

# 2017 ALLERGAN SUSTAINABILITY PERFORMANCE REPORT

COVERING THE PERIOD FROM  
JANUARY 1, 2016–DECEMBER 31, 2016



 **Allergan**

**BOLD FOR LIFE**

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## A MESSAGE FROM BRENT SAUNDERS, CHAIRMAN, PRESIDENT AND CEO



Allergan plc is a Bold, global biopharmaceutical company. We deliver innovative therapies that create long-term shared value for our patients, our customers, and our shareholders. We are driven by deep engagement with our stakeholders—patients, providers, payers, policymakers and the public—to understand their needs.

As we innovate, we are mindful of our impact on communities—local, national, and global. Allergan is committed to protecting the health, safety, and well-being of the people who put their trust in our treatments and the communities where we operate. We strive to ensure that our contribution to science parallels our obligation to ensure safe workplaces, strong communities and responsible business practices in everything we do—research and development, manufacturing and distribution. And we continue to work with our supply chain partners to improve corporate responsibility performance.

In 2016, we set an ambitious goal to reduce our environmental impact by committing to a 20% reduction by 2020 (our 20/20 Challenge). In 2016, we continued our journey to improve our performance on this measure and being a more sustainable company, including by:

- Implementing our Social Contract with Patients that improves access to safe, high-quality medicines
- Reducing absolute greenhouse gas emission from our manufacturing/R&D operations by 11%
- Reducing our energy intensity from our manufacturing/R&D operations by more than 10%
- Recycling more than 75% of our waste
- Increasing our employee engagement on health and safety issues, as measured by our Good Observation rate, by 30%
- Reducing our occupational injury incident rate by more than 30%

Allergan has been recognized for these efforts, including receiving the ENERGY STAR® Partner of the Year - Sustained Excellence award from the Environmental Protection Agency and being named to the Dow Jones Sustainability Index.

More information about our commitment is provided throughout the Responsibility section of our website, our 2017 Proxy Statement and our 2017 10-K. We will continue to work to ensure we are meeting our sustainability goals and reducing our impact on the world around us.

A handwritten signature in black ink, appearing to read 'Bt E'.

Brent Saunders  
Chairman, President & CEO  
Allergan plc



# INTRODUCTION

2016 proved to be another successful year for Allergan’s sustainability program. Allergan’s specific performance against the 2016 goals is described in the Strategic Performance Goals and Results.

## **In summary, comparing 2016 with 2015, Allergan achieved the following:**

- The number of workplace injuries and illness per 100 employees was reduced by over 30% compared to 2015
- Total waste intensity (metric tonnes/sales) was reduced by 25%
- Energy intensity (energy/sales) from our manufacturing and R&D operations was reduced by over 13% compared to 2015
- Total Greenhouse Gas emissions intensity (metric tonnes/sales) was reduced by 22% compared to 2015
- Total water consumption intensity decreased by over 7% compared to 2015

The positions and policies of Allergan plc and its subsidiaries (collectively, “Allergan”) on current sustainability issues including climate change, pharmaceuticals in the environment, water curtailment, packaging management, biodiversity, bioethics, energy independence, life cycle and carbon footprint approaches, green chemistry, ethnic, age and gender diversity, governance and ethics, supply chain enhancements, and community support, are presented in this report.

# SUSTAINABILITY PROGRAM AND REPORTING SCOPE, LIMITATIONS, AND PROCESSES

## Scope

Allergan's sustainability programs involve the business and economic, social and environmental aspects as defined by the Global Reporting Initiative (GRI) and Allergan's internal assessment of various internal and external risks. These programs encompass all aspects of Allergan's operations, including research and development (R&D), production, marketing, sales, customer support, regulatory management, regional and country-specific management, joint venture and third-party venture management, supplier management, and product stewardship through the entire supply chain. The quantitative data presented in our report represents our R&D and manufacturing organizations unless otherwise stated.

Changes in the scope of what Allergan's sustainability program covers occur when Allergan acquires new products, processes, or businesses, when products are discontinued or divested, and when facilities or businesses are consolidated or divested—all of which have also occurred many times in recent years. Programs, performance, and reporting are adjusted to account for these changes as they occur. 2014 and 2015 data included in this report has been adjusted to include data from certain companies that were acquired by Allergan during that timeframe (legacy Allergan, Inc.; Forest Laboratories, LLC; and Warner Chilcott plc). All data in this report excludes data from operations that have been discontinued and/or divested, including the divestiture of our generics business to Teva Pharmaceuticals International Limited in 2016.

Allergan has included both third-party validated and certified data and information in this report, as well as internal data which has not been third-party validated or certified.

This report includes data and information respecting risks that Allergan does not believe are significant risks to our business, based on internal and external risk assessments, but that are required or recommended by various third-parties for reporting and analysis such as RobecoSAM, Dow Jones Sustainability Indexes (DJSI), Ethical Investment Research Services, Ltd. (EIRIS), FTSE4Good, Global Reporting Initiative (GRI), UN Global Compact, and Carbon Disclosure Project (CDP).

## Processes: Data Capture and Verification

Data included in this report is captured and managed through various information management systems such as ALL-EHS, SAP, and SharePoint. ALL-EHS is Allergan's launched sustainability data management system and is the source for all data charts included in this report.

The data included in this report has been verified internally as part of our audit programs. ERM Certification & Verification Services (ERM CVS) was commissioned by Allergan to verify our 2016 consolidated global GHG inventory data as reported in Section C8.2 and CC8.3 of our CDP disclosure. The verification time period includes January 1, 2016 - December 31, 2016 and covers emissions of CO<sub>2</sub>, N<sub>2</sub>O, CH<sub>4</sub>, SF<sub>6</sub>, PFCs, and HFCs from direct, Scope 1 sources (fossil fuel combustion, refrigerants, processes, company-owned vehicles) and indirect, Scope 2 sources (electricity) for Allergan's operations. A verification statement from ERM CVS along with a list of facilities included in Allergan's emissions profile can be found in Appendix A of this report. 2014 and 2015 GHG data was also verified by ERM Certification & Verification Services (ERM CVS).

## Reporting Cycles

Generally, reporting of environmental, health and safety data is conducted internally on a monthly basis, with annual summary reports generated for the calendar year. Allergan operates on a calendar year basis.

## Report Contact

Any questions respecting this report and the information and data included herein can be directed to Allergan's Corporate Communications team at email address: [corporate.communications@allergan.com](mailto:corporate.communications@allergan.com).

# SUSTAINABILITY STRUCTURE AND REPORTING RELATIONSHIPS

## Allergan EHS and Sustainability Steering Committee

Allergan has established an Environmental, Health, and Safety (EHS) Steering Committee led by our Chief Operations Officer, with members coming from our Operations, R&D, Legal, Human Resources, Finance, Communications and EHS groups. This Committee meets to set policy, direction, goals and metrics, and to evaluate performance against the goals and metrics established. Meetings are generally held biannually.

## Sustainability Structure and Relationships

Allergan's SVP of EHS and Engineering reports to Allergan's Executive Leadership Team through our Chief Operating Officer. The VP EHS (reporting directly to the SVP EHS and Engineering) is responsible, in concert with the Director of Sustainability and Product Stewardship, for coordinating, collecting, and developing the Sustainability Report. The VP EHS also manages the strategic and daily coordination of EHS and Sustainability activities for Allergan.

Each manufacturing and R&D facility has an EHS staff that manages environmental, health, and safety related sustainability initiatives, as well as daily EHS activities. The sustainability initiatives and activities of Allergan's commercial facilities are managed by local human resources and finance representatives.

Economic and social sustainability initiatives and activities are managed by various groups within Allergan, depending on the roles and responsibilities appropriate for such initiatives, and activities.

## ALLERGAN AND THE "PRECAUTIONARY PRINCIPLE"

Allergan practices the "Precautionary Principle", the precept that an action should not be taken if the consequences are uncertain and potentially dangerous, with regard to our products and operations. The inherent nature of researching and developing for human use demonstrates the Precautionary Principle in action. Allergan considers the impacts of actions undertaken through a rigorous risk assessment process, with multiple gates through which the company proceeds when the risks are determined to be acceptable to Allergan and the various stakeholders in the process, including patients, physicians, employees, government officials, and investors.



# 2015–2020 ALLERGAN STRATEGIC PERFORMANCE GOALS & RESULTS

In our pursuit of continual improvement, we have established certain 20/20 goals to further reduce our sustainability impact compared to our 2015 baseline. Those goals, and our progress on those goals in 2016, are as follows:

OBJECTIVE	2020 GOAL	2016 RESULTS
Injuries and Illness	Reduce our employee injury rate by 10% every year from 2016 to 2020	✓ Reduced number of workplace injuries/illness per 100 employees by over 30% compared to 2015.
Energy Reduction	Reduce energy and fuel consumption by 20% compared to 2015.	✓ Reduced our energy intensity (energy/sales) from our manufacturing/R&D operations by over 13% compared to 2015. Absolute energy use reduced by 0.4%.
GHG Emissions Reduction	Reduce greenhouse gas emissions by 20% compared to 2015.	✓ Reduced Greenhouse gas emissions intensity (metric tonnes/sales) by 22% compared to 2015. Absolute Greenhouse gas emissions reduced by 11% compared to 2015.
Water Reduction	Reduce water consumption in operations water risk regions by 20% compared to 2015.	✓ Reduced our water consumption intensity (m3/sales) from our manufacturing/R&D operations by over 7% compared to 2015. Absolute water consumption increased by 7%.
Waste Reduction	Reduce total waste generated by 20% compared to 2015.	✓ Reduced total waste intensity (metric tonnes/sales) by 25%. Absolute total waste reduced by 14% compared to 2015.
Eliminate Waste to Landfill	Eliminate waste to landfill from manufacturing operations.	✓ Landfill waste eliminated from 4 manufacturing operations.

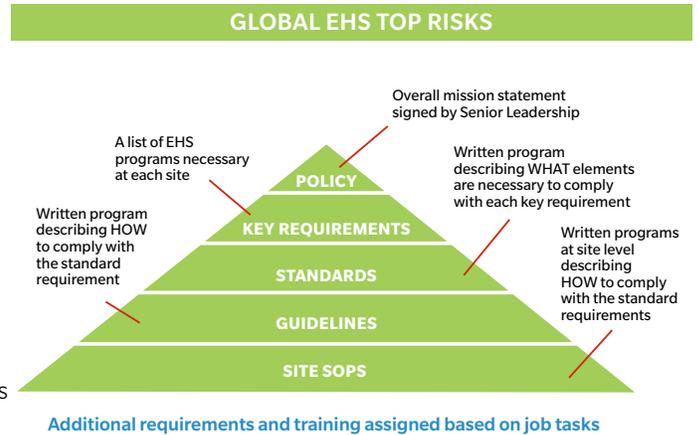


## EHS REGULATORY COMPLIANCE

Allergan did not receive any penalties or fines for EHS regulatory compliance in 2016. Our Clonshaugh site did receive two notices of violation as a result of an exceedance of emission limit value for dust. Associated reporting to local authorities and appropriate corrective and preventive actions were implemented to address the issue.

# MANAGEMENT SYSTEMS

Allergan has developed an internal Environmental, Health, and Safety Management System (EHSMS). We believe our system to be in conformance with ISO 14001/OHSAS 18001. Our EHSMS includes an overall Environmental, Health, and Safety policy and defines key requirements that must be in place across the organization to reduce our impact. These requirements address management issues such as responsibility, goals and objectives, performance monitoring, training, corrective/preventive action (CAPA) tracking, auditing, risk assessment, and management review. They also address various technical areas such as incident management, emergency response, process safety, physical hazards, occupational health, environmental management, and transportation. Training and consulting is provided to operating locations to ensure appropriate implementation of the requirements.



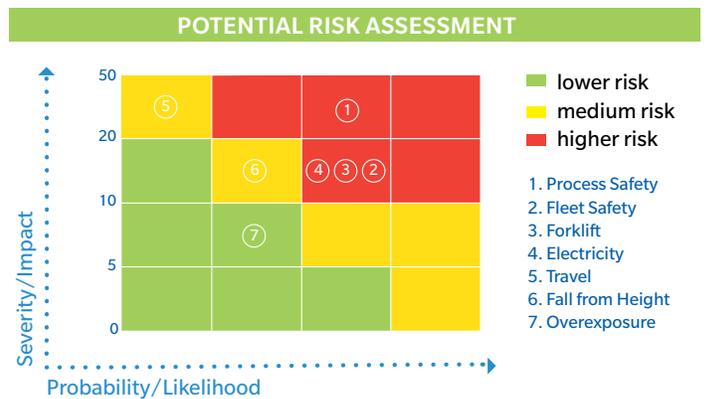
# RISK ASSESSMENT PROCESS

Proactively identifying potential workplace EHS risks is a critical part of ensuring that Allergan provides a safe workplace for our employees and reduces our environmental risks. Our risk assessment process includes identification of high-level risks using a risk map, as well as identifying work area and task specific risks. Allergan’s risk assessment process, facilitated by a web-based tool, is completed by our EHS team in consultation with engineering, management, and work area employees. The risk assessment process begins with an identification of all tasks associated with a work activity, process, or the operation of equipment. After task identification, the EHS risks for each task are identified and evaluated based on frequency, likelihood of occurrence, and severity. Corrective actions are identified, and implemented to reduce the medium and high risks.

Below are highlights of actions to address our top EHS risks:

- Process Safety: Mitigation of identified gaps
- Fleet Safety: Development of Global Standard and development of global driver screening and training programs

- Fork Lift: Completion of traffic surveys to reduce employee/ Powered Industrial Truck interaction, engineering controls for all critical risks ie, dock locks
- Electricity: Development of Global Standard and new Guideline with compilation of Best Practices
- Fall from Height: Mitigation of identified gaps
- Overexposure: Identification, and implementation of containment technologies and plans in development for reducing reliance on respirators



# CORRECTIVE ACTION PROCESS

Allergan has established a robust process for identifying and correcting hazards. The process is facilitated with the use of the corrective/preventive action module within our EHS Management Information System. The use of this system has allowed for higher accountability for completion of corrective actions identified from audits, inspections, near-miss events, and other potential EHS non-conformances. This process has allowed for development of more effective preventive actions and has reduced the likelihood for reoccurrence of non-conformances.

	2014	2015	2016
Number of Risk Assessments	161	246	92
Corrective Actions/Preventive Actions (audits, incidents, risk assessments)	653	1600	2600

1. 2014 data includes data from legacy Allergan, Forest and Warner Chilcott operations, and excludes data from operations divested to Teva in 2016  
 2. 2014 – 2016 data excludes Allergan plc operations discontinued in 2016 as a part of TEVA divestiture.

# ALLERGAN'S EHS AUDIT PROGRAM

Allergan has a comprehensive program in place for conducting EHS audits of our internal operations. The objective of this audit program is to identify EHS risks and potential compliance gaps and to identify best practices to address these risks and gaps across our various locations and industry. Corrective/Preventive action plans are developed for identified risks and tracked to closure. The audit process promotes vertical standardization from the corporate office to the worldwide network of plants as well as horizontal standardization among the various departments within the business.

Through the EHS audit program, Allergan has been able to minimize the EHS risks at our facilities and lower the risk of regulatory action resulting from non-compliance and community complaints against Allergan.

## SUSTAINABLE SUPPLY CHAINS

### Sustainable Supply Chain Projects

We understand that our sustainability impact includes not only Allergan's operations, but also the activities of our suppliers and other business partners. We have prioritized the impact of our key suppliers by beginning a process of engaging them and requesting that they provide data concerning their water use and greenhouse emissions and are working with EcoDesk™ to facilitate this process. We intend to partner with the suppliers that have the most impact on our footprint to identify significant reduction opportunities.

We also continue to actively participate in the Pharmaceutical Supply Chain Initiative (PSCI), a consortium of pharmaceutical companies that is advancing comprehensive sustainability supply chain auditing. The audit protocols of the PSCI include social aspects such as human slavery and trafficking, child labor, ethics, compensation, benefits and other human rights, governance including ethics and human rights abuse management, and environmental management and performance. These audits will enhance our supplier review process and benefit our suppliers, our organization, and our stakeholders.

### California Transparency in Supply Chains Act of 2010

The California Transparency in Supply Chains Act of 2010 is intended to provide the public with information from manufacturers regarding the activities that these manufacturers engage in to monitor their supply chains to prevent human trafficking and slavery. The disclosure of this information allows businesses and consumers to make more informed decisions regarding the products they choose to purchase and the companies with whom they choose to conduct business.

Allergan is committed to conducting business only with suppliers who adhere to the highest ethical standards and comply with laws and regulations applicable to their business. Allergan has undertaken actions to ensure that the services and materials provided to Allergan meet this commitment.

### Supplier Assessments and Qualification

Prior to engagement of a supplier, Allergan evaluates the supplier through risk-based assessments. Such assessments may include supplier questionnaires and audits of supplier facilities. Allergan expects all potential suppliers to comply with all federal, state, and local rules and regulations, and work to the highest ethical and quality standards.

### Supplier Performance Reviews

Allergan is committed to continuous improvement in our supply chain. We and our suppliers monitor business performance through periodic evaluation and review of defined performance targets and objectives.

### Supplier Audits

Allergan regularly audits key suppliers to confirm compliance with supplier performance and quality standards. Audits are performed by Allergan or third parties contracted by Allergan.



## Supplier Agreements

Allergan has supply agreements, quality agreements and/or purchase order terms and conditions with all of our suppliers, all of which include requirements that the supplier comply with all laws and regulations applicable to the supply of the service or material.

## Employee Training and Compliance

All Allergan employees are required to comply with Allergan’s Code of Conduct (the Code). All Allergan employees participate in training on the Code to ensure understanding and compliance with the requirements of the Code. This training includes instruction on ethical decision making and upholding laws and regulations. In addition, Allergan maintains a compliance program that conducts regular audits of the requirements under the Code, investigates potential violations of the Code and takes disciplinary action when necessary.

## UK Modern Slavery Act

The California Transparency in Supply Chains Act of 2010 is intended to provide the public with information from manufacturers regarding the activities that these manufacturers engage in to monitor their supply chains to prevent human trafficking and slavery. The disclosure of this information allows businesses and consumers to make more informed decisions regarding the products they choose to purchase and the companies with whom they choose to conduct business.

Allergan is committed to conducting business only with suppliers who adhere to the highest ethical standards and comply with laws and regulations applicable to their business. Allergan has undertaken actions to ensure that the services and materials provided to Allergan meet this commitment.

# IMPACTS, MATERIALITY, RISKS AND OPPORTUNITIES

Under the UK Modern Slavery Act 2015, two of Allergan’s subsidiaries, Allergan Holding Limited and Allergan Limited, publish a Slavery and Human Trafficking Statement for each financial year, describing what steps have been taken to address the risk of slavery or human trafficking occurring in our own operations or our supply chains. This statement can be accessed at Allergan’s web site.



## INNOVATION

Allergan’s world-class R&D program embodies our efforts to bring the best of medicine to life. Scientists and researchers work closely with medical specialists to transform novel compounds into new therapeutics that help improve quality of life. Our investment in R&D is at a level that is considered best-in-class for the industry, and we have followed our products into new therapeutic areas. Our R&D programs today are focused in central nervous system, eye care, medical aesthetics and dermatology, gastroenterology, women’s health, urology, and anti-infective therapeutic areas. Currently, we are investigating a rich pipeline of potential new treatments for chronic migraine, Alzheimer’s disease, debilitating neurological conditions, gastrointestinal disorders, eye diseases, women’s health conditions, and serious infections, among other conditions.



Our ability to build bridges – with our customers and with each other—is key to our success. Allergan’s R&D model, Open Science, identifies the best innovation from throughout the biopharma ecosystem, including academia, biotechnology companies, small pharmaceutical companies, and venture-backed companies. Access to world-class technology combined with intellectual stimulation results in a dynamic environment where scientists are excited about the work they do and are committed to pushing the boundaries of what is possible.

Our R&D organization is structured into integrated teams that focus on discovery for different drug targets. This architecture affords many benefits. Scientists normally confined to specific tracks can be involved in the full life-cycle of development, from early-stage exploration to human clinical testing, for a much broader perspective. Additionally, meticulous research is streamlined with highly efficient project and information management, which can save years and millions of dollars from the overall cost of drug development. At Allergan, we use science and innovation to identify unsolved needs in health care and commit to finding solutions through a meaningful R&D investment that fuels future growth. This is our unwavering commitment.

## STAKEHOLDER ENGAGEMENT AND COLLABORATIONS

Allergan’s view of who our stakeholders are is very broad, encompassing patients, doctors, employees, shareholders, upstream and downstream supply chain partners, regulators, governments, communities, and non-governmental organizations.

We have numerous worldwide sustainability collaborations with our stakeholders, including various commitments with the UN Global Compact such as the CEO Water Mandate, Caring for Climate, and Anti-Bribery and Anti-Corruption Support. Allergan has shared our global best practices in water, energy, and GHG management with our stakeholders. We have participated in several committees with our stakeholders in support of efforts to disseminate this information, in collaboration with the UN Global Compact.

Regulatory collaborations with our stakeholders are extensive, and notably includes a collaboration with USEPA ENERGY STAR®, where we have shared best practices from our operations and supported the Energy Star philosophy.

We have collaborated with our business customers, including Walmart, Kaiser, Target, and the French Hospital Systems. These collaborations have allowed our customers to understand where Allergan is on the sustainability spectrum.

Non-governmental organization (NGO) collaborations include partnerships with United Way, Carbon Disclosure Project, Newsweek Green Business Rankings, RebecoSAM-DJSI investor index, EIRIS-FTSE4Good investor index, and Maplecroft Climate Innovation Index. These collaborations have allowed Allergan to share and receive best practices, as well as benchmark our programs against other best-in-class sustainable companies.

Community collaborations include direct community support projects in Brazil, Costa Rica, Ireland, and contributions to The Allergan Foundation.



## MANAGING CLIMATE CHANGE

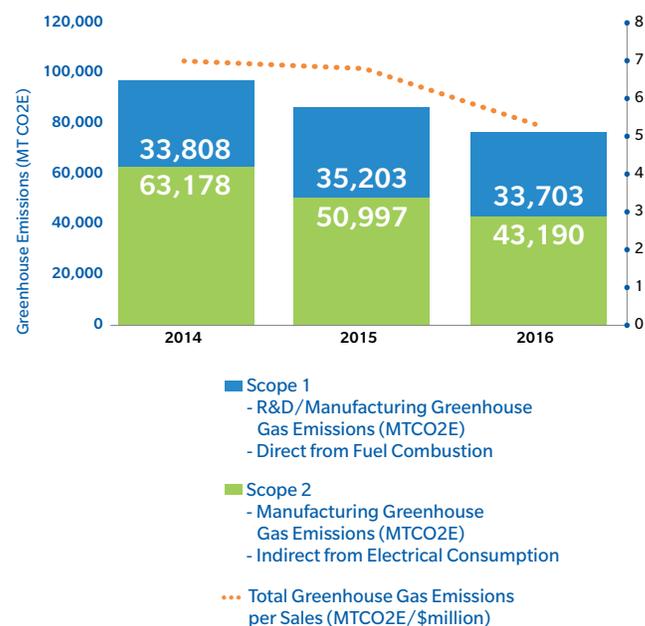
Allergan has had a long history of addressing climate change through development and implementation of energy conservation programs to reduce fuel and electricity consumption. Allergan has also been involved in many initiatives to strengthen these programs, including participation in USEPA's Climate Wise, EPA's ENERGY STAR® program, EPA's Green Light Program, the Carbon Disclosure Project, California's Climate Action Registry program, and the Climate Registry Program. Our leadership in energy conservation has been repeatedly recognized by the EPA ENERGY STAR® program.

In 2016, we were recognized as an ENERGY STAR® Partner of Year – Sustained Excellence for the 4<sup>th</sup> year. In 2015, our Waco, TX, and Cincinnati, OH facilities were certified as ENERGY STAR Plants. The award recognizes facilities ranking in the top 25 percent of pharmaceutical plant energy performance nationwide. Additionally, the Irvine, CA campus had 5 office buildings receive ENERGY STAR® certification, for top quartile energy performance. Additionally, our R&D and manufacturing facilities have site targets regarding energy consumption reductions and efficiency improvements. The Allergan vehicle fleets worldwide have established auto selections in their fleets to improve fuel efficiency and report their fuel consumption.

The 2016 overall greenhouse gas (GHG) emissions for Allergan manufacturing and R&D operations are presented in the following graph. Scope 1 GHG emissions refer to the direct GHG emissions resulting primarily from combustion processes. Scope 2 GHG emissions refer to GHG emissions resulting primarily from the consumption of purchased electricity.

As this chart shows, in 2016, Allergan reduced absolute GHG emissions by 11% from R&D and manufacturing operations compared to 2015. GHG emissions intensity (normalized to sales) decreased by 22% in 2016 compared to 2015. This reduction in GHG emissions was a result of energy conservation projects, as well as the implementation of low carbon energy contracts.

### CLIMATE CHANGE - GREENHOUSE GAS EMISSIONS



3. 2014 data includes data from legacy Allergan, Forest and Warner Chilcott operations, and excludes data from operations divested to Teva in 2016

4. 2014 – 2016 data excludes Allergan plc operations discontinued in 2016 as a part of TEVA divestiture.

# ENERGY MANAGEMENT

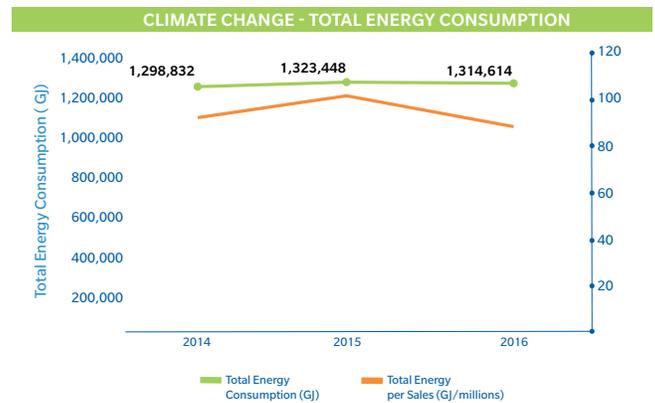
Allergan has set an aggressive goal to reduce energy consumption by 20% by 2020 using 2015 as the baseline year. We achieved a 13% reduction in energy intensity (Gj/sales) in 2016 compared to 2015.

Allergan continues to shape and rebuild our energy management program to match our Bold culture. Our energy program is strengthening to make a stronger, more impactful program, and includes features like:

- An energy management governance structure, including the Global Energy Network for Improvement in Usage and Supply (GENIUS) Team and the Global Site Energy Management Steering Committee
- Increased communications and awareness about energy within the company
- Energy data based on monthly utility bills
- Benchmarking of Allergan’s manufacturing, R&D, office, and distribution center facilities
- Greater utilization of the Energy Capital Fund
- Implementing high impact, easy to replicate reduction projects like LED lighting upgrades and chilled water optimization

Allergan has adopted the Energy Treasure Hunt process as a best practice methodology in our energy program. Treasure Hunt is a two- to three-day event that engages employees in identifying low-cost energy savings opportunities from behavioral, operational, and maintenance actions. In 2016, Allergan conducted our first ever Energy Treasure Hunt at the company’s Clonshaugh, Ireland plant. The event brought together site personnel with pharma industry peers, technology, and equipment suppliers and GENIUS team leads from other Allergan plants. The Energy Treasure Hunt identified savings of almost 24% of the site’s current usage; exceeding the goal that was set for the event.

Allergan qualified five buildings as an ENERGY STAR® Certified Building in 2016.



1. 2014 and 2015 data includes data from legacy Allergan, Forest and Warner Chilcott operations, and excludes data from operations divested to Teva in 2016
2. 2014–2016 data excludes Allergan plc operations discontinued in 2016 as a part of TEVA divestiture.

# WASTE MANAGEMENT AND RECYCLING

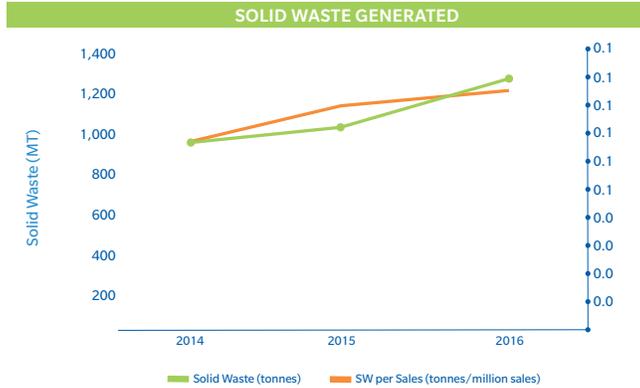
## Hazardous Waste Trends

Allergan achieved a 30% reduction in the intensity of hazardous waste generation (metric tonnes/sales) in 2016 compared to 2015. Several of Allergan’s locations have established green teams to identify and implement waste reduction opportunities. In 2017, we are focusing our efforts to identify additional reduction opportunities.

## Non-hazardous Waste Trends

In 2016, Allergan increased the amount of non-hazardous waste sent to landfill, primarily due to increased production at our manufacturing locations. However, we have reduced the impact of increased production by improving production yields, minimization of packaging, and recycling, and several of our locations have entirely eliminated waste going to landfill.

In 2016, Allergan recycled 3,776 metric tonnes of waste, representing 75% of non-hazardous waste generated. In 2017, we are focusing our efforts to identify additional reduction opportunities.



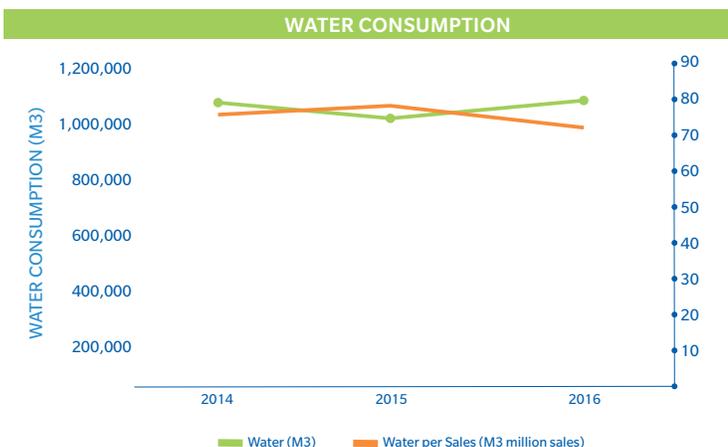
## WATER MANAGEMENT

Water is an important resource for Allergan’s operations, especially because our ophthalmic products are primarily composed of water. We have several operations in water risk regions.

We have reduced water consumption through production efficiency improvements and reduced reliance on water-related utilities to control production conditions at operating locations. Through energy efficiency improvements, reheat and other heating requirements have been reduced, which has reduced the volumes of water required in steam, hot water and other ancillary systems used in production. Cooling tower cycles of efficiency have been increased through improved water treatment technology, reducing the amount of cooling tower blow down. Efficiency of our boiler systems has also improved, reducing the amount of blow down and reducing the losses associated with the distribution system from valves and steam traps. These efficiency improvements have allowed Allergan to continue to expand operations and grow at all locations.

Reclaimed water has been used at the Irvine location for many years for irrigation purposes.

We achieved a 7% reduction in water withdrawal intensity (metric tonnes/sales) in 2016 compared to 2015. Our absolute water withdrawal during this same time frame increased by 7% primarily due to increases in production.



1. 2014 and 2015 data includes data from legacy Allergan, Forest and Warner Chilcott operations, and excludes data from operations divested to Teva in 2016
2. 2014 – 2016 data excludes Allergan plc operations discontinued in 2016 as a part of TEVA divestiture.

## WASTEWATER DISCHARGE INDICATORS

Allergan regularly monitors wastewater discharge from our operating locations to ensure compliance with regulatory requirements. We have implemented various best management practices to prevent wastewater contamination, including secondary containment, employee training, and operational controls.

### Chemical Oxygen Demand Trend

Chemical Oxygen Demand (COD), a measure of oxygen demanding chemicals in wastewater, has been reduced significantly due to wastewater equalization, neutralization, and aeration facilities at applicable manufacturing facilities. The improvement in materials use efficiency has also helped to reduce the COD levels. Allergan's facilities that monitor this parameter are currently well below permitted discharge levels.

### Biochemical Oxygen Demand Trend

Biochemical Oxygen Demand (BOD), a measure of oxygen demand through biochemical processes in wastewater, has been reduced

significantly due to wastewater equalization and neutralization facilities at applicable manufacturing facilities. The improvement in materials use efficiency has also helped to reduce the BOD levels. Allergan's facilities that monitor this parameter are currently well below permitted discharge levels.

### Total Suspended Solids Trend

Total Suspended Solids (TSS) in wastewater discharges from Allergan facilities have been reduced significantly. The improvement in materials use efficiency has helped to reduce the TSS levels. Allergan's facilities that monitor this parameter are currently well below permitted discharge levels.

## AIR EMISSIONS INDICATORS

Allergan regularly monitors relevant permitted air emissions from our operating locations to ensure compliance with regulatory requirements. Our emissions are well within applicable allowable limits established by local operating permits and regulations.

### Volatile Organic Carbon Emissions

Our Volatile Organic Carbon emissions are well within applicable allowable limits established by local operating permits and regulations.

### Sulfur Oxide (SOx) Emissions

Allergan has negligible sulfur oxide emissions from our facilities. These emissions are primarily associated with fuel combustion for our steam boiler operations and are unregulated at most of the locations due to the low levels of these emissions.

### Nitrogen Oxide (NOx) Emissions

Allergan has negligible nitrogen oxide emissions from our facilities. These emissions are associated with fuel combustion regarding boiler operations primarily and are unregulated at most of the locations due to the low levels of these emissions.

## USE OF MERCURIAL PRESERVATIVES

Allergan has significantly reduced the use of mercurial preservatives (Thimerosal, Phenylmercuric Acetate, and Phenylmercuric Nitrate) in our products. Product reformulations, introduction of new products not formulated with these preservatives, and product attrition have accounted for this decline. We are continuing our efforts to reduce our use of these preservatives and are targeting to entirely eliminate their use in all of our products by 2020.

# BIODIVERSITY

Allergan has facilities and offices located in major cities and in rural locations. Allergan has established a position to preserve biodiversity on an ongoing basis at our operations. Allergan endeavors to ensure that risks associated with land use, operations, and impacts to biodiversity are identified and mitigated; compliance with international, national, and local regulations and guidelines regarding biodiversity protection and preservation; open space and green areas are included in land-use planning at our operations; and consistency between Allergan sites regarding land use. Allergan agrees with the principles included in the UN Convention on biodiversity and strives to meet these principles. Allergan also continues to evaluate our existing practices against current state of the art practices.

Allergan has had extensive involvement in onsite activities to preserve green space and encourage community preservation of open green space, like our Lake Waco Wetlands Habitat Preservation project in Waco, Texas; participation in a Newport Back Bay Conservancy project in Irvine, California; and a rainforest preservation and local biodiversity preservation project in Westport, Ireland.

# KEEPING EMPLOYEES AND CONTRACTORS SAFE

Allergan continues our top quartile safety performance, as measured by the number of injuries or illness requiring treatment beyond first aid. There have been no serious injuries or fatalities in 2016. In 2016, we achieved an incident rate of 0.33 incidents per 100 employees, a reduction of 33% as compared to 2015. We also reduced the rate of severe or serious incidents, as defined by ASTM E2920 – 14: Standard Guide for Recording Occupational Injuries and Illnesses, by over 75% as compared to 2015. In 2016, we increased the Good Observation rate (number of good observation per 100 employees) by 30% in our manufacturing and R&D locations, and leadership inspections were increased by 59%, in each case, as compared to 2015,

We continue to focus our safety efforts towards increasing employee and management engagement.

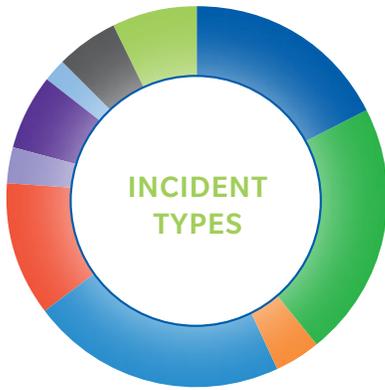
**We have implemented several programs to proactively identify workplace hazards and reduce employee incidents.**

**These prevention programs include:**

- Increasing awareness around Critical Safety Risks. Our Critical Safety Rules program focuses on 7 risks that can result in a serious incident or fatality. These areas include Process Safety, Confined Space Entry, Fall Protection, Electrical Safety, Hazardous Energy, Machine Guarding, Hazardous Atmospheres and Powered Industrial Trucks.
- Implementation of Human and Organizational Performance (HOP) concepts and training.
- Encouraging employees to identify EHS risks through our Good Observations program.
- Management conducting weekly Leadership Inspections (EHS Gemba Walks).
- Issuing EHS Alerts to share information on significant incidents.
- Forming learning teams to develop a deeper understanding of systemic failures associated with serious incidents and near miss events.
- Conducting detailed environmental, health, and safety risk assessment of existing work-areas, as well as changes in processes or equipment.



1. 2014 and 2015 data includes data from legacy Allergan, Forest and Warner Chilcott operations, and excludes data from operations divested to Teva in 2016  
 2. 2014 – 2016 data excludes Allergan plc operations discontinued in 2016 as a part of TEVA divestiture.



- 17% HAND LACERATIONS**
- 21% SLIPS/TRIPS/FALLS**
- 4% EYE INJURIES**
- 21% SUB MUSULO-SKELETAL**
- 11% ACUTE MUSULO-SKELETAL**
- 3% API EXPOSURE**
- 6% STRUCK BY OBJECT/VEHICLE**
- 2% FALL FROM HEIGHT**
- 8% OTHER**
- 7% CAR ACCIDENT**

## CRITICAL SAFETY RULES

### Process Safety



When processing flammable solvents and/or combustible dusts do so only in appropriately rated areas with appropriately rated equipment. Use required controls to prevent ignition such as conductive containers and bonding and/or grounding straps to mitigate the potential for an ignition source. If a safety critical limit or alarm is reached do not proceed without consulting supervision or the procedure for an appropriate response.

### Confined Space Entry



Confined Spaces must be identified, written confined space entry procedures established, trained on and followed prior to entry.

### Fall Protection



Employees must use fall protection when exposed to a fall hazard of six feet (2 meters) or more.

### Electrical Safety



Only appropriately trained and authorized personnel are permitted to work on electrical equipment. Work on energized electrical equipment is prohibited without appropriate PPE and training.

### Hazardous Energy (Lock Out Tag Out)



Bring all forms of hazardous energy (electrical, mechanical, pneumatic, hydraulic, thermal, chemical, pressure) to a Zero Energy State so it no longer presents a hazard and secure them with AUTHORIZED Locks and Tags before performing activities such as maintenance or cleaning activities.

### Machine Guarding & Interlocks



Employees shall not tamper with, remove, bypass, or disable machine guarding or safety interlocks while operating equipment under normal conditions.

### Powered Industrial Trucks (PITs) and Suspended Loads



Employees are only allowed to operate PITs for which they are certified. Do not work on or under suspended loads. Ensure measures are in place to prevent trailers from moving during trailer loading/unloading.

### Hazardous Atmospheres



Identify all areas/operations with the potential for a hazardous atmosphere (potential for a SIF).

Ensure mechanisms are in place to warn employees if/when the hazardous atmosphere exists.

Do not enter/immediately evacuate an area where the atmosphere is dangerous to life and health (i.e., Asphyxiant gases–Nitrogen, Toxic gases–Carbon, Cyanide etc.).



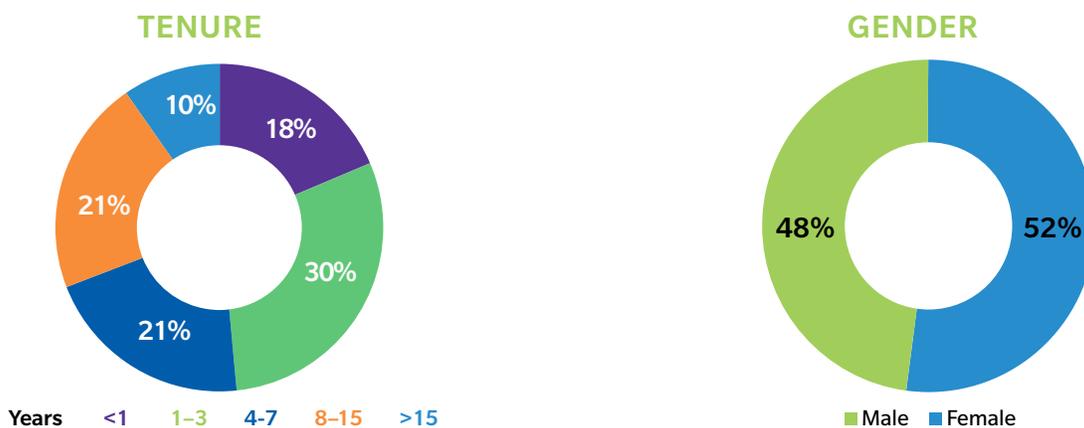


## DIVERSITY, TRAINING, AND DEVELOPMENT

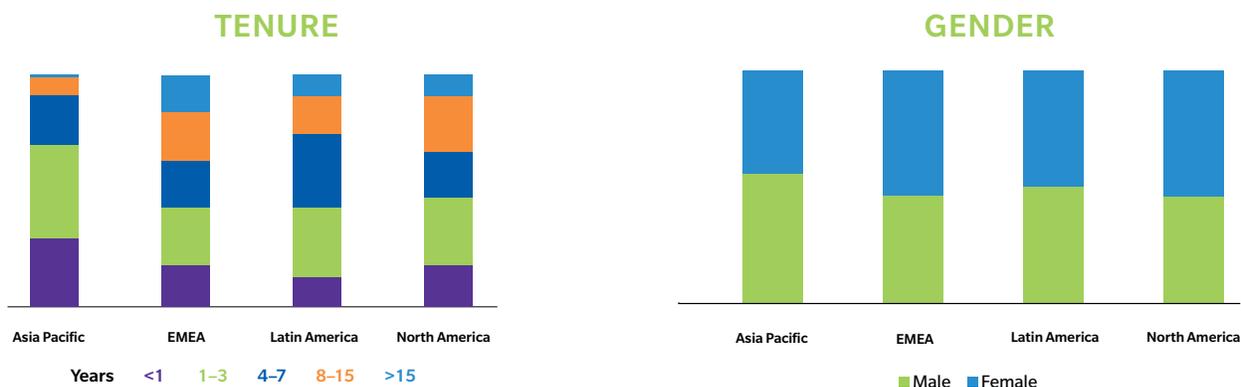
The strength of our company rests upon our more than 18,000 diverse, talented, and committed employees. We are committed to a diverse and inclusive workplace, where colleagues of all backgrounds can be successful. In 2016, women comprised 52% of our workforce. This includes more than 50% of our manager and director roles, and 30% of our executive positions. 25% of the Board of Directors of Allergan plc is comprised of women.

Allergan also has a high level of tenure among its employees, as over 30% of our employees worldwide have been employed by Allergan or one of its legacy companies for at least seven years.

### ALLERGAN DISTRIBUTION BY REGION



### ALLERGAN DISTRIBUTION



## Learning & Development

Allergan is committed to being an inclusive and developmentally rewarding place to work. Our lean and efficient structure encourages responsibility and accountability that enables each and every employee to make an individual and collective difference, with the opportunity to be noticed and recognized for his or her accomplishments. A comprehensive learning management system has been implemented to ensure consistent and comprehensive compliance and technical training takes place, and provides powerful reporting tools. We also offer 50 training classes focused on management and leadership. We have made additional investments in career and leadership development, and have rolled out a model and curriculum to ensure all our employees have significant opportunities to grow and develop, and that Allergan has the talent pool necessary to sustain our growth. We are also committed to providing competitive rewards for our employees. Our compensation programs are market-driven, reward our employees for superior performance, and align with shareholder value creation.

Career development at Allergan focuses on providing the tools to develop true potential, and expertise. Our goal is to empower colleagues to own their career and explore different opportunities with curiosity, passion and a desire to challenge themselves. With My Allergan Career, they are able to identify new learning opportunities, expose themselves to new areas of the business, understand and build new skills to create the meaningful career they want at Allergan. As a part of the My Allergan Career approach, "Career Paths" are being introduced to each division, specifically starting with a pilot in Human Resources. Career Paths provide transparency into the possible paths available to colleagues for representative roles; they will have clarity on which skills are needed to succeed in various roles, as well as what experiences would help them to be successful.

## BIOETHICS

Allergan is committed to strong bioethical practices. When working with biological agents, organisms, and toxins, it is done in the safest manner possible. Allergan is committed to minimizing the risks associated with work involving biological agents, organisms, and toxins and these risks are managed to the highest practical level. Allergan adheres to strict compliance with international and national regulations and guidelines regarding design and operation of these types of facilities. Allergan also ensures consistency between our various groups and sites using biological agents, organisms, and toxins. The same standards apply at all Allergan facilities. Allergan continues to evaluate existing practices against current and state of the art practices.

Allergan meets Center for Disease Control (CDC) requirements and is licensed by the CDC to manage select agents and toxins. Allergan follows the Biosafety in Microbiological and Biomedical Laboratories (BMBL) requirements for all aspects of the work conducted in these areas.

## CORPORATE STATEMENT ON ANIMAL TESTING

The U.S. Food and Drug Administration (FDA) and other worldwide health regulatory agencies currently require all pharmaceutical manufacturers to protect patients and consumers by establishing product quality, safety, and effectiveness through approved and validated testing methods, which may include animal testing.

When animal work is necessary it is designed to ensure the highest standards of animal welfare and undergoes ethical review, approval, and oversight from an Institutional Animal Care and Use Committee (IACUC).

Allergan shares the pharmaceutical industry's goal of reducing or eliminating animal testing wherever possible, and is committed to the "3Rs" principles of refinement, reduction and eventual replacement of laboratory animals in product testing. In this regard, Allergan has developed and gained regulatory approvals of a cell-based potency assay to replace an animal-based assay for use in the ongoing manufacturing of BOTOX®.

# OUR SOCIAL CONTRACT WITH PATIENTS

Our biopharma industry is vital and has made profound contributions that have increased life expectancy and dramatically improved health.

Allergan is committed to the four principles in this social contract, which begin when there is a patient with an unmet need.

**“The public’s expectation is that we exist to heal and cure. It’s an expectation that mirrors our own.”**

**-Brent Saunders, Chairman, President & CEO**

## THE FOUR PRINCIPLES:

<b>1. Invest &amp; Innovate</b>	We are committed to investing billions of dollars, at risk, to develop life-enhancing innovations.
<b>2. Access &amp; Pricing</b>	We commit to making these branded therapeutic treatments accessible and affordable to patients while also ensuring that we can continue to meet our “Invest & Innovate” obligations outlined in Principle 1.
<b>3. Quality &amp; Safety</b>	We commit to intensely monitoring the safety of our medicines and promptly reporting and acting on new safety data. We also commit to maintaining high standards of quality while maintaining a continuous supply of our medicines.
<b>4. Education</b>	We are committed to appropriately educating physicians about our medicines so that they can be used in the right patients for the right conditions.

These are our commitments to the medical professionals and patients who count on us to continue finding new treatments for their most pressing medical needs.





## COST BURDEN AND HEALTH OUTCOMES

Allergan conducts research to understand the impact of our products on patient care in our therapeutic areas. Our Global Health Economics and Outcomes Research (GHEOR) group leads the effort to define the value of our products through the understanding of humanistic. Humanistic outcomes seek to understand the impact of a product or disease from a patient and caregiver perspective whereas economic outcomes seek to understand the economic implications of a treatment or disease in terms of processes and costs.

Our work in this area is extensive, and covers all Allergan products throughout their product life-cycle, beginning at the development stage. The purpose of Allergan's strategy in this area is to conduct research to understand the impact of our products on patient care in our disease areas of focus. Our defined strategies are evaluated several times a year to ensure that the appropriate data is generated, and whether additional research needs to be undertaken to support the clinical, humanistic, and economic benefits of Allergan products. Part of this evaluation is conducted with a group of global experts from various countries where Allergan makes our products available to ensure that our efforts take into account country-specific needs and treatment paradigms.

One key area of focus of the GHEOR group is the development and assessment of patient reported outcomes (PRO), in order to understand the impact of the disease or a drug on patients' lives. In addition, GHEOR group conducts economic analyses and develops models to understand cost, and health resource implications of Allergan products. The use of real-world evidence informs Allergan's understanding of the effectiveness of approved products, as well as cost-offsets and system efficiencies of a drug which may not appear in clinical trials.

Allergan uses this research in our interactions with regulatory agencies, and with payors and reimbursement decision makers worldwide. Internationally, this research is valuable for Health Technology Assessments conducted by various regulatory authorities to ensure that those authorities receive accurate information on the value of Allergan products based on their requirements and unique country needs. In the U.S., this research is incorporated into certain dossiers available to payors in the form of an unsolicited request for use in formulary decision making, as well as peer reviewed publications that articulate the value our products provide.

GHEOR works cross-functionally and globally with colleagues across Allergan's key therapeutic areas to generate the evidence needed to communicate the value of Allergan products. Clinical Trials and post-treatment follow-on studies are available for review at: [www.clinicaltrials.gov](http://www.clinicaltrials.gov).

## PATIENT RESOURCES

At Allergan, we believe the best of medicine is realized when patients have the information they need to make well-informed decisions regarding their treatment options. Information can be found throughout Allergan.com about our products and the conditions they treat, along with helpful links to additional patient education and support resources.

## PHYSICIAN RESOURCES

Bringing the best of medicine to the forefront of patient care requires a commitment to interaction and involvement: listening to doctors and addressing patients' needs. We work diligently to make sure we are providing the tools and channels to keep the conversation as dynamic and direct as possible.

# PHILANTHROPY AND CITIZENSHIP

The Allergan Foundation (TAF), a private foundation that is separate from Allergan plc and its subsidiaries, but to which Allergan plc is the sole contributor, has made grants focusing support in four philanthropic areas: the arts, civic programs, education, and health and human services. As part of TAF's commitment to health and human services, TAF also supports selected initiatives, known as "Focus Grants," to improve patient diagnosis, treatment, care, and quality of life, or to otherwise promote access to quality health care.

**Priority 1** of TAF is to support local, national, and international health and human services efforts through donations and grants, as well as through collaborations with businesses and health organizations to promote well-being and help meet unmet medical needs. These efforts are focused worldwide and not strictly based on Allergan internal operational areas.

**Priority 2** of TAF is to support local educational programs and services through donations and grants, as well as through collaborations and volunteer-advocacy by employees both company supported and by employees. These efforts are engaged in all local and regional areas where Allergan conducts research, manufactures, and conducts commercial business.

**Priority 3** of TAF is to support local arts and community programs and services through donations and grants, as well as through collaborations and volunteer-advocacy by employees, both company supported time-given by employees. These efforts are engaged in all local and regional areas where Allergan conducts research, manufactures, and conducts commercial business.

At Allergan, the focus on cutting-edge science, sound business practices, and a global perspective contribute to our goal—to make a positive impact on the health and well-being of people around the world. At The Allergan Foundation, this perspective is mirrored through the funding of programs and services benefiting communities and improving lives in the areas where Allergan's employees live and work. In 2016, because of the ongoing commitment of Allergan and our employees around the world, Allergan supported 365 organizations with more than \$9 million in funding, extending the reach of The Allergan Foundation's philanthropic commitment even further.



The Allergan Foundation receives hundreds of Community Grant applications each year, and thoughtful consideration is given to each request. Grants are awarded in four areas of funding: education, the arts, civic and community, and health and human services, with special attention given to the work of organizations that connect resources with underserved, vulnerable populations.

A sample of the programs and organizations that were funded are as follows:

- Olive Crest provides emancipated foster youth ages 15-22 with shelter, life skills education and support services necessary to become independent and successful adults.
- A grant to Children’s Specialized Hospital Foundation helped to acquire adaptive equipment for children with severe physical limitations.
- The Association for Mental Health and Wellness provides mental health first aid training to personnel who work with veterans and active military.
- Communities in Schools of the Heart of Texas provides tutoring, homework help, and snack services to at-need students in four Waco, Texas elementary schools.

For both TAF and AIF, grants are awarded to charitable organizations with high-quality programs and services, well-defined goals, a commitment to maximizing available resources, and a reputation for meeting objectives and reporting measured results. The objectives and programs of any requesting organization must be clearly defined and the program objectives must be achievable.



## The Allergan Foundation will consider awarding grants for programs that:

- Promote education, research, and awareness of eye care, CNS, GI and cystic fibrosis, dermatology, women's health, urology, cardiovascular, infectious disease, as well as selected other therapeutic areas
- Improve the quality of health care and patient access to care
- Enhance and strengthen the communities where Allergan plc. has a facility or employees by contributing to the arts, education, and other civic and community causes

## Grant Limitations

### Grants are not made to support or fund:

- Organizations that are not 501(c)(3) publicly supported charities
- Individual or family requests for scholarships, fellowship assistance, or other types of support
- Refugee - or religious-based activities for the purpose of furthering religious doctrine
- Fraternal, labor, or political organizations
- Organizations that discriminate on the basis of race, religion, creed, gender, or national origin
- Matching gifts
- University administrative, management, or indirect fees
- Golf tournaments, athletic events, league or team sponsorships, school-affiliated orchestra, band, choir, student trips, or tours
- Private schools K-12
- Fundraising activities or advertising sponsorships
- Activities that propagandize, influence legislation and/or elections; promote voter registration; political candidates, political campaigns or engaged in political activities; litigation
- Institutions limiting their services to persons of a single religious sect or denomination
- Promotional exhibits, surveys, or consumer interest groups
- Endowments, capital, or building campaigns
- Contingencies, deficits, or debt reduction
- Charities or funds solely directed by a single physician or medical practice group

### Grants generally are not approved for:

- Organizations that collect funds for redistribution to other nonprofit groups
- Regular, ongoing operating support
- Agencies, projects or programs primarily financed by government sources



## Additional Information

The objectives and programs of the requesting organization must be clearly defined and reasonably capable of achievement. The financial status of the requesting organization and its sources of income must also meet applicable legal requirements, including proof of tax-exempt status under section 501(c)(3), as a public charity described in sections 509(a)(1) or 509(a)(2) of the Internal Revenue Code, and status as a nonprofit organization under applicable state law. In assessing potential grant recipients, The Allergan Foundation considers the extent of the public benefit provided by the requesting organization. An effective governing board, efficient management, and strong community support are also among the criteria considered.

The Allergan Foundation evaluates the impact to the community and the intended recipients of the donation or grant and its intended purpose. Grants are competitively compared, even if the minimum grant requirements are met, in order to determine which requests are going to have the greatest impact. Outcomes are measured periodically against the request proposals to determine how successfully the intended purpose is achieved.

Allergan's reputation is measured qualitatively through periodic and random surveys with local community efforts in order to gage the effectiveness of participation and improving the selection process. The Allergan Foundation reserves the right, in its sole discretion, to reject any request even when the requesting organization meets The Allergan Foundation's grant guidelines.

## “We Care” Grants

The Allergan Foundation also evaluates requests for funding to organizations in which employees of Allergan, Inc. take a strong interest through their personal donations of time. With its “We Care” program, The Allergan Foundation considers financial grants to such organizations annually, based on applications submitted by a U.S.-based employee of Allergan plc. “We Care” grants are usually made in amounts ranging from \$500 to \$1,500.

## Product Donations

In 2016, Allergan provided product donations to non-profit and relief organizations worldwide, totaling 560,461 units including ACULAR, ALPHAGAN, LUMIGAN, COMBIGAN, REFRESH, RESTASIS, and other product lines. The number of organizations supported in these efforts totals more than 143 non-profit and relief organizations. Allergan has a breakdown of the organizations and the type and quantity of Allergan products that were received. Allergan does not wish to share this detailed information.

Looking to the future, The Allergan Foundation’s assets total more than \$34 million, allowing us to continue supporting a broad base of important work. Focused intently on a spirit to improve lives and elevate communities, and on behalf of the Board of Directors, we are grateful for this opportunity, and we are proud to stand with the organizations and individuals making a difference in the world.

## Leadership

The Allergan Foundation is led by Brent Saunders, Chairman, President and CEO of Allergan plc, who serves as the Chairman of the Board of TAF, Allergan plc. Alex Kelly, Chief Communications Officer of Allergan plc, serves as President of the Board of TAF. The other Board members of TAF are: Bob Bailey, Chief Legal Officer and Corporate Secretary of Allergan plc; Tessa Hilado, Chief Financial Officer of Allergan plc; Jonathon Kellerman, Global Chief Compliance Officer of Allergan plc; Karen Ling, Chief Human Resources Officer Allergan plc; and Susan Stone, Executive Director, Patient Advocacy, International Communications and PR, at Allergan. Additionally, serving on the Allergan Foundation Board of Directors since 2011 is Mr. Gavin S. Herbert, Founder of Allergan, Inc. A pioneer and visionary in the field of healthcare, Mr. Herbert brings with him an unparalleled wealth of knowledge and insight, and provides strong support for our work in philanthropic decision-making. The Allergan Foundation is grateful for his active involvement and appreciates Mr. Herbert’s continued service to the broader community.





## Allergan International Foundation (AIF)

The Allergan International Foundation (AIF), funded by The Allergan Foundation, continues the global extension of The Allergan Foundation's philanthropic efforts to providing a lasting and positive impact on communities around the world. AIF distributed approximately \$550,000 in support of a broad range of initiatives that bring aid and relief to underserved communities, and share The Allergan Foundation's considerable philanthropic concern with the global community.

AIF is active in the same four philanthropic areas: the arts, civic programs, education, and health and human services, in which it promotes access and improvements to quality health care, diagnosis and treatment, education, research, quality of life, and disease awareness. Organizations that AIF is proud to be supporting include: The Alzheimer's Society of Ireland, Sightsavers International in Bangladesh, the Philippine Glaucoma Foundation, and the Mayo Mountain Rescue Team, among others. AIF continually looks to expand its philanthropic efforts into each country where Allergan plc has an office and employees to support worthy causes in those areas.

## RECOGNIZING EXCELLENCE

Allergan has a Bold corporate culture, with a tradition of excellence, hard work, and a dedication to improving quality of life. We seek to encourage innovation, personal and career growth, and a sense of meaning that goes far beyond our walls, and those employees who believe that an idea can change the world.

## CONCLUSION

As Allergan continues our sustainability journey, we celebrate our successes and focus on further improving our performance. 2017 is another opportunity for Allergan to further integrate our sustainability program across our organization and establish a strong platform for achieving our vision for 2020.



# SUSTAINABILITY PERFORMANCE SUMMARY TABLE <sup>1, 2, 3</sup>

SUSTAINABILITY PERFORMANCE INDICATOR	2014	2015	2016
<b>Safety Management</b>			
Occupational Injury and Illness Incident Frequency Rate (Incidents /200,000 hours)	0.77	0.49	0.33
Days Away Case Rate (Incidents/200,000 hours)	0.22	0.26	0.11
Employee Engagement (Good Observations/200,000 hours)		99	142
<b>Waste Management</b>			
Hazardous Waste (tonnes)	687	670	467
HW per Sales (tonnes/million sales)	0.05	0.05	0.03
Solid Waste (tonnes)	945	1,014	1,260
SW per Sales (tonnes/million sales)	0.07	0.08	0.09
Recycling (tonnes)	4,847	4,717	3,776
Recycling Rate (%)	83	83	75
<b>Energy Management</b>			
Electrical Energy (GJ)	667,262	687,571	684,102
Electrical Energy per Sales (GJ/million sales)	48	54	47
Fuel Consumption (GJ)	631,570	635,877	633,512
Fuel per Sales (GJ/million sales)	46	54	47
Total Energy Consumption (GJ)	1,298,832	1,323,448	1,317,614
<b>Water Management</b>			
Water (M3)	1,073,671	1,012,012	1,080,588
Water per Sales (M3 million sales)	77	80	74
<b>Compliance Management</b>			
Notices of Violation	1	1	2
EHS Compliance Penalties/Fines (\$)	\$0	\$0	\$0
Remediation Settlements (\$)	\$0	\$0	\$0
<b>Carbon Management</b>			
Scope 1 Greenhouse Gas Emissions (MTCO <sub>2</sub> E) - Direct from Fuel Combustion (R&D/Manufacturing)	33,808	35,203	33,703
Scope 2 Greenhouse Gas Emissions (MTCO <sub>2</sub> E) - Indirect from Electrical Consumption (R&D / Manufacturing)	63,178	50,997	43,190
Total Greenhouse Gas Emissions (MTCO <sub>2</sub> E) – Total (R&D/Manufacturing)	96,986	86,200	76,893
Total Greenhouse Gas Emissions per Sales (MTCO <sub>2</sub> E/\$million) (R&D/Manufacturing)	7.0	6.8	5.3
Scope 1 Greenhouse Gas Emissions (MTCO <sub>2</sub> E) – emission from all activities (verified by ERM CVS)	87,835	85,405	85,464
Scope 2 Greenhouse Gas Emissions (MTCO <sub>2</sub> E) – emission from all activities (verified by ERM CVS)	68,979	62,403	50,279
Scope 3 Greenhouse Gas Emissions - Supply Chain (tonnes)	-	250,000	250,000
Green Power Consumption (% of Total Power Consumed)	20	20	33
<b>Risk Assessment/Corrective Action Management</b>			
Number of EHS Risk Assessments	161	246	92
Number of EHS related Corrective/Preventive Actions	653	1,600	2,600
<b>Diversity</b>			
Board Diversity - Women %	11	17	25
Gender Diversity (% Female)	53	52	52
Leadership Roles Gender Diversity (% Female)	51	49	50
Tenure at Allergan (% > 7 Years)	34	35	30
<b>Sales (\$000s)</b>	<b>\$13,858,000</b>	<b>12,688,100</b>	<b>14,570,000</b>
<b>Head Count</b>	<b>~15,000</b>	<b>16,325</b>	<b>16,500</b>

1. Data only for Manufacturing, R&D operations unless otherwise noted

2. 2014 and 2015 data includes data from legacy Allergan, Forest and Warner Chilcott operations, and excludes data from operations divested to Teva in 2016

3. 2016 data excludes Allergan plc operations discontinued in 2016.

## Independent Assurance Statement to Allergan plc

ERM Certification and Verification Services, Inc. (ERM CVS) was engaged by Allergan plc (Allergan) to provide assurance in relation to greenhouse gas (GHG) emissions data for the calendar year 2016.

Engagement Summary	
<b>Scope:</b>	<p>Whether the consolidated corporate data for calendar year 2016 for the following indicators are, in all material respects, fairly presented in accordance with the reporting criteria:</p> <ul style="list-style-type: none"> <li>○ Total absolute Scope 1 Direct GHG emissions from on-site fossil fuel combustion; emissions from on-site and fleet vehicles; and emissions from refrigerant gases in stationary HVAC equipment and air conditioning systems in fleet vehicles (metric tonnes CO<sub>2</sub>e)</li> <li>○ Total absolute Scope 2 Indirect GHG emissions (location-based and market-based) from purchased electricity and steam (metric tonnes CO<sub>2</sub>e)</li> </ul>
<b>Reporting Criteria:</b>	Allergan's Greenhouse Gas Inventory Management Plan, based on the World Resources Institute and the World Business Council for Sustainable Development (WRI/WBCSD) GHG Protocol; and International Organization for Standardization (ISO) 14064-1, Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals
<b>Assurance Standard:</b>	International Organization for Standardization (ISO) 14064-3:2006: Specification with guidance for the validation and verification of greenhouse gas assertions
<b>Assurance level:</b>	Reasonable assurance
<b>Respective responsibilities:</b>	<p>Allergan is responsible for preparing the GHG emissions data.</p> <p>ERM CVS's responsibility is to provide conclusions on the agreed scope based on the assurance activities performed and exercising our professional judgement.</p>

### Our opinion

In ERM CVS's opinion the following GHG emissions for the calendar year 2016 are fairly presented, in all material respects, in accordance with the reporting criteria:

<b>Scope 1 Emissions:</b>	85,464 tonnes CO <sub>2</sub> -e
<b>Scope 2 Emissions (location-based):</b>	77,667 tonnes CO <sub>2</sub> -e
<b>Scope 2 Emissions (market-based):</b>	50,279 tonnes CO <sub>2</sub> -e

### Our assurance activities

We planned and performed our work to obtain all the information and explanations that we believe were necessary to provide a basis for our assurance conclusions.

A team of GHG and assurance specialists performed the following activities:

- Interviews with relevant Allergan staff to understand and evaluate the data management systems and processes (including data collection and internal review processes) used for collecting and reporting the GHG emissions data;
- A visit to Allergan's Manufacturing/R&D facility in Irvine, California, to review evidence for the activity data underlying the GHG emissions;
- An analytical review of the consolidated year end activity data submitted by all sites underlying the GHG emissions;
- A review of the calculations of the Scope 1 and Scope 2 GHG emissions from the underlying activity data undertaken by Allergan, including a review of the conversion factors and emission factors used.

### The limitations of our engagement

The reliability of the assured data is subject to inherent uncertainties, given the available methods for determining, calculating or estimating the underlying information. It is important to understand our assurance conclusions in this context.

The findings presented here are not intended to be used as advice or as the basis for any decisions, including, without limitation, financial or investment decisions.

Based on the work outlined above, we have provided Allergan management with a separate, confidential report detailing our assessment of Allergan's GHG emissions data for the calendar year 2016.



Jennifer Iansen-Rogers, Partner  
 19 May 2017  
 ERM Certification and Verification Services, Inc.  
 www.ermcvs.com  
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**Declaration of Independence:** ERM CVS is a member of the ERM Group and an accredited Certification Body. The work that ERM CVS conducts for clients is solely related to independent assurance activities and auditor training. Our processes are designed and implemented to ensure that the work we undertake with clients is free from bias and conflict of interest. ERM CVS and the staff that have undertaken work on this assurance exercise provide no consultancy related services to Allergan in any respect.

# APPENDIX A: ALLERGAN FACILITIES INCLUDED IN THE GHG INVENTORY

NO.	FACILITY NAME / EMISSION SOURCE	FACILITY TYPE	LOCATION
1	Irvine	Manufacturing/ R&D	Irvine, CA
2	Waco	Manufacturing/ R&D	Waco, TX
3	San Jose	Manufacturing/ R&D	San Jose, CA
4	Brazil	Manufacturing/ R&D	Guarulhos, SP Brazil
5	Costa Rica	Manufacturing/ R&D	La Aurora de Heredia, Costa Rica
6	Pringy	Manufacturing/ R&D	Pringy, France
7	Westport	Manufacturing/ R&D	Westport, Ireland
8	Fall River	Manufacturing/ R&D	Fall River, MA
9	Cincinnati	Manufacturing/ R&D	Cincinnati, OH
10	Clonshaugh	Manufacturing/ R&D	Dublin, Ireland
11	Liege	Manufacturing/ R&D	Liège, Belgium
12	Houston	Manufacturing/ R&D	Houston, TX
13	Liverpool	Manufacturing/ R&D	Liverpool, UK
14	Weiterstadt	Manufacturing/ R&D	Weiterstadt, Germany
15	North Brunswick	Manufacturing/ R&D	North Brunswick, NJ
16	Fort Washington	Manufacturing/ R&D	Fort Washington, PA
17	Sunrise	Manufacturing/ R&D	Sunrise, FL
18	Westlake Village	Office	Westlake Village, CA
19	San Francisco - Oyster	Office	San Francisco, CA
20	San Francisco - Gateway	Office	San Francisco, CA
21	Mt. Laurel	Office	Mt Laurel, NJ
22	Rockaway	Office	Rockaway, NJ
23	Jersey City	Office	Jersey City, NJ
24	Bridgewater	Office	Bridgewater, NJ
25	Parsippany	Office	Parsippany, NJ
26	Grand Island	Office	Grand Island, NY
27	Austin	Office	Austin, TX
28	Canada	Office	Markham, ON
29	Mexico	Office	Mexico City, Mexico
30	Argentina	Office	Buenos Aires, Argentina
31	Chile	Office	Santiago, Chile
32	Columbia	Office	Santafe De Bogotá, Colombia
33	Brazil	Office	São Paulo, Brazil
34	Australia	Office	Gordon, Australia
35	China	Office	Beijing, China
36	China	Office	Shanghai, China
37	China	Office	Chengdu, China
38	China	Office	Guanzhou, China
39	Hong Kong	Office	Taikoo Shing, Island East Hong Kong
40	India	Office	Bangalore, India
41	Indonesia	Office	Jakarta, Indonesia
42	Japan	Office	Tokyo, Japan
43	Korea	Office	Seoul, Korea
44	Philippines	Office	Pasig City, Philippines
45	Malaysia	Office	Selangor, Malaysia
46	Singapore	Office	Singapore
47	Taiwan	Office	Taipei, Taiwan
48	Thailand	Office	Bangkok, Thailand
49	Vietnam	Office	Ho Chi Minh City, Vietnam
50	South Africa	Office	Johannesburg, South Africa
51	France	Office	Courbevoie, France
52	Germany	Office	Frankfurt, Germany
53	Greece	Office	Athens, Greece
54	Ireland	Office	Dublin, Ireland
55	Italy	Office	Rome, Italy
56	Poland	Office	Warsaw, Poland
57	Russia	Office	Moscow, Russia
58	Serbia	Office	Belgrade, Serbia
59	Spain	Office	Madrid, Spain
60	Sweden	Office	Stockholm, Sweden
61	Switzerland	Office	Zürich, Switzerland
62	Turkey	Office	Istanbul, Turkey
63	UK	Office	Marlow, UK
64	Fleets	Global	Worldwide





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