Welcome to your CDP Water Security Questionnaire 2022

W0. Introduction

W0.1

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

Important Stakeholder Disclaimer:

Some statements in this response are, or may be considered, forward-looking statements for purposes of the Private Securities Litigation Reform Act of 1995. The words "believe," "expect," "anticipate," "project" and similar expressions, among others, generally identify forward-looking statements. AbbVie cautions that these forward looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those indicated in the forward-looking statements. Such risks and uncertainties include, but are not limited to, failure to realize the expected benefits from AbbVie's acquisition of Allergan plc ("Allergan"), failure to promptly and effectively integrate Allergan's businesses, competition from other products, challenges to intellectual property, difficulties inherent in the research and development process, adverse litigation or government action, changes to laws and regulations applicable to our industry and the impact of public health outbreaks, epidemics or pandemics, such as COVID-19. Additional information about the economic, competitive, governmental, technological and other factors that may affect AbbVie's operations is set forth in Item 1A, "Risk Factors," of AbbVie's 2021 Annual Report on Form 10- K, which has been filed with the Securities and Exchange Commission, as updated by its subsequent Quarterly Reports on Form 10-Q. AbbVie undertakes no obligation to release publicly any revisions to forward-looking statements as a result of subsequent events or developments, except as required by law.

Additionally, terms such as “ESG,” “impact” and “sustainability” can be subjective in nature, and there is no representation or guarantee that these terms, as used in the response, will reflect the beliefs or values, policies, principles, frameworks or preferred practices of any particular investor or other third-party or reflect market trends. Any ESG, climate or impact goals, commitments, incentives and initiatives outlined in this response are, unless explicitly stated otherwise in this response, purely voluntary, are not binding on our business and/or management and do not constitute a guarantee, promise or commitment regarding actual or potential positive impacts or outcomes.

About AbbVie:

AbbVie’s mission is to discover and deliver innovative medicines and products that solve serious health issues and enhance people’s lives today and address the medical challenges of tomorrow. We strive to have a remarkable impact on people’s lives across several key

therapeutic areas: immunology, oncology, neuroscience, eye care, and virology in addition to products and services across our aesthetics portfolio. Our state-of the-art research, development, and manufacturing centers across the world allow us to move the best ideas forward faster and deliver transformative change. Our global headquarters is in North Chicago, IL, United States. We pride ourselves on a long tradition of strong corporate governance and financial controls, led by our board of directors. They play an active and vital role in overseeing our strategic direction and our performance against all objectives on behalf of our stakeholders. For more information about AbbVie, please visit us at www.abbvie.com.

AbbVie operates as a single global business segment dedicated to the research and development, manufacturing, commercialization and sale of innovative medicines and therapies. AbbVie includes four main business units which are Operations, Research & Development (R&D), Commercial, and Headquarters. AbbVie operates forty significant Operations and R&D sites. AbbVie also operates a significant number of small Commercial affiliate offices around the globe. In May of 2020, AbbVie acquired Allergan PLC. We anticipate to add the Allergan PLC water data into the AbbVie data next year.

As we respond to the concerns of our stakeholders, we will strive to find innovative solutions that are both good for business and good for the environment. We aim to ensure that our water management practices and provisions are respectful of local needs and concerns. We also commit to using our water management knowledge and experience to address broader water issues as necessary and appropriate. We will seek to use company-wide policy, standards, and management systems to assure responsible water management programs are implemented. Stakeholder engagement and collaborative problem-solving play a central role in the development and implementation of these programs.

We prioritize environmental sustainability within and beyond AbbVie to support our patients, people and planet. Our environmental sustainability strategy is focused on reducing our environmental footprint, growing sustainably through inspiring innovation, and engaging our workforce to steward sustainability.

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.

Germany
Ireland
Italy
Puerto Rico
Singapore
United States of America

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
Leased properties (not owned by AbbVie)	Our small commercial affiliate offices consist of leased (non-AbbVie owned) office space that support sales & marketing of pharmaceutical products and related business activities. Use of water is limited to drinking and sanitary activities common for office environments. We have estimated this volume of water and have found it to be a non-material quantity relative to our water use at our global operations and research and development sites.
Legacy Allergan	In May of 2020, AbbVie acquired Allergan PLC. AbbVie continues to integrate Allergan into our business processes for collecting global water data. The data submitted in this disclosure does not include the contributions from the Allergan business operations for 2021. We estimate that the Allergan business operations account for 3% of our global total water intake. AbbVie anticipates being able to include this data in future disclosure submissions.

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, an ISIN code	US00287Y1091
Yes, a Ticker symbol	ABBV

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	Sufficient amounts of good quality freshwater is deemed vital to AbbVie's ability to manufacture quality medicines for our patients and to conduct research and development for our pipeline of new products. We anticipate that our future dependency on quality freshwater will increase for both direct (manufacturing and R&D) and indirect (washing, cleaning) operations. Manufacturing of biologics is a water-based process, and we anticipate that aspect of our business to grow across the long term. Water of limited quality is suitable for only a small fraction of AbbVie's indirect operations (rinsing, sanitation and hygiene (WASH)) and not usable for direct operations.
Sufficient amounts of recycled, brackish and/or produced water available for use	Important	Important	Sufficient amounts of recycled water is deemed important to AbbVie's ability to manufacture quality medicines for our patients and to conduct research and development for our pipeline of new products. We anticipate that our future dependency on recycled water will increase somewhat across the long term. Recycled water is suitable for only a small fraction of AbbVie's indirect operations and not usable for direct operations (manufacturing of our therapeutic products). However, we have implemented projects to use recycled water in selected applications (e.g., landscaping, cooling tower basins, WASH applications) which reduces the cost of our water and reduces our overall water consumption. Brackish water is not deemed important.

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%	Water volumes are primarily monitored in-situ (in-line) with calibrated water meters and in some cases via interpolation. At least quarterly, each operations facility reports this data to our Global EHS organization for monitoring and alignment with company targets.
Water withdrawals – volumes by source	100%	Water volumes are primarily monitored in-situ (in-line) with calibrated water meters and in some cases via interpolation at the source level. At least quarterly, each operations facility reports this data to our Global EHS organization for monitoring and alignment with company targets.
Water withdrawals quality	100%	Water withdrawals quality is monitored according to local water withdrawal permit requirements. Additionally, water quality reports from the local municipals are monitored by the site level EHS organization. For sites that are required to monitor and report this information, coverage is 100%.
Water discharges – total volumes	100%	Water discharge volumes are primarily monitored in-situ (in-line) with calibrated water meters and in some cases via interpolation. At least quarterly, each operations facility reports this data to our Global EHS organization for monitoring and alignment with company targets.
Water discharges – volumes by destination	100%	Water discharge volumes by destination are primarily monitored in-situ (in-line) with calibrated water meters and in some cases via interpolation. At least quarterly, each operations facility reports this data to our Global EHS organization for monitoring and alignment with company targets. The destination of all water discharged is monitored by the site level EHS organization.
Water discharges – volumes by treatment method	100%	Water volumes are primarily monitored in-situ (in-line) with calibrated water meters and in some cases via interpolation. At least quarterly,

		each operations facility reports this data to our Global EHS organization for monitoring and alignment with company targets. The volumes of all water discharged is monitored by the site level EHS organization and reported as Non-impaired or Impaired based the local treatment method.
Water discharge quality – by standard effluent parameters	100%	Water discharge quality is monitored according to local water discharge permit requirements. This varies from site to site depending on whether there is an on-site wastewater treatment facility or if the discharge water is sent to a municipal water treatment facility. For sites that are required to monitor and report this information, coverage is 100%.
Water discharge quality – temperature	100%	Water quality is primarily monitored for temperature verification by in-line digital thermometers. This is based on local water standards and regulatory compliance obligations for the sites which we operate. For sites that are required to monitor and report this information, coverage is 100%.
Water consumption – total volume	100%	Water consumption volumes are primarily calculated by subtractive methods at our sites. At least quarterly, each operations facility reports this data to our Global EHS organization for monitoring and alignment with company targets. Where the consumption amount is negligible for a site, we assume the amount from that facility to be zero.
Water recycled/reused	1-25	Water volumes are primarily monitored in-situ (in-line) with calibrated water meters and in some cases via interpolation. At least quarterly, each operations facility reports this data to our Global EHS organization for monitoring and alignment with company targets. Recycled/reused water volumes would be reflected in the total water consumption (reduction data). Only selected sites have water recycling capabilities.
The provision of fully-functioning, safely managed WASH services to all workers	100%	Water quality is primarily monitored for verification purposes via sampling and analysis for key influent parameters (e.g., chlorine, solids) with water test calibration kits. Safely

		managed WASH services are available to employees at all global locations.

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	38,371.9	Higher	There was an 11% increase in water withdrawal from 34,656.5 megaliters/year in 2020 to 38,371.9 in 2021. The increase in 2021 was mainly driven by the increase in non-contact cooling water use, which is returned to the source in the same amount and with the same quality as was withdrawn. The fluctuation in non-contact cooling water use is generally due to seasonal variations in source water temperature.
Total discharges	37,391.6	Higher	There was an 11% increase, from 33,653.37 megaliters/year in 2020 to 37,391.6 in 2021. The increase in 2021 was mainly driven by the increase in non-contact cooling water use, which is returned to the source in the same amount and with the same quality as was withdrawn. The fluctuation in non-contact cooling water use is generally due to seasonal variations in source water temperature.
Total consumption	980.2	Lower	There was a 2% decrease from 1,003.23 megaliters/year in 2020 to 980.2 in 2021. Across our sites, we have sites with increased consumption and some with decreased consumption with an overall slight decrease.

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	Please explain

Row 1	Yes	There was a decrease from 2.5% in 2020 to 1.3% in 2021. This decrease was primarily due to a change in the criteria that AbbVie uses for classifying an area as water stressed. Our current methodology is now in alignment with the 2022 CDP Water Security Reporting Guidance.

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	34,315.7	Higher	There was a 12% increase, from 30,626.5 megaliters/year in 2020 to 34,315.7 in 2021. The increase in 2021 was mainly driven by the increase in non-contact cooling water use, which is returned to the source in the same amount and with the same quality as was withdrawn. The fluctuation in non-contact cooling water use is generally due to seasonal variations in source water temperature.
Brackish surface water/Seawater	Not relevant			Brackish surface water/Seawater is not an applicable withdrawal source for any AbbVie sites.
Groundwater – renewable	Relevant	1,435.8	Lower	There was a 6% decrease, from 1,524 megaliters/year in 2020 to 1,435.8 in 2021. Our site in Barceloneta, Puerto Rico implemented a significant water recycling initiative that decreased their overall well water withdrawal.
Groundwater – non-renewable	Not relevant			Groundwater – non-renewable is not an applicable withdrawal source for any AbbVie sites.

Produced/Entrained water	Relevant but volume unknown			Produced/Entrained water is not tracked for any AbbVie sites.
Third party sources	Relevant	2,620.4	Higher	There was a 5% increase, from 2,506 megaliters/year in 2020 to 2,620.4 in 2021. The increase was primarily due to operational changes.

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	34,714.2	Higher	There was a 12% increase, from 31,013.6 megaliters/year in 2020 to 34,714.2 in 2021. The increase in 2021 was mainly driven by the increase in non-contact cooling water use, which is returned to the source in the same amount and with the same quality as was withdrawn. The fluctuation in non-contact cooling water use is generally due to seasonal variations in source water temperature.
Brackish surface water/seawater	Not relevant			Brackish surface water/Seawater is not an applicable discharge destination for any AbbVie sites.
Groundwater	Relevant	197.2	Higher	There was a 193% increase, from 67.4 megaliters/year in 2020 to 197.2 in 2021. Water discharged to groundwater only accounts for less than 1% of our total water discharged. The increase in 2021 was mainly driven by our site at Abbott Park that saw an increase in the amount of water discharged to groundwater.
Third-party destinations	Relevant	2,480.2	Lower	There was a 4% decrease, from 2,572.3 megaliters/year in 2020 to 2,480.2 in 2021. AbbVie's

				Barceloneta, Puerto Rico site implemented a significant water recycling initiative that decreased their overall water withdrawal and resulting discharge to third party destination. Additionally, AbbVie's Abbott Park site replaced their water meters which resulted in lower meter readings in 2021, and it's believed that the existing meters were not reading accurately prior to the replacement.

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	405.6	About the same	1-10	AbbVie's Campoverde, Italy site is the only site where we have full tertiary treatment capability. The site discharges treated water to a local fresh surface waterway. There was a 3% decrease, from 416.03 megaliters/year in 2020 to

					405.6 in 2021. Our definition for change: About the same: +/- 5%, Lower: >-5%, Much Lower: >- 10%, Higher: >+5%, Much Higher: >+10%
Secondary treatment	Relevant	1,532.7	About the same	11-20	AbbVie's North Chicago and Barceloneta, Puerto Rico sites have on-site secondary wastewater treatment capability. Both sites discharge treated water to local municipal waste treatment facilities for additional treatment. There was a 0.2% increase, from 1,530.09 megaliters/year in 2020 to 1,532.70 in 2021. Our definition for change: About the same: +/- 5%, Lower: >-5%, Much Lower:

					>- 10%, Higher: >+5%, Much Higher: >+10%
Primary treatment only	Not relevant				There are no AbbVie sites with just primary treatment capability.
Discharge to the natural environment without treatment	Relevant	34,308.6	Much higher	11-20	No AbbVie site discharges wastewater to the natural environment without an adequate level of treatment. However, AbbVie does utilize non-contact cooling water at our North Chicago, Illinois and Wyandotte, Michigan sites. The non-contact cooling water does not undergo any treatment prior to being returned to the freshwater surface source. There was a 12% increase, from 30,597.6 megaliters/year in 2020 to 34,308.6 in 2021.

					Our definition for change: About the same: +/- 5%, Lower: >-5%, Much Lower: >- 10%, Higher: >+5%, Much Higher: >+10%
Discharge to a third party without treatment	Relevant	1,144.7	About the same	61-70	A majority of AbbVie sites do not have on-site waste treatment capability, and these sites discharge their wastewater to a local waste treatment facility. AbbVie sites monitor selected parameters such as pH, temperature, and BOD/TOC in accordance with local permit requirements before discharging to the third party. There was a 3% increase, from 1,109.65 megaliters/year in 2020 to 1,144.7 in 2021. Our definition for change:

					About the same: +/- 5%, Lower: >-5%, Much Lower: >- 10%, Higher: >+5%, Much Higher: >+10%
Other	Not relevant				Not applicable.

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	40,292,000,000	38,371.9	1,050,039.22140942	This is anticipated to increase when the contributions from the Allergan business operations are included in the near future. Additionally, AbbVie has targets in place to address water efficiency and decrease our dependence on water which will also drive increase our total water withdrawal efficiency in the longer term.

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%

Rationale for this coverage

AbbVie's worldwide supplier base totals approximately 51,000 suppliers. The proportion of suppliers that AbbVie has requested to report on their water use, risks and/or management information in 2021 is approximately 206 key suppliers that account for approximately 55% of our total spend. These suppliers are key, based on a combination of annual spend and/or AbbVie's reliance on them to assure key products (e.g., Humira, Imbruvica, HCV therapies) are brought to patients in need. Although AbbVie makes no guarantees to suppliers for future business, key suppliers are incentivized through their sharing of a common interest to assist AbbVie in its environmental footprint reduction achievements - and the overall qualitative assessment of their reputation as an AbbVie supplier.

Comment

AbbVie has incorporated water-related questions in the Supplier Sustainability Survey in 2021 which include water reduction program and water reduction goals.

W1.4b

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

Type of engagement

Innovation & collaboration

Details of engagement

Encourage/incentivize innovation to reduce water impacts in products and services

% of suppliers by number

Less than 1%

% of total procurement spend

1-25

Rationale for the coverage of your engagement

AbbVie's global supplier base is expansive, totaling more than 51,000 suppliers. One supplier in a water-stressed and yet critical market in India was targeted for water-related engagement. AbbVie worked with this supplier to track wastewater effluent from AbbVie's products being made at the supplier's site. Wastewater is re-directed to an on-site reverse osmosis system, the output of which is then used for on-site landscape watering and supplemental boiler feed water.

In 2021, AbbVie partnered with a leading environmental non-governmental organization (NGO) in India, Green Yatra and a water conservationist, Anand Malligavad to revitalize Lake Bingipura in Bangalore, India. The efforts transformed a 28.2-acre of contaminated water body into a self-sustaining lake that brings safe drinking water to more than 5,000 people across four villages.

Impact of the engagement and measures of success

For calendar year 2021, the collaboration with the supplier resulted in recycling approximately 1.433 megaliters of water. This achievement helps to make a remarkable, positive environmental impact in a water-stressed area of India.

Comment

No comment.

W2. Business impacts

W2.1

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

No

W2.2

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

No

W3. Procedures

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 an established enterprise risk management framework

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

Tools and methods used

WRI Aqueduct

Other, please specify

Climate Physical Risk Assessment including Water Stress

Contextual issues considered

Water availability at a basin/catchment level

Water quality 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

All new products or legacy products with new formulations or indications undergo an environmental risk assessment, of which water is an integral component. This is accomplished through a mandatory, internal Technology Transfer operating standard.

Stakeholders considered

Customers

Employees

Investors

Local communities

NGOs

Regulators

Suppliers

Water utilities at a local level

Other water users at the basin/catchment level

Other, please specify

Other parties are considered as possible interested stakeholders as they are identified. AbbVie considers all possible stakeholders to be potential current and future interested parties in water management.

Comment

AbbVie updates a water risk assessment using the WRI Aqueduct tool on an annual basis for 100% of our operations and research and development sites. In 2020, we partnered with S&P Global Trucost to perform a Climate Risk Assessment for Physical Risks. Water stress was included in this assessment and 100% of our operations and research and development sites were evaluated. Water Stress was identified as a growing risk across our operational sites. Both climate change and population density will have a negative impact on the water supplies in the areas where we operate causing water supplies to become more scarce and limited. There will be a corresponding increase in the cost of water, as well as potential limitations on the

amount of water that can be withdrawn. We currently have a limited number of sites in high water stress areas, but we expect that to increase to over 20 operational sites by 2050. AbbVie plans to repeat this type of risk assessment every five years or if a significant change occurs to operations locations.

Value chain stage

Supply chain

Other stages of the value chain

Coverage

Partial

Risk assessment procedure

Water risks are assessed as part of an established enterprise risk management framework

Frequency of assessment

Every three years or more

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Other

Tools and methods used

External consultants

Contextual issues considered

Water availability at a basin/catchment level

Water quality 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

All new products or legacy products with new formulations or indications undergo an environmental risk assessment, of which water is an integral component. This is accomplished through a mandatory, internal Technology Transfer operating standard.

Stakeholders considered

Customers

Employees

Investors

Local communities

NGOs

Regulators

Suppliers
Water utilities at a local level
Other water users at the basin/catchment level
Other, please specify

Other parties are considered as possible interested stakeholders as they are identified. AbbVie considers all possible stakeholders to be potential current and future interested parties in water management.

Comment

In 2020, we partnered with S&P Global Trucost to perform a Climate Risk Assessment for Physical Risks. Water stress was included in this assessment and 35 or our most critical supplier locations were evaluated, besides the top 20 locations for our downstream third-party logistic warehouses and all 9 of our global third-party data centers. Water Stress was identified as a growing risk across those sites. Both climate change and population density will have a negative impact on the water supplies in the areas where our suppliers operate causing water supplies to become more scarce and limited. There will be a corresponding increase in the cost of water, as well as potential limitations on the amount of water that can be withdrawn. AbbVie will repeat this type of risk assessment every five years or if a significant change occurs to these locations or to the external suppliers.

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.

AbbVie has a well-established Risk Management program as well as a Crisis Preparedness and Business Continuity planning program. These two programs cover all of AbbVie's operations globally. The three key steps in both programs are to
(1) analyze the business for sources of risk
(2) assess the risks
(3) develop strategies to address the risks.

Elements of prevention, preparedness, response, recovery, and sustainability are incorporated into the programs. Water-related risks are included within the risks that are addressed by these programs. AbbVie uses a Global Risk Profile approach to evaluate and prioritize a variety of risks geographically. We take an "All Hazards" approach in our evaluations, identifying risks in the following categories:
(1) Natural Hazards (including climate-related risks)
(2) Security / Political / Social
(3) Financial and Investment

We also consider attendant risks to regulatory compliance, employee health & safety, and reputation with input from Public Affairs, Government Affairs, Regulatory Affairs, Legal, and EHS. The Risk Management function leads the annual process of identifying risks. Short-term, Medium-term, and Long-term are considered within this process. The Risk Management

function reviews the progress of risk mitigation plans with the Executive Leadership Team on a quarterly basis.

AbbVie's Global EHS organization leads specific Water Risk assessment activities on periodic basis. AbbVie uses the WRI Aqueduct Water Risk tool to assess current and future water risks in the areas that we operate on an annual basis. We also assess water-related risks of key suppliers globally. This tool was selected due to its widespread availability, its company-wide coverage of AbbVie's direct and indirect operations, and general ease of use. The WRI Aqueduct tool was used to assess 100% of our direct and indirect water-related risks through year 2030 and 2040 (more than 10 years).

We also use qualitative and quantitative climate-related scenario analysis to assess climate-related physical risks. In 2020, we partnered with S&P Global Trucost to perform a Climate Risk Assessment for Physical Risks. The analysis included how water stress risk might change along three climate change scenarios High Warming Scenario (RCP 8.5), Moderate Warming Scenario (RCP 4.5), and High Climate Mitigation Scenario (RCP 2.6). These scenarios are based on the IPCC's Representative Concentration Pathways (RCP) and are aligned with the TCFD technical guidelines (FSB, 2017). We assessed the impacts of these physical hazards across time horizons to look beyond traditional business planning cycles; 2025, 2030 and 2050. The scope of the analysis encompassed 100 global AbbVie sites and locations including all manufacturing, R&D, warehouse locations, along with selected commercial affiliate offices. It also included the top 35 locations of our critical suppliers, the top 20 locations for our third-party logistic warehouses and all 9 of our global third-party data centers. AbbVie plans to repeat this type of risk assessment every five years or if a significant change occurs to operations locations. AbbVie has initiated a more formal Climate Risk assessment for transition risks focusing primarily on regulatory transition risk. This assessment is ongoing and is expected to be complete in Q3 of 2022.

We anticipate that climate change may have varying levels of impact on our business across the short-, medium-, and long-term. AbbVie seeks to understand and anticipate these impacts to ensure we sustain the discovery and development of innovative medicines for both current and future patients. This effort involves evaluating our operations and supply chains for potential disruptions in connection with climate change and implementing contingency plans or advance preparedness. We invest in business continuity efforts that contribute to mitigating the potential for risk of loss and promote business continuity in the event a climate-related risk materializes. AbbVie's Crisis Preparedness and Business Continuity group develops and maintains the needed infrastructure, procedures, and practices that enable us to mitigate risks and respond to crisis events that may adversely impact our business, employees or surrounding communities. Each operating and commercial division have documented business continuity plans that address key products and operations. The overall Crisis Preparedness and Business Continuity plan is reviewed at the executive level on an annual basis, and all business continuity plans are reviewed on a biennial basis. AbbVie also invests in the assurance of supply activities including selecting redundant suppliers for raw materials, manufacturing products at multiple locations globally, and redundant shipping supply chains to deliver our products. The combination of our crisis preparedness activities and our assurance of supply activities is the way that AbbVie seeks to effectively address increasing climate risk.

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?

Yes, both in direct operations and the rest of our value chain

W4.1a

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

Substantive risks for the company are set at a much higher financial and strategic impact threshold. Substantive strategic impacts would include things that could negatively impact our product pipeline, manufacturing capabilities, regulatory compliance, employee health & safety, and our reputation. Climate risks would generally be considered to have a substantive financial impact when greater than $1 million on an annual basis, though such an impact should not be equated to or taken as a representation about “materiality” under the US federal securities laws or any similar legal or regulatory regime globally. Climate risks with strategic impact to the business would also be considered substantive.

W4.1b

(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	3	1-25	AbbVie utilized the WRI Aqueduct Water Risk tool to identify key sites that fall within a high water risk profile currently or represent an above normal projected increase in water risk through calendar year 2030.

W4.1c

(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?

Country/Area & River basin

Singapore

Other, please specify
GHAAS Basin 1591

Number of facilities exposed to water risk
1

% company-wide facilities this represents
1-25

% company's total global revenue that could be affected
11-20

Comment
The Singapore site is a key manufacturing facility for AbbVie. We manufacture biologics drug substance and active pharmaceutical ingredients at the site. Products manufactured at this site represent significant portions of AbbVie's annual revenues.

Country/Area & River basin
United States of America
Other, please specify
San Francisco Bay

Number of facilities exposed to water risk
1

% company-wide facilities this represents
1-25

% company's total global revenue that could be affected
1-10

Comment
There were three sites in the San Francisco Bay area which were primarily research and development sites. These sites were consolidated in 2021 into one research and development site which is key to AbbVie's future pipeline.

Country/Area & River basin
Italy
Po

Number of facilities exposed to water risk
1

% company-wide facilities this represents
1-25

% company's total global revenue that could be affected
1-10

Comment

The Campoverde, Italy site is a key manufacturing facility for AbbVie. We manufacture active pharmaceutical ingredients and finished products at the site. Products manufactured at this site represent significant portions of AbbVie's annual revenues.

W4.2

(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

Singapore

Other, please specify

GHAAS Basin 1591

Type of risk & Primary risk driver

Chronic physical

Water stress

Primary potential impact

Reduction or disruption in production capacity

Company-specific description

The Singapore site is a key manufacturing facility for AbbVie. We manufacture biologics drug substance and active pharmaceutical ingredients at the site. Products manufactured at this site represent significant portions of AbbVie's annual revenues. In 2020, we partnered with S&P Global Trucost to perform a Climate Risk Assessment for Physical Risks. Water Stress was identified as a growing risk across our operational sites. Both climate change and population density will have a negative impact on the water supplies in the areas where we operate causing water supplies to become more scarce and limited. There will be a corresponding increase in the cost of water, as well as potential limitations on the amount of water that can be withdrawn.

Timeframe

More than 6 years

Magnitude of potential impact

High

Likelihood

Very likely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

No explanation of financial impact.

Primary response to risk

Adopt water efficiency, water reuse, recycling and conservation practices

Description of response

AbbVie's primary response is to install new water conservation technology and conservation practices. The Singapore site is ISO 14001 certified and leverages that program to drive water reductions. However, AbbVie realizes the importance of engagement with public policy makers, other stakeholders on the island, and the community within Singapore on this issue. Although this risk has a high likelihood and a high impact, our Crisis Preparedness strategy and Assurance of Supply strategy have put us in a position to minimize the impact, thus making a scenario that reaches a significant financial impact unlikely.

Cost of response

50,000

Explanation of cost of response

AbbVie is managing the water risk and the cost impact by driving water reductions and implementing water management programs at the site. The cost of the response is estimated as the annual cost for the ISO 14001 program along with annual capital spending to drive water reductions at the site.

Country/Area & River basin

United States of America

Other, please specify

San Francisco Bay

Type of risk & Primary risk driver

Chronic physical

Water stress

Primary potential impact

Impact on company assets

Company-specific description

The San Francisco areas sites were consolidated into one site in 2021, which is a key research and development facility for AbbVie. We are developing many of the key products in our pipeline at this site. Products developed at this site represent significant portions of AbbVie's future revenues. In 2020, we partnered with S&P Global Trucost to

perform a Climate Risk Assessment for Physical Risks. Water Stress was identified as a growing risk across our operational sites. Both climate change and population density will have a negative impact on the water supplies in the areas where we operate causing water supplies to become more scarce and limited. There will be a corresponding increase in the cost of water, as well as potential limitations on the amount of water that can be withdrawn.

Timeframe

More than 6 years

Magnitude of potential impact

High

Likelihood

Very likely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

No explanation of financial impact.

Primary response to risk

Adopt water efficiency, water reuse, recycling and conservation practices

Description of response

AbbVie's primary response is to install new water conservation technology and conservation practices. However, AbbVie realizes the importance of engagement with public policy makers, other stakeholders, and the community within the bay area on this issue. Although this risk has a high likelihood and a high impact, our Crisis Preparedness strategy and Assurance of Supply strategy have put us in a position to minimize the impact, thus making a scenario that reaches a significant financial impact unlikely.

Cost of response

50,000

Explanation of cost of response

AbbVie is managing the water risk and the cost impact by driving water reductions and implementing water management programs at the site. The cost of the response is estimated annual capital spending to drive water reductions at the site.

Country/Area & River basin

Italy
Po

Type of risk & Primary risk driver

Chronic physical
Water stress

Primary potential impact

Reduction or disruption in production capacity

Company-specific description

The Campoverde site is a key manufacturing facility for AbbVie. We manufacture active pharmaceutical ingredients and finished products at the site. Products manufactured at this site represent significant portions of AbbVie's annual revenues. In 2020, we partnered with S&P Global Trucost to perform a Climate Risk Assessment for Physical Risks. Water Stress was identified as a growing risk across our operational sites. Both climate change and population density will have a negative impact on the water supplies in the areas where we operate causing water supplies to become more scarce and limited. There will be a corresponding increase in the cost of water, as well as potential limitations on the amount of water that can be withdrawn.

Timeframe

More than 6 years

Magnitude of potential impact

High

Likelihood

Very likely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

No explanation of financial impact.

Primary response to risk

Adopt water efficiency, water reuse, recycling and conservation practices

Description of response

AbbVie's primary response is to install new water conservation technology and conservation practices. However, AbbVie realizes the importance of engagement with public policy makers, other stakeholders and the community within Campoverde on this issue. Although this risk has a high likelihood and a high impact, our Crisis Preparedness strategy and Assurance of Supply strategy have put us in a position to minimize the impact, thus making a scenario that reaches a significant financial impact unlikely.

Cost of response

50,000

Explanation of cost of response

AbbVie is managing the water risk and the cost impact by driving water reductions and implementing water management programs at the site. The cost of the response is estimated annual capital spending to drive water reductions at the site.

W4.2a

(W4.2a) Provide details of risks identified within your value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

India
Krishna

Stage of value chain

Supply chain

Type of risk & Primary risk driver

Reputation & markets
Increased stakeholder concern or negative stakeholder feedback

Primary potential impact

Supply chain disruption

Company-specific description

Water-scarcity risk for supply chain vendor could result in loss of products or product inputs that supplier provides to AbbVie.

Timeframe

More than 6 years

Magnitude of potential impact

Low

Likelihood

Unlikely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

No explanation of financial impact.

Primary response to risk

Upstream

Increase supplier diversification

Description of response

AbbVie would need to qualify other supplier(s) capable of meeting pharmaceutical industry grade product specifications (i.e., AbbVie would potentially need to source supply chain product from another qualified vendor). This can commonly take up to one year for new supplier evaluations to be completed.

Cost of response

Explanation of cost of response

Costs would include the time and resources to identify another supplier, purchase the appropria equipment, transfer the product to the new supplier, and start up the process with the new supplier. It is difficult to calculate a specific cost for this response as every product and supplier are unique.

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?

Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity

Efficiency

Primary water-related opportunity

Improved water efficiency in operations

Company-specific description & strategy to realize opportunity

Abbott Park - Capital reinvestment in aging water utilities equipment at manufacturing site, upgrading purified water system with more water and energy efficient equipment by replacing an aging water still with new Reverse Osmosis technology.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential financial impact

Low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact

Estimate based on more efficient water purification equipment, including water and energy savings.

Type of opportunity

Efficiency

Primary water-related opportunity

Water recovery from sewage management

Company-specific description & strategy to realize opportunity

Barceloneta, Puerto Rico and Tuas, Singapore - In Puerto Rico the site treats wastewater effluent via Reverse Osmosis. This water is then recycled and used in the cooling tower basins on the site. The opportunity for the site is to optimize the process to maximize the use of the system and expand the use of this water to other applications. In Tuas, Singapore the site purchases grey water from the municipality. This water is used in the cooling tower basins on the site. The opportunity for the site is to maximize the use of this water in other applications such as fire protection water and boiler feed water.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential financial impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact

The unit cost of water in Puerto Rico is very low due to the fact that the site sources water from an on-site well. The financial return for this project is low. The cost for grey water in Singapore is about 50% of the cost for the potable municipal water. The quantity of water used is relatively low so the financial return for the project is low also.

Type of opportunity

Efficiency

Primary water-related opportunity

Improved water efficiency in operations

Company-specific description & strategy to realize opportunity

Singapore - A project to expand the existing rainwater harvesting has been initiated.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential financial impact

Low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact

The harvested rainwater is used in place of grey water that is purchased from the municipality. The cost of this water is low, and the amount of water harvested is small resulting in a low financial return.

Type of opportunity

Efficiency

Primary water-related opportunity

Improved water efficiency in operations

Company-specific description & strategy to realize opportunity

South San Francisco - A rainwater harvesting system has been designed into a new facility that AbbVie started occupying in 2021.

Estimated timeframe for realization

1 to 3 years

Magnitude of potential financial impact

Low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact

The rainwater harvesting system is relatively small and only intended to reduce a small amount of municipal water that is used in restroom facilities in the building. The cost of this water is low, and the amount of water harvested is small resulting in a low financial return.

W5. Facility-level water accounting

W5.1

(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.

For facility-level water accounting, please see details at www.cdp.net.

W5.1a

(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been third party verified?

Water withdrawals – total volumes

% verified

76-100

Verification standard used

Data includes 100% of metrics collected and site-verified from all 17 of AbbVie's manufacturing and R&D sites, which account for the majority of operations. Standards are in accordance with the International Standard on Assurance Engagements (ISAE) 3000 'issued by the International Auditing & Assurance Standards Board; and in accordance with ISO/IEC 17021:2011 - Conformity Assessment Requirements for bodies providing audit and certification services of management systems.

Water withdrawals – volume by source

% verified

76-100

Verification standard used

Data includes 100% of metrics collected and site-verified from all 17 of AbbVie's manufacturing and R&D sites, which account for the majority of operations. Standards are in accordance with the International Standard on Assurance Engagements (ISAE) 3000 'issued by the International Auditing & Assurance Standards Board; and in accordance with ISO/IEC 17021:2011 - Conformity Assessment Requirements for bodies providing audit and certification services of management systems.

Water withdrawals – quality by standard water quality parameters

% verified

Not verified

Please explain

Water discharges – total volumes

% verified

76-100

Verification standard used

Data includes the sum of metrics third-party verified from all 17 of AbbVie's manufacturing and R&D sites, which account for the majority of operations. Standards

are in accordance with the International Standard on Assurance Engagements (ISAE) 3000 'issued by the International Auditing & Assurance Standards Board; and in accordance with ISO/IEC 17021:2011 - Conformity Assessment Requirements for bodies providing audit and certification services of management systems.

Water discharges – volume by destination

% verified

76-100

Verification standard used

Data includes 100% of metrics collected and site-verified from all 17 of AbbVie's manufacturing and R&D sites, which account for the majority of operations. Standards are in accordance with the International Standard on Assurance Engagements (ISAE) 3000 'issued by the International Auditing & Assurance Standards Board; and in accordance with ISO/IEC 17021:2011 - Conformity Assessment Requirements for bodies providing audit and certification services of management systems.

Water discharges – volume by final treatment level

% verified

Not verified

Please explain

Water discharges – quality by standard water quality parameters

% verified

Not verified

Please explain

Water consumption – total volume

% verified

76-100

Verification standard used

Data includes 100% of metrics collected and site-verified from all 17 of AbbVie's manufacturing and R&D sites, which account for the majority of operations. Standards are in accordance with the International Standard on Assurance Engagements (ISAE) 3000 'issued by the International Auditing & Assurance Standards Board; and in accordance with ISO/IEC 17021:2011 - Conformity Assessment Requirements for bodies providing audit and certification services of management systems.

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 Company water targets and goals Commitments beyond regulatory compliance Commitment to stakeholder awareness and education Commitment to water stewardship and/or collective action Acknowledgement of the human right to water and sanitation Other, please specify Reference to World Health Organization.	AbbVie's Water Policy scope was selected to provide a framework for internal policies & procedures. The Water Policy is the cornerstone of a global water technical standard which requires each site to: account for water intakes and discharges; report to corporate water use and conservation key performance indicators; and prevent potential water contamination through the use of administrative and engineering controls.

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

Board-level committee	AbbVie's Board of Directors and its Public Policy and Sustainability Committee provide oversight on matters related to water-related risks and strategies. The Board of Directors also oversees the enterprise risk management review. AbbVie includes water related issues within the scope of risk management review.

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	Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing and guiding corporate responsibility strategy Setting performance objectives	AbbVie maintains an established governance process for oversight and management of our climate and environmental sustainability efforts. AbbVie's Board of Directors and its Public Policy Committee provide oversight on matters related to climate-related risks and strategies, with annual updates from executive management on environmental strategy, action plans, objectives, and progress against established sustainability goals. The Board of Directors also oversees the enterprise risk management review, including water-related issues. AbbVie's Executive Vice President (EVP) of Operations has direct responsibility for climate-related issues. The EVP of Operations is an AbbVie c-suite corporate officer, who reports directly to the CEO, and is responsible for AbbVie's Operations organization, including the Global Environmental, Health & Safety organization. AbbVie's Public Policy Committee monitors and oversees progress against goals and targets for addressing water-related issues. This includes our absolute target of a 20% reduction in water withdrawal by 2025, as well as our additional 2025 and 2035 sustainability goals. The EVP of Operations presents to the Public Policy Committee on environmental and water related issues at scheduled meetings. The update to the board includes environmental strategy, action plans, objectives, and progress against the established 2025 and 2035 sustainability goals for AbbVie.

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
Row 1	Not assessed

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

Executive Vice President, Operations

Responsibility

Assessing water-related risks and opportunities

Managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Annually

Please explain

The Executive Vice President of Operations has direct responsibility for water related issues. This position is an AbbVie C-Suite corporate officer, reports to the CEO and is responsible for AbbVie's Global Operations organization. This individual presents to the Board on environmental and water related issues at least annually. This position is responsible for AbbVie's Operations organization, including the Global Environmental, Health & Safety organization.

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	No, and we do not plan to introduce them in the next two years	

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?

Our water strategy is established and communicated as our Corporate Water Policy. Our policy states that we will take steps to reduce water use while developing and delivering our products, as well as engaging where there is the opportunity to influence or impact our use, procurement, or conservation of water. In 2021, we enhanced our ESG oversight and governance with the establishment of an ESG Council. The ESG Council ensures strategic, enterprise-aligned delivery on AbbVie's ESG Framework. Chaired by our Vice Chairman, External Affairs and Chief Legal Officer and composed of senior cross functional leaders, the ESG Council's purpose is to champion business sustainability and mitigate business risks by monitoring, reviewing, and recommending actions in support of our ESG framework and strategy. The ESG Council meets at minimum once per quarter and maintains sub-committees aligned to AbbVie's material topics which included Environmental Sustainability. This council would have oversight and decision-making ability in a situation where engagement with a trade associate may not align with our policy or commitments.

W6.6

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

No, and we have no plans to do so

TCFD Report W6.6.pdf

AbbVie has not included information about its response to water-related risks in its most recent mainstream financial report, however, AbbVie created a standalone TCFD report in early 2022. This report will be attached.

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	21-30	Water-related issues are integrated into our long-term business objectives, and access to an adequate supply of clean water is deemed a strategically significant concern. In 2020, AbbVie performed a climate physical risk assessment which included water stress. In 2020

			only a limited number of operational sites were deemed to be in high water stress locations. By 2050, over 20 of our operational sites will be in high water stress areas. Addressing this issue will be key to meeting our long-term business objectives. Our company has established water reduction targets for 2025 and 2035.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	21-30	Water-related issues are integrated into our strategy for achieving our long-term objectives. AbbVie has a robust process for Long Range Planning and water-related issues has been integrated as a component for planning for the future at our existing sites as well as the development for new sites across the Long Range Plan. Our company has established water reduction targets for 2025 and 2035 and we have developed a strategy for achieving those targets.
Financial planning	Yes, water-related issues are integrated	5-10	Water-related issues are integrated into our financial planning process. Every site goes through an annual financial planning process where they establish budgets for Utilities (including water) for the following year. Every site also performs a financial planning exercise to look at the financial Long Range Plan across a 5-10 year period. During both of these processes, increases to CapEx and OpEx are evaluated. AbbVie has established an annual Capital fund for environmental issues which includes all projects for water conservation efforts.

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)

0

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

5

Water-related OPEX (+/- % change)

0

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

5

Please explain

The water-related CAPEX spend for the reporting year was effectively flat from the previous level of spend. We anticipate an approximate 5% increase for the next reporting year. The water-related OPEX spend for the reporting year was effectively flat from the previous level of spend. We anticipate an approximate 5% increase for the next reporting year.

W7.3

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

	Use of scenario analysis	Comment
Row 1	Yes	In 2020, we partnered with S&P Global Trucost to perform a Climate Risk Assessment for Physical Risks. The analysis looked at on how physical hazards such as water stress might change along three climate change scenarios High Warming Scenario (RCP 8.5), Moderate Warming Scenario (RCP 4.5), and High Climate Mitigation Scenario (RCP 2.6). These scenarios are based on the IPCC's Representative Concentration Pathways (RCP) and are aligned with the TCFD technical guidelines (FSB, 2017). We assessed the impacts of these physical hazards across time horizons of 2025, 2030 and 2050. This physical risk assessment will be repeated every five years or if a significant change occurs within our operational footprint.

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	High Climate Mitigation Scenario (RCP 2.6)	In 2020, AbbVie performed a climate physical risk assessment which included water stress. In 2020 only a limited number of operational sites were deemed to be in high water stress locations. By 2050, over 20 of our operational sites will be in high water stress areas. This poses a significant medium-term and long-term risk.	AbbVie continues to integrate the results and findings from this climate physical risk assessment into our long term planning strategy. One of the initial conclusions from this assessment is that we need to reconsider our sustainability targets related to water. Currently AbbVie has a global absolute reduction water target. We are currently evaluating changes to that target to make it

				a context-based water target so that more emphasis is directed towards reducing our water use at high water stress sites.

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, and we do not anticipate doing so within the next two years

Please explain

No comment.

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	Please explain
Row 1	No, and we do not plan to address this within the next two years	AbbVie prioritizes our patients and customers and hold ourselves to the highest standards of quality and safety. Our products are designed to meet the efficacy and safety standards. AbbVie has not made any public claims classifying one of our products as low water impact, but we are committed to reducing our environmental impact at every stage of the drug development and delivery process.

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	Targets are monitored at the corporate level	Site and corporate leadership set ambitious targets and goals for both company-wide and site-specific, activity-based water conservation initiatives. The targets and goals were set through a combination of external peer-benchmarking and

	Activity level specific targets and/or goals Site/facility specific targets and/or goals	Goals are monitored at the corporate level	internal meetings with site managers and corporate EHS staff and senior leaders. Goals and targets are then communicated through worldwide television monitors, literature, site EHS meeting updates, and published publicly on the external AbbVie website.

W8.1a

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

Target reference number

Target 1

Category of target

Water withdrawals

Level

Company-wide

Primary motivation

Reduced environmental impact

Description of target

Reduce water withdrawal by 20% including non-contact cooling water (absolute over a 2015 baseline).

Quantitative metric

Absolute reduction in total water withdrawals

Baseline year

2015

Start year

2016

Target year

2025

% of target achieved

0

Please explain

For the reporting year 2021, progress toward the total absolute water withdrawal target is trending unfavorably (increase of 14%) vs. the 2015 baseline as verified by third-party

verification audits. Although, little progress has been made against this target, AbbVie has developed a plan and roadmap to achieve the 20% reduction by 2025.

From a business standpoint, water is an essential raw material for a wide range of our products (both for direct manufacturing and indirect cleaning activities). Every day, our operations rely on water for manufacturing medicines that patients need. As global concern about water scarcity continues to rise, it has become increasingly important for AbbVie to safeguard this vital resource and participate in the protection of our environment. This is a company-wide goal because water is used and must be responsibly managed at all manufacturing and R&D sites globally.

Target reference number

Target 2

Category of target

Water withdrawals

Level

Company-wide

Primary motivation

Reduced environmental impact

Description of target

Reduce total water withdrawal by 50% including non-contact cooling water (absolute over a 2015 baseline).

Quantitative metric

Absolute reduction in total water withdrawals

Baseline year

2015

Start year

2016

Target year

2035

% of target achieved

0

Please explain

For the reporting year 2021, progress toward the total absolute water withdrawal target is trending unfavorably (increase of 14%) vs. the 2015 baseline as verified by third-party verification audits. Although, little progress has been made against this target, AbbVie has developed a plan and roadmap to achieve the 50% reduction by 2035.

From a business standpoint, water is an essential raw material for a wide range of our

products (both for direct manufacturing and indirect cleaning activities). Every day, our operations rely on water for manufacturing medicines that patients need. As global concern about water scarcity continues to rise, it has become increasingly important for AbbVie to safeguard this vital resource and participate in protection of our environment. This is a company-wide goal because water is used and must be responsibly managed at all manufacturing and R&D sites globally.

W8.1b

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

Goal

Engagement with suppliers to help them improve water stewardship

Level

Company-wide

Motivation

Reduced environmental impact

Description of goal

From a Supplier Sustainability Survey, more than 200 suppliers are surveyed for sustainable criteria in six categories. AbbVie initiated the annual survey in 2013 and starting in 2017 switched to biennial survey. The survey will be conducted annually starting this year (2022).

Baseline year

2013

Start year

2013

End year

2030

Progress

Biennial Supplier Sustainability Survey expanded from 106 suppliers (2017) to 283 suppliers (2019). In 2021, the Supplier Sustainability Survey expanded from 25 to 55 mandatory questions surrounding sustainability & environmental protection criteria and the response rate increased from 41% to 54%. The 2022 survey will be initiated in September.

W9. Verification

W9.1

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

No, we do not currently verify any other water information reported in our CDP disclosure

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.

Please note attached files for support and reference including:
1. AbbVie Environmental Stewardship Position (Water)
2. 2021 Data Assurance Environment and Safety Performance Report (Pg 7-8)
3. 2021 AbbVie Water Risk Dashboard
4. AbbVie EHS Technical Standard (T12 Water Management)
5. 2021 AbbVie ESG Action Report (Pg 12-19)

2021 Data Assurance_Environment and Safety Performance Report.pdf

2022 AbbVie Water Risk Dashboard.pdf

AbbVie EHS Technical Standard_T12 Water Management (version 4.0).pdf

AbbVie Environmental Stewardship Position.pdf

2021 AbbVie ESG Action Report.pdf

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 Director, Global Environmental, Health, Safety	Environment/Sustainability manager

W10.2

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

No

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms