

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 over 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, over 110,000 of us are working to make a lasting impact on health in the more than 160 countries we serve.

With leadership positions in the markets we serve, Abbott is a trusted partner in helping people reach their full potential to live a healthy life.

- 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.

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 2021	December 31 2021

W0.3

(W0.3) Select the countries/areas in which you operate.

- 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.

W0.7

(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization.	Provide your unique identifier
Yes, a Ticker symbol	ABT

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.

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 manufacturing and R&D 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. Water intake 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 manage water efficiently.
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 manufacturing and R&D 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 manufacturing and R&D 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 at least 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 manufacturing and R&D 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 manufacturing and R&D 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 manufacturing and R&D 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 82% of the water discharges are impaired and require further treatment before discharge (Abbott or Third-Party facilities). The majority of impaired water discharged is sent to Third Party treatment for physical, chemical, biological and sludge treatment (3103 megaliters). The remaining impaired water is treated internally through treatment methods that include advanced oxidative process, activated sludge, physical-chemical, aerated lagoons, and neutralization.
Water discharge quality – by standard effluent parameters	51-75	Water discharge quality by standard effluent parameters is monitored at 59% of our manufacturing and R&D operations. Method and Frequency: Sites identify that they are evaluating water discharge quality by standard effluent parameters data annually through an internal survey. 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. Sites are required to maintain records of testing that is performed, and this testing is reviewed during Corporate EHS audits. Sites are also required to report the any regulatory exceedances in the global database.
Water discharge quality – temperature	26-50	Water discharge quality - temperature is measured at 29% of our manufacturing and R&D 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. Temperature is typically measured through in-line probes or manual reading. Frequency of measurement is normally monthly or quarterly 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 manufacturing and R&D 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 functionality 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 manufacturing and R&D 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 2021 we recycled and reused 8.0 percent of the water across our operations. The number of facilities with water recycling activities also increased from 29 to 30 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 manufacturing and R&D 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	13808	About the same	Volume of total withdrawals were stable increasing by 3.9% when compared to 2020. When comparing data to previous years changes of <5% were considered to be "about the same". Increased production activities at 4 sites (2 Nutrition, 2 Established Pharmaceutical) and two new Diagnostics (COVID-19 test products) sites reflecting a full year of operations were offset by water efficiency projects and other operational activities. Reductions and efficiency efforts in water are driven by our internal water goal and internal water management technical standard. In 2021, over 10 water efficiency projects in 4 countries and 9 sites were responsible for saving 18.7 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. Infrastructure leaks at two Medical Product sites were repaired in 2021. Future volumes are also expected to be stable if not slightly decreasing as we implement 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	11389	Higher	Total discharges increased by 5.8% when compared to 2020. When comparing data to previous years changes of >5% - 25% were considered to be higher. Increased production activities at 4 sites (2 Nutrition, 2 Established Pharmaceutical) and two new Diagnostics (COVID - 19 test products) sites reflecting a full year of operations led to the increase in total discharge. Future volumes are also expected to be stable moving forward with increases being offset with decreases across operations.
Total consumption	2419	About the same	Total consumption was stable decreasing by 4.2% when compared to 2020. When comparing data to previous years changes of <5% were considered to be "about the same". Water use in product was balanced by efficient heating / cooling use in operations. 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 2021, 39% of water was withdrawn from areas with water stress compared to 39.5% in 2020. Total water use in water stressed areas was stable increasing 2.5% when compared to 2020. When comparing data to previous years changes of <5% were considered to be "about the same". Water Stressed sites in 2021 withdrew 5378 megaliters of water compared to 5251 megaliters in 2020. Increased production at 2 Nutrition sites was offset by reductions at multiple 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 (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 implement 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

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	556	About the same	Fresh surface water use in 2021 was 556 megaliters compared to 558 megaliters in 2020, representing a 0.4% or slight decrease from the previous year. When comparing data to previous years changes of <5% were considered to be "about the same". The slight decrease from previous year was attributed to normal operational fluctuations from site drawing fresh water. In 2021, 4.0% of total water withdrawal came from Fresh surface water sources. This source is considered relevant as it 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	2524	Higher	Groundwater renewable in 2021 was 2524 megaliters compared to 2369 megaliters in 2020, representing a 6.5% increase. When comparing data to previous years increases of >5% - 25% were considered to be higher. Production increases at one Nutrition and one Established Pharmaceutical site that rely on renewable groundwater as their primary source was responsible for the increased use. In 2021 18% of total water withdrawal came from renewable groundwater water sources. This source is considered relevant as it is used as a primary source of water for several operations and also for 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	22	Lower	Groundwater non-renewable in 2021 was 22 megaliters compared to 24 megaliters in 2020, representing a 8.3% decrease. When comparing data to previous years increases of >5% - 25% were considered to be lower. This source is considered relevant as it is a source of water for use that is used at one of our Medical Products operations. Decrease was a result of the site relying more on Third-Party water supply. We expect this volume to be stable or slightly decreasing in future years.
Produced/Entrained water	Not relevant	<Not Applicable>	<Not Applicable>	Produced water was not relevant in 2021 as we only used a small amount of produced water in our operations. In 2021, we used <1 megaliters. Future use of produced water is not expected to change.
Third party sources	Relevant	10706	About the same	Third party source water use in 2021 was 10706 megaliters compared to 10334 megaliters in 2020; representing a 3.6% increase from the previous year. When comparing data to previous years changes of <5% were considered to be "about the same". The slight increase was attributed to normal operational fluctuations. In 2021, 77.5% 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	1486	Lower	Fresh surface water discharge in 2021 was 1486 megaliters compared to 1647 megaliters in 2020, representing a -9.8% decrease from the previous year. When comparing data to previous years increases of >5% - 25% were considered to be lower. The decrease was attributed to normal operational fluctuations ; we expect the trend to be stable or slightly decreasing in the future. Fresh surface water discharge was considered relevant in 2021 as 13% 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	5	Higher	Brackish surface water/seawater discharge in 2021 was 5 megaliters compared to 4 megaliters in 2020, representing a 25% increase from the previous year. When comparing data to previous years increases of >5% - 25% were considered to be higher. While the % change is high the discharge quantity is relatively low. The surface water/ seawater 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	235	Much higher	Groundwater discharge in 2021 was 235 megaliters compared to 183 megaliters in 2020, representing a 28% increase from the previous year. When comparing data to previous years increases of >25% were considered to be much higher. Groundwater discharge was considered relevant in 2020 as 2.1% of total water discharged was discharged to groundwater. While the % change is high the discharge quantity is relatively low. 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. With improved irrigation techniques and xeriscaping we expect this volume to remain stable in future years.
Third-party destinations	Relevant	9663	Higher	Third-party destinations discharge in 2021 was 9663 megaliters compared to 8926 megaliters in 2020, representing a 8.3% increase from the previous year. When comparing data to previous years increases of >5% - 25% were considered to be higher. Water discharges to Third-party destinations are relevant as this water requires treatment before it can be returned to the environment. In 2021, 85% of Abbott's wastewater was treated in Third party wastewater treatment plants. Increased production activities at 4 sites (2 Nutrition, 2 Established Pharmaceutical) sites led to the increased discharge. 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	1352	Higher	11-20	Tertiary treatment in 2021 was 1352 megaliters compared to 1255 megaliters in 2020, representing a 8% increase from the previous year. When comparing data to previous years increases of >5% - 25% were considered to be higher. Relevant: Tertiary treatment is used by our sites that need to comply with strict water quality controls / permit limits before being released to additional third party treatment or to receiving bodies. Tertiary treatment is typically focused on further reduction of BOD / COD loadings post secondary treatment in wastewater. Future Trend: Increased production volumes at sites using tertiary treatment was responsible for the increase. Discharge volumes in the future are expected to be stable or decreasing.
Secondary treatment	Relevant	6291	About the same	21-30	Secondary treatment in 2021 was 6291 megaliters compared to 6441 megaliters in 2020, representing a 2% decrease from the previous year. When comparing data to previous years changes of <5% were considered to be "about the same". Relevant: Secondary treatment is used at our used by our sites that need to comply with water quality controls / permit limits before being release to additional third party treatment or to receiving bodies. Secondary treatment is used primarily to reduce BOD / COD loading in wastewater. Future Trend: Secondary discharge volumes in the future are expected to be stable or decreasing.
Primary treatment only	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	No sites are treating water to a primary level
Discharge to the natural environment without treatment	Relevant	643	About the same	Less than 1%	Discharge to the natural environment without treatment in 2021 was 643 megaliters compared to 663 megaliters in 2020, representing a 3% decrease from the previous year. When comparing data to previous years changes of <5% were considered to be "about the same". Relevant: Representing the smallest portion of our discharge this is water that has not come in contact with products or wastewater and is of sufficient quality to not adversely impact receiving waters or the natural environment. Typically, this is water that is used by a site for cooling or irrigation. Future Trend: Discharge to the natural environment without treatment volumes in the future are expected to be stable or decreasing.
Discharge to a third party without treatment	Relevant	3103	Much higher	61-70	Discharge to a third party without treatment in 2021 was 3103 megaliters compared to 2399 megaliters in 2020, representing a 29% increase from the previous year. When comparing data to previous years increases of >25% were considered to be much higher. Relevant: Discharge to a Third Party without treatment represents the largest source of discharge. Water that does not meet regulatory requirements for direct discharge is sent to Third Party treatment. Overall greater than 75% of all site discharge (treated/untreated) is sent to municipal treatment before release into the environment. Future Trend: Increased production activities at 4 sites (2 Nutrition, 2 Established Pharmaceutical) and two new Diagnostics (COVID - 19 test product) sites reflecting fully year of operations discharging to a third party with out treatment was responsible for the increase. Discharge volumes in the future are expected to be stable or decreasing.
Other	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Other is not relevant as options above cover our responses

W1.3

(W1.3) Provide a figure for your organization's total water withdrawal efficiency.

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	4307500000	13808	3119568.36616454	We expect withdrawal efficiency to be stable or slightly decreasing in future years as operational gains are offset by water efficiency projects and the normal fluctuations seen in the various businesses. Improvements as we implement our new 2030 water strategy in sites operating in water stress should also help to maintain the trend.

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 2021, Abbott spent approximately \$20.3 billion with approximately 76,000 tier 1 suppliers; however only about 13,000 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 2021, we conducted a water risk assessment to identify key suppliers. Using the World Resources Institute (WRI) Aqueduct™ Global Water Tool, this assessment considered supplier industries, sourcing locations and level of water stress. Of those identified, 26 suppliers representing 4% of total 2021 spend were engaged through our Supplier Sustainability Survey to better understand existing water risk mitigation efforts and opportunities.

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, India, and Europe. This assessment evaluates suppliers based on supply chain criticality and environmental, health and safety risk. Suppliers are evaluated via a questionnaire depending on the level of risk assigned. The program aims to minimize our environmental risk exposure and ensure business continuity. An on-site visit may be triggered if a supplier is determined high-risk from questionnaire review, if it's had a significant incident, received notice of violation or negative media reporting, or are identified by one of our internal stakeholders. In 2021, 48 self-assessments were completed by suppliers. On-site visits of 39 suppliers — 16 of which were desk-based as a result of COVID — were completed by Abbott or third-party subject matter experts.

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 2021 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 2021, Abbott spent approximately \$20.3 billion with approximately 76,000 tier 1 suppliers; however only about 13,000 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 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 2022 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 2021 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 (WRI) Aqueduct™ Global Water Tool to determine which suppliers have the greatest risk of water supply interruptions. Mapping water stress in this way allows our business to engage with affected suppliers to ensure business continuity. In 2021, we conducted a water risk assessment to identify key suppliers. Using the World Resources Institute (WRI) Aqueduct™ Global Water Tool, this assessment considered supplier industries, sourcing locations and level of water stress. Of those identified, 26 suppliers representing 4% of total 2021 spend were engaged through our Supplier Sustainability Survey to better understand existing water risk mitigation efforts and opportunities.

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. Mapping water stress in this way allows our businesses to engage with affected suppliers to ensure business continuity. In 2021, we conducted a water risk assessment to identify key suppliers. Using the World Resources Institute (WRI) Aqueduct™ Global Water Tool, this assessment considered supplier industries, sourcing locations and level of water stress. Of those identified, 26 suppliers representing 4% of total 2021 spend were engaged through our Supplier Sustainability Survey to better understand existing water risk mitigation efforts and opportunities.

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 2021 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?

Yes, enforcement orders or other penalties

W2.2b

(W2.2b) Provide details for all significant fines, enforcement orders and/or other penalties for water-related regulatory violations in the reporting year, and your plans for resolving them.

Type of penalty

Other penalty type, please specify (Notice of violation)

Financial impact

0

Country/Area & River basin

United States of America	Colorado River (Pacific Ocean)
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Type of incident

Effluent limit exceedances

Description of penalty, incident, regulatory violation, significance, and resolution

In 2021, each of Abbott's 22 notices of violation were related to wastewater discharges from one of our manufacturing plants. To resolve the issue, the site has a comprehensive action plan in place and is expediting long-term sustainable controls.

W3. Procedures

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.

Value chain stage

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

Other, please specify (Internal Company Tool)

Contextual issues considered

Water availability at a basin/catchment level

Water quality at a basin/catchment level

Stakeholder conflicts concerning water resources at a basin/catchment level

Implications of water on your key commodities/raw materials

Water regulatory frameworks

Status of ecosystems and habitats

Access to fully-functioning, safely managed WASH services for all employees

Other, please specify (Operating Efficiency and political risks related to water)

Stakeholders considered

Customers

Employees

Investors

Local communities

NGOs

Regulators

Suppliers

Water utilities at a local level

Other water users at the basin/catchment level

Comment

Value chain stage

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?

More than 6 years

Type of tools and methods used

Tools on the market

Databases

Tools and methods used

WRI Aqueduct

Contextual issues considered

Water availability at a basin/catchment level

Implications of water on your key commodities/raw materials

Stakeholders considered

Customers

Employees

Investors

Local communities

NGOs

Regulators

Suppliers

Water utilities at a local level

Other water users at the basin/catchment level

Comment

W3.3b

(W3.3b) 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'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 changing health care needs. 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.

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 the global markets that we serve. Abbott's Crisis Management and Business Continuity program coordinates and advises Abbott's Executive Crisis Management Team, as well as country-led Crisis Action teams to respond to any detrimental water-related incidents. Business Continuity coordinates and advises Abbott's Executive Crisis Management Team, as well as country-led Crisis Action teams to respond to any detrimental water-related incidents. Business Continuity 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 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, Economics, Business Continuity and Supply Chain organizations undertake scenario sensitivity risk-modelling analyses; 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 Management 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 sustainability strategy includes focusing on water stewardship principles that help us to reduce our water impacts in the local communities in which we operate and engaging our value chain in strategic sourcing categories on shared water challenges.

Abbott's Global Technical Standard for water requires an annual assessment of water stress at all manufacturing and research and development 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 is evaluated. Sites identified as operating in a water-stressed region and any sites with high water use 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 transition risks. We have an integrated multi-disciplinary company-wide risk management process which assesses and manages water-related risks across 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 and emerging situations that represent potential risks and opportunities.

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 the global markets that we serve. Abbott's Crisis Management and Business Continuity 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, when Hurricane Ida made landfall in Louisiana in August 2021, the Executive Crisis Management Team was activated due to the impact to employees, operations and supply chain. 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 changing healthcare needs. 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, Economics, Business Continuity and Supply Chain organizations undertake scenario sensitivity risk-modelling analyses; 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. As in prior years, in 2021, we used the WRI Aqueduct tool to identify the risk level for direct operations 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 2021, 30 manufacturing and R&D sites operated in water-stressed regions. However, 57% of the sites operating 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 discrete points throughout our supply chain, however Abbott is not exposed to 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. Our supplier assessment programs take a risk based approach to determine assessment, monitoring and audit requirements. They consider supplier size, maturity, industry, sourcing regions, ESG performance and Abbott spend. This is particularly relevant to our high-priority suppliers, but we also assess lower-priority suppliers that operate in high sustainability risk industries or regions with potential risk exposure. Abbott utilizes a third-party risk monitoring tool to perform real-time analysis of critical supplier sourcing locations, tracking potential geopolitical, security, sustainability, environmental and infrastructure risks. Sustainability risk scores consider performance in employee autonomy, workers' rights, child labor and environmental factors. We also use the tool to monitor supply chain disruptions and to identify suppliers and locations that pose potential business continuity risk. These insights then inform our sourcing strategy and contingency plans. Additional risk-specific analyses and supplier engagements are performed for strategic sourcing categories and regions when potential risks are identified; including Abbott's annual supplier water risk assessment.

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 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 discrete points in 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 2021, over 10 water efficiency projects in 4 countries and 9 sites were responsible for saving 18.7 US million gallons of water. 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
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, fully independent key committees: Audit, Compensation, Nominations and Governance and Public Policy. The Public Policy Committee is composed of several board members, with one appointed as the Chair. This Committee assists the Board of Directors in fulfilling its oversight responsibility with respect to Abbott's public policy, certain areas of legal, regulatory and healthcare compliance matters; product quality and cybersecurity matters and data privacy; governmental affairs and political participation. This Committee also assists the Board in fulfilling its oversight responsibility with respect to certain other matters, including Abbott's sustainability and social responsibility policies and practices. In addition, this Committee has responsibility to review social, political, economic and environmental trends (including water-related issues) and public policy issues that 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	The Board of Directors and its committees have risk oversight, with areas of focus including Abbott’s sustainability, environmental, and social responsibility practices. The Board has regular discussions with management on sustainability matters, including climate and water. Abbott’s Board of Directors spends significant time with Abbott’s senior management to understand the dynamics, issues, and opportunities for Abbott, and also regularly monitors leading practices in governance and adopts measures that it determines are in the best interest of Abbott and its stakeholders. During these interactions, directors provide insights and ask probing questions which guide management 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’s Public Policy Committee is responsible for reviewing and evaluating our policies and practices regarding corporate sustainability and social responsibility. This Committee supports oversight of Abbott’s sustainability and social responsibility policies and practices. Executive compensation is linked to Sustainability commitments. Our leadership covenant is considered the minimum requirement of being an officer at Abbott. Any officer that does not fulfill the covenant can receive a reduction of up to 100% of their annual incentive and/or long-term incentive awards. In addition, our leadership covenant specifically states that senior leaders are accountable for the achievement of Abbott’s 2030 Sustainability Plan goals.

W6.2d

(W6.2d) Does your organization have at least one board member with competence on water-related issues?

	Board member(s) have competence on water-related issues	Criteria used to assess competence of board member(s) on water-related issues	Primary reason for no board-level competence on water-related issues	Explain why your organization does not have at least one board member with competence on water-related issues and any plans to address board-level competence in the future
Row 1	Yes	As discussed above, our Board of Directors and senior management oversee our sustainability activities. The Board of Directors and its committees have strong risk oversight, with areas of focus including Abbott’s sustainability, environmental, and social responsibility practices. The Board has regular discussions with management on sustainability matters, including climate and water. The Public Policy Committee assists the Board in fulfilling its oversight responsibility with respect to several matters, including oversight of Abbott’s sustainability and social responsibility policies and practices. Our Global Citizenship Advisory Council (GCAC), a group of independent expert advisors and thought leaders in the area of sustainability, provides Abbott with guidance on strategic sustainability issues. This includes identifying risks and opportunities across our organization. Abbott’s Global Sustainability team works with colleagues across our global enterprise to implement our sustainability strategy, working with our four businesses, key functional areas and affiliates around the world. The Global Sustainability team reports to our Vice President, Global Marketing and External Affairs, who reports directly to our President and CEO.	<Not Applicable>	<Not Applicable>

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

Assessing future trends in water demand
Assessing water-related risks and opportunities
Managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Half-yearly

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. The SVP is the executive sponsor for Abbott's next generation climate and water strategy and participates in corporate executive team meetings to present progress on climate and water targets and also raise climate and water related issues.

Name of the position(s) and/or committee(s)

Other committee, please specify (Global Operations Council)

Responsibility

Assessing future trends in water demand
Assessing water-related risks and opportunities
Managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

As important matters arise

Please explain

The Global Operations Council (GOC) oversees operations strategy across 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. At the end of 2021, Senior Director of Environmental Health and Safety was added as a member of the GOC. More information on our management of operational sustainability, can be found in our 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 Improvements in waste water quality - direct operations Supply chain engagement Increased access to workplace WASH	Our leadership covenant specifically states that senior leaders are accountable for the achievement of Abbott's 2030 Sustainability Plan goals. The sustainability plan is integrated into our business plans, financial planning processes and existing governance structures. Each senior manager is responsible for taking actions in their organization that help achieve key environmental and climate targets. These targets include: • Protecting water, including achieving water stewardship certification at all high-water impact manufacturing sites operating in water stressed areas, implementing accredited water stewardship management practices in more than 75% of all manufacturing sites operating in water-stressed areas and working with 50 key suppliers in high water-stressed areas to reduce water quantity and quality risks to Abbott and the community. • Protecting our climate, including reducing absolute Scope 1 and 2 carbon emissions by 30% from 2018 baseline • Reducing product packaging and waste, including addressing 50 million pounds of packaging and using circular economy approach to achieve at least 90% waste diversion rate Our leadership covenant is considered the minimum requirement of being an officer at Abbott. Any officer that does not fulfill the covenant can receive a reduction of up to 100% of their annual incentive and/or long-term incentive awards.
Non-monetary reward	Other, please specify (All employees)	Reduction of water withdrawals Improvements in efficiency - direct operations Improvements in waste water quality - direct operations Improvements in waste water quality - supply chain Implementation of employee awareness campaign or training program Implementation of water-related community project	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 also directly engaged with the Alliance for Water Stewardship throughout 2021 on the Water Stewardship Standard and setting up the foundational elements needed to support meeting our 2030 water target of achieving water stewardship certification at all high-water impact manufacturing sites operating in water-stressed areas.

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)

Abbott 2022 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 2030 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 2040) 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 2021, over 10 water efficiency projects in 4 countries and 9 sites were responsible for saving 18.7 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)

-91

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

5

Water-related OPEX (+/- % change)

19

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 2020 to 2021, we were able to implement 10 water efficiency projects that required minimal CAPEX investment but allowed us to save 18.7 US million gallons of water which is a 28% higher saving than what was achieved in 2020. From 2020 to 2021, we anticipate CAPEX to increase based on anticipated 2022 project investments, including facility upgrades. From 2020 to 2021, we saw a 19% decrease in water OPEX due to cost increases associated with supplies. OPEX spend is anticipated to remain about the same in 2021.

W7.3

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

	Use of 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) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization's business strategy.

	Type of scenario analysis used	Parameters, assumptions, analytical choices	Description of possible water-related outcomes	Influence on business strategy
Row 1	Climate-related	Analyses have considered COP21, potential carbon taxes, the financial implications of water scarcity, and climate change / water scarcity impacts to agriculture supply chains.	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.	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 partner periodically 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.

W7.5

(W7.5) Do you classify any of your current products and/or services as low water impact?

	Products and/or services classified as low water impact	Definition used to classify low water impact	Primary reason for not classifying any of your current products and/or services as low water impact	Please explain
Row 1	No, and we do not plan to address this within the next two years	<Not Applicable>	Other, please specify (No formal system established for classification)	Lack of a formal system and scoping that supports how "low water impact" determination is made limits action in this area. Water risks manifest at the local level thus making it very difficult to make a broad product/or service classification as low water impact.

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	When developing our 2030 Sustainability Plan, we conducted an in-depth materiality analysis of the environmental issues that are most important for our business. From this materiality assessment Abbott established targets for reducing GHG emissions, water use and waste. Abbott has been setting public-facing long-term environmental performance targets since 2001. Targets were set with consideration for future sales and performance projections, as well as anticipated technology and performance improvements. To maintain progress toward our 2030 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. 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

Other, please specify (Use of water that is socially and culturally equitable, environmentally sustainable, and economically beneficial, achieved through a stakeholder-inclusive process that involves site- and catchment-based actions)

Level

Company-wide

Primary motivation

Water stewardship

Description of target

Target: Achieve water stewardship certification at all high-water-impact manufacturing sites in water-stressed areas We identified high-water-impact manufacturing sites based on their amount of water usage, level of water stress in the associated watershed and general water depletion in the basin. For these sites and communities, we acknowledge the importance of focusing on water stewardship. There are currently 9 manufacturing sites designated as high-impact water stressed sites. Abbott will pursue water stewardship certification through the Alliance for Water Stewardship program. Achieving external certification to the principles and practices in the AWS Standard will lead to improved performance with five main outcomes: Improved water governance; sustainable water balance; good water quality; healthy status of important water-related areas; and access to water, sanitation, and hygiene (WASH) for all.

Quantitative metric

Other, please specify (Achieve water stewardship certification at 100% of high-impact manufacturing sites operating in water-stressed areas)

Baseline year

2020

Start year

2020

Target year

2030

% of target achieved

7

Please explain

During 2021, foundational elements were established to support sites pursuing certification. We established a Community of Practice (CoP) to support progress and shared learning toward certification, a strategic roadmap that highlights key steps needed for achieving certification was developed, helping sites stay on track through quarterly reporting, Alliance for Water Stewardship (AWS) training was also completed at several sites.

Target reference number

Target 2

Category of target

Other, please specify (Use of water that is socially and culturally equitable, environmentally sustainable, and economically beneficial, achieved through a stakeholder-inclusive process that involves site- and catchment-based actions)

Level

Company-wide

Primary motivation

Water stewardship

Description of target

Target: Implement accredited water stewardship management practices in more than 75% of all manufacturing sites operating in water-stressed areas.

Quantitative metric

Other, please specify (Implement accredited water stewardship management practices in more than 75% of all manufacturing sites operating in water-stressed areas.)

Baseline year

2020

Start year

2020

Target year

2030

% of target achieved

5

Please explain

During 2021 we have worked with key water subject matter experts in the company to finalize the draft internal set accredited water stewardship management practices. Practices established are based on key water stewardship principals of understanding internal water usage, understanding catchment, stakeholder engagement, actions focused on identified risks and shared challenges and transparency and communication. It is anticipated that these internal accredited practices will be released to our water stressed site so implementation can begin in 2022. Practices and supporting implementation guidelines have been developed and modelled to the Alliance for Water Stewardship standard.

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 2021 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

2

Please explain

Abbott established this target in December 2020. By 2030, we aim to work with 50 key suppliers in high water-stressed areas to reduce risks to water quality and quantity. In 2021, we conducted a water risk assessment to identify key suppliers. Using the World Resources Institute (WRI) Aqueduct™ Global Water Tool, this assessment considered supplier industries, sourcing locations and level of water stress. Of those identified, 26 suppliers representing 4% of total 2021 spend were engaged through our Supplier Sustainability Survey to better understand existing water risk mitigation efforts and opportunities. In addition, we initiated one supplier engagement in 2021 to explore opportunities to improve water quality and quantity at Abbott facilities in partnership with the supplier.

Target reference number

Target 4

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 efficient use of water. Each business was required to look at 2020 actual data and then account for any water related projects and or business changes that would potentially impact performance to formulate their water target for 2021. This target setting practice is an annual exercise that is conducted by Governance.

Quantitative metric

% reduction in total water withdrawals

Baseline year

2020

Start year

2020

Target year

2021

% of target achieved

0

Please explain

In 2020 our businesses established a 2021 target of 12500 megaliters. Actual water use in 2021 for all of our businesses was 13800 megaliters. The 2021 actual water use exceeded our target usage by 10%. While we missed our target it should be noted that Total water intake in 2021 rose by approximately 4% versus the previous year — a result of increased production in 2021. When adjusted for sales, water intake decreased 16% compared to 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 morale.

Baseline year

2020

Start year

2020

End year

2030

Progress

During 2021 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	2021	ISAE 3000	Abbott engaged an independent assurance provider, Apex Companies to conduct assurance of selected 2021 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 (C-Suite Officer)

W10.2