage tool and resources which will consider trends and impacts beyond this 10-year horizon. Our water management strategy is based on four core principles, outlined by Abbott's Water Policy on Access to Clean Water and our internal Water Use Guidelines: Improve water efficiency across our operations; Prevent adverse impacts to human health and the environment resulting from our water use and discharge; Engage our value chain to encourage the latest water management principles; Educate employees, suppliers and customers about the importance of protecting water resources. To drive our water management strategy, we established a long-term target to reduce total water intake by 30 percent by 2020, compared to 2010 and adjusted for sales.
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 against on 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 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 2018, 15 water efficiency projects were implemented across 11 manufacturing sites and 7 countries. These projects reduced water impacts at 5 sites operating in water stressed areas and realized 43.4 million gallons and \$123,000 in annualized savings. Examples of these projects include water recycling and recovery and landscaping/irrigation practice modifications.

**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)**

50

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

-500

**Water-related OPEX (+/- % change)**

31

**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 2017 to 2018, we experienced a high CAPEX percent increase of 50% due to an increase in the scale of water efficiency projects implemented. From 2018 to 2019, we anticipate a CAPEX to decrease based on anticipated 2019 project investments. This figure may change as more water projects are identified throughout 2019. From 2017 to 2018, we saw a 31% increase in water OPEX due to increased production rates in our Nutrition business, as well as the return to once through water usage at one of our sites (which previously recycled water). OPEX spend is anticipated to remain about the same in 2019.

**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 WRI, a member of the SBT Initiative, 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 (not including our 2017 acquisitions of St. Jude Medical and Alere). In order to align the analysis with the COP21 Paris Agreement's 2-degree target, the IPCC's Representative Concentration Pathway (RCP) 2.6 was chosen as the scenario and projected out to 2050. The analysis applied the Sector Decarbonization Approach (SDA) using the "other Industry" segment and the absolute contraction approach, which yielded the most ambitious results through 2030 for a scope 1 and 2 target. The analysis also included consideration for Scope 3 emissions. Abbott is currently working to develop our next generation sustainability strategy considering science-based target concepts.

**W7.3a**

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

No

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 against on quarterly scorecards and shared with executive leadership. We verify our performance data using an independent assurance provider, Bureau Veritas. 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 3 percent on an absolute basis and 27 percent when adjusted for sales.

**Quantitative metric**

% reduction in total water withdrawals

**Baseline year**

2010

**Start year**

2012

**Target year**

2020

**% achieved**

27

**Please explain**

During 2018, we succeeded in reducing our water use by nearly 120 million gallons compared to 2010, meaning we have now lowered our total worldwide water intake by 3 percent, on an absolute basis, and 27 percent, on a sales-adjusted basis, since 2010.

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**W8.1b**

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

**W9. Linkages and trade-offs**

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**W9.1**

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**(W9.1) Has your organization identified any linkages or tradeoffs between water and other environmental issues in its direct operations and/or other parts of its value chain?**

Yes

**W9.1a**

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**(W9.1a) Describe the linkages or tradeoffs and the related management policy or action.**

**Linkage or tradeoff**

Linkage

**Type of linkage/tradeoff**

Other, please specify (Climate change and water scarcity)

**Description of linkage/tradeoff**

Climate pattern changes linkage to water scarcity: Abbott's manufacturing operations depend on a consistent supply of water. Changes in temperature, precipitation patterns and intensity can result in water shortages and inconsistent water availability. Furthermore, climate change could concentrate snowmelt and precipitation into shorter time frames, making water releases more extreme and drought events more sustained. Current infrastructure often does not have the capacity to fully capture this larger volume of water, and therefore may be inadequate to meet water demands in times of sustained drought. For example, Abbott has multiple sites which are located in hurricane regions (e.g. Puerto Rico), as well as those impacted by drought (e.g. Brazil). These facilities, have adapted to these situations through the installation of additional water storage and recycling infrastructure onsite, and implementing water conservation measures and practices to reduce water usage.

**Policy or action**

Abbott Governance incorporated a water stress determination analysis for its global operation using the WRI Aqueduct tools. The determination is made on an annual basis to address the dynamic nature of water scarcity due to climate change and quickly react to potential water risks. Abbott Global Technical Standard for Water requires that all sites identified as operating in water-stressed areas develop a Water Management Plan. Water Management Plan elements include an evaluation of external risks and business risks, identification of opportunities to reduce identified risks and development of an overall water strategy complete with targets and goals to drive risk reduction.

**Linkage or tradeoff**

Linkage

**Type of linkage/tradeoff**

Increased energy efficiency

**Description of linkage/tradeoff**

Energy and water are inextricably linked – we need “water for energy” for cooling, storage, biofuels, hydropower, etc., and we need “energy for water” to pump, treat and cool. As Abbott moves to increase its energy efficiency it is important to recognize the relationship between the type of energy selected and water intensity. It is also important to make the connection that it takes energy to pump, heat, cool and treat water.

**Policy or action**

Environmental issues are inextricably interconnected and, as a result, so are the solutions. Recognizing this, we have developed comprehensive management and governance systems that reflect our three priorities of climate change, water usage, and waste management. The focus on these priorities enable us to ensure that they are fully integrated into our day-to-day planning and business processes. Decisions on energy generation will always be evaluated based on balancing the three priorities. By reducing water use we have recognized that there are in many cases a corresponding reduction of energy requirements. Evaluating the effectiveness of water capital projects incorporates not only the cost of water but also the cost of treatment, pumping, cooling and heating, etc. Our goal of reducing water usage by 30% not only drives water reductions and savings, but also reductions and savings in energy usage.

**W10. Verification**

**W10.1**

**(W10.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1d)?**

Yes

**W10.1a**

**(W10.1a) 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	2018	ISAE3000	Bureau Veritas North America, Inc. (BVNA) conducted an independent assurance of selected environmental, health and safety data included in Abbott's 2018 Global Sustainability Report. An independent verification of the accuracy of the data for water intake, water consumption, wastewater discharge: impaired and non-impaired and Biological Oxygen Demand (BOD) concentration in wastewater was conducted as part of the assurance.

**W11. 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.

Abbott publishes an annual Global Sustainability Report on our ESG-related governance, management and performance.

- Additional information about Abbott's EHS governance, management practices and policies (including water) can be found on pages 37-43.
- Details about our water governance, strategy, management and performance can be found on pages 48-52.
- Detailed water performance data, including country-level reporting, can be found on pages 104 and 109-110.

Abbott's 2018 Global Sustainability Report is available at the following link: <http://dam.abbott.com/en-us/documents/pdfs/abbott-citizenship/190037-Sustainability-Report-Combined-FINAL.pdf>

### W11.1

(W11.1) 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 Engineering Services	Other C-Suite Officer

### W11.2

(W11.2) 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)].

No