



**ALLERGAN**

Our pursuit. Life's potential.®

# Allergan Sustainability Performance Report

**April 22, 2011**

## Allergan Sustainability Performance Report



### Message from David Pyott, Chairman and Chief Executive Officer

Allergan, Inc. is a multi-specialty health care company focused on discovering, developing and commercializing innovative pharmaceuticals, biologics and medical devices that enable people to live life to its greatest potential — to see more clearly, move more freely, express themselves more fully.

Our focus fosters deep engagement with medical specialists and we make it our business to listen closely to their needs so that together we can advance patient care. We combine this strategic focus with a diversified approach that enables us to follow our research and development into new specialty areas where unmet needs are significant.

In partnership with the medical community, we bring scientific excellence and rigor to deliver leading products that improve patient outcomes. And, we go above and beyond this to provide education and information, with the highest level of integrity, that helps patients to fully understand the choices available to them and make well-informed treatment decisions with their doctors. We know we are successful when doctors and patients place their trust in our products and our company, when our employees excel and when our efforts make a meaningful difference in the lives of the patients and communities we serve.

For 60 years, Allergan has been committed to the health, safety, and well-being of the people who put their trust in our products. Every day, we strive to better people's lives in a wide range of ways — from developing new treatments for complex and disabling medical conditions to offering science-based medical aesthetic solutions. Our determination to make a positive contribution extends to not only the people who benefit from our products, but also to our employees and to the global community in which we live and work. It remains our goal to ensure that our contribution to science reflects our commitment to safe, healthful workplaces, strong communities and responsible, ethical business practices in everything we do, from research and development to sales and marketing.

In this introduction, I am highlighting some of our key achievements and challenges relating to our corporate responsibility. More information about these and other areas of our commitment is provided throughout this Responsibility section of our website. You can also read more about our business environment, strategy, goals and performance in our Annual [Report](#) and Form 10-K and about the philanthropic ventures of the Allergan Foundation in its Annual [Report](#).

Allergan defines **Sustainability** as the balance between the competing priorities of economic, social and environmental responsibilities. As stated above, Allergan has been in business for over 60 years and plans to ensure that its business continues to be strong. To ensure this, Allergan has established short, medium and long term corporate responsibility goals as you will read in the following sections of this report. Allergan has and will continue to commit resources and measure performance against achieving these goals.

## Allergan Sustainability Performance Report

Allergan has achieved great success with the previous corporate responsibility goals set forth in its past three five year plans and has set some very challenging long term goals in its 2020 Sustainability Vision. I am proud to report that Allergan is achieving these goals as it has consistently in the past and will continue to do in the future – this is sustainability to Allergan! Allergan committed to the UN Global Compact in 2009 and is including its first Communication on Progress in this report. In 2010, regarding the Carbon Disclosure Project Leadership Index, Allergan scored #3 in the S&P 500 compared to S&P 500 Healthcare Companies. Allergan was ranked #19 against the S&P 500 companies and #3 for S&P 500 Healthcare companies according to the Newsweek Green Business rankings. Allergan also received the US EPA WasteWise Program Climate Change Gold Achievement Award in 2010. Allergan Energy Star certified the Allergan Pharmaceuticals facility located in Waco Texas for the third year in a row. Allergan was included in the Dow Jones Sustainability Indexes as well as the FTSE4Good Index in 2009.

In 2010, Allergan achieved the following while acquiring facilities and growing the business significantly during five-year strategic planning period:

- The occupational injury and illness frequency rate was 0.89,
- The waste generated was reduced by 1.4%,
- Nonhazardous waste recycling reached a rate of 71% of total nonhazardous waste generated,
- Total energy consumption reduced by 10%,
- Total water consumption increased by more than 3%, and
- Total Greenhouse Gas emissions decreased by more than 15%.

Allergan remains focused on sustainable business practices including:

- Offering needed products that have environmental health and safety design considerations,
- Managing climate change through energy efficiency and carbon footprint reduction,
- Continuing to improve operational efficiency, reduce waste and increase recycling,
- Providing a safe and healthy workplace for our employees,
- Working with our supply chains to improve corporate responsibility performance, and
- Enhancing positive community interaction.

In conclusion, Allergan has had a long commitment to sustainable business values. We must keep these core values in mind in all aspects of our business so that we can maintain the excellent reputation and respect that we enjoy with our stakeholders and the communities in which we operate.

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David E. I. Pyott  
Chairman of the Board and Chief Executive Officer  
Allergan, Inc.

1. The occupational injury and illness rate is determined by multiplying the total number of injury and illness incidents by 200,000 hours and dividing this by the total number of hours worked, i.e. an incident rate of 1.00 would be equivalent to 1 incident per 200,000 hours worked.

# Allergan Sustainability Performance Report

## Introduction

2010 proved to be another successful year for Allergan's sustainability program. 2010 put the final successful conclusion to a challenging five-year sustainability plan. Allergan's specific performance against the 2010 goals is described following the strategic goals section. Allergan has rapidly grown during this five-year period through the acquisition of several companies and through internal "organic" growth. Growth through acquisition includes Inamed in 2006, Groupe Cornéal Laboratoires in 2007, EndoArt SA in 2007, and Serica Technologies, Inc. (Serica) in 2010. These acquisitions have also been factored into the performance data and summaries which follow. These new acquisitions have changed the sustainability performance in 2007 and 2008. The new manufacturing and R&D facilities have significantly impacted the indicators to be discussed further in this report. The Serica acquisition has not had a significant impact on the sustainability performance to date.

Allergan has also included additional sustainability reporting parameters in this report in an effort to increase the transparency of Allergan's performance. Reporting includes economic and social parameters as well as environmental health and safety parameters. Tactical approaches to meeting the desired goals are included. Allergan positions and policies on current sustainability issues are presented. These include 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, and community support. A [GRI in accordance with G3 statement](#) and index are included along with third-party verification statements by reference with copies available on our web site under Responsibility>Environmental Health and Safety >Sustainability Performance Reports.

# Allergan Sustainability Performance Report

## Sustainability Policies and Positions

Allergan has strong sustainability policies and positions that are actively adhered to. These can be found at the following links:

- [EHS Policies](#)
- [Compliance Policy](#)
- [Foundation](#)
- [Patient Resources](#)
- [Physician Resources](#)
- [Professional Affiliations](#)
- [Educational Grants](#)
- [Product Safety & Animal Testing](#)
- [Corporate Governance and Certificates](#)

## Sustainability Indicators and Reporting

Allergan has selected the Global Reporting Initiative (GRI) G3 Guidelines as the basis for its sustainability indicators and reports in accordance with these Guidelines in this report and at various locations on the website as indicated at the following link:

- [Global Reporting Initiative \(GRI\) in accordance Summary](#)
- [Environmental Health and Safety Sustainability Performance Report](#)
- [EHS Sustainability Performance Summary Table](#)
- [Irvine Site EHS Performance Report](#)
- [Santa Barbara Site EHS Performance Report](#)
- [Waco Site EHS Performance Report](#)
- [Westport Site EHS Performance Report](#)
- [Guarulhos Site EHS Performance Report](#)
- [Costa Rica Site EHS Performance Report](#)
- [Allergan Foundation Annual Report](#)
- [Financial Report](#)
- [Earnings Release](#)
- [Corporate Governance and Certificates](#)
- [Recognizing Excellence](#)
- [Environmental Health and Safety Awards and Recognition](#)
- [Excellence in Research](#)
- [Clinical Trials](#)
- [Research Collaborations](#)
- [Product Pipeline](#)
- [Allergan History](#)
- [Allergan Leadership](#)
- [Allergan Culture](#)
- [Allergan Benefits](#)

# Allergan Sustainability Performance Report

## Sustainability Program and Reporting Scope, Limitations and Processes

### *Scope*

Allergan's sustainability program involves the business/economic, social and environmental aspects as defined by the Global reporting Initiative ([GRI](#)) and Allergan's [internal assessment](#) of various risks by the company as well as to the company. The programs encompass all aspects of Allergan operations including research and development, 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.

Changes in scope occur when Allergan acquires new products, processes or businesses which has occurred several times in the past three years. The scope also changes when products are discontinued or divested and when facilities or businesses are consolidated or divested. Programs, performance and reporting are adjusted to account for these changes as they occur.

### *Limitations*

Allergan is including owned or leased locations worldwide in its responses and summaries along with supply chain data for specified programs. Allergan is including both third-party validated and certified data and information as well as internal data which has not been third-party validated or certified. Allergan has included data and information that Allergan feels, based on internal and external risk assessments, are not significant risks but are required or recommended by various third-parties for reporting and analysis groups such as Sustainability Asset Management (SAM), Dow Jones Sustainability Indexes (DJSI), Ethical Investment Research Services, Ltd. (EIRIS), FTSE4Good, Global Reporting Initiative (GRI), Domini 400, Carbon Disclosure Project (CDP), and Innovest. Not all data are reported if they are not considered significant by the various regulatory entities.

As with changes in scope, limitations are adjusted as the scope changes.

### *Data Capture and Verification*

Economic data is captured through various systems and the methodology for capture and management of this data is well defined and third-party verified by audit. Social and environmental data is captured through various methods and managed through various systems such as AEIMS, SAP and SharePoint. AEIMS is Allergan's recently launched sustainability data management system. The system served as the source for all data charts included in this report. AEIMS is developed and supported by ProcessMAP. The data are verified internally as part of the various audit programs and in some cases as with greenhouse gases verified and certified by third parties.

### *Reporting Cycles*

Generally, reporting of economic, social and environmental data is conducted quarterly with annual summary reports generated for the calendar year. Allergan operates on a calendar year basis.

### *Report Content Process*

Allergan generates various reports for economic, social and environmental purposes. These reports are defined as stated above by using internal, regulatory and best practices recommended or required by third-party groups.

### *Report Contact*

Direct all inquiries to [Corporate Communications](#).

# Allergan Sustainability Performance Report

## Sustainability Structure and Reporting Relationships

### *Allergan Sustainability Steering Committee*

Allergan has established a Sustainability Steering Committee with representatives from the Executive Committee including the [EVP Global Technical Operations](#), the [EVP General Counsel and Assistant Secretary](#), the [EVP Research and Development](#), the Director RDEHS and the Senior Director EHS. This committee meets twice per year to set policy, direction, goals and metrics, and to evaluate performance against the goals and metrics established.

### *Sustainability Structure and Relationships*

Allergan has a Senior EHS Director that reports up to the Executive Committee through the Executive Vice President of Global Technical Operations. The Senior EHS Director is responsible for coordinating, collecting and developing the Sustainability Report. The Senior EHS Director also manages the strategic and daily coordination of EHS activities for Allergan. The Senior EHS Director has three direct reports that manage the health and safety, EHS audit programs, and the security programs for Allergan.

Each [manufacturing and R&D facility](#) has an EHS staff that manage sustainability initiatives as well as daily EHS activities for their facilities. The commercial offices sustainability initiatives and activities are managed by local human resources and finance representatives.

Economic and social sustainability initiatives and activities are managed by several groups depending on their roles and responsibilities within Allergan.

## Allergan and the Precautionary Principle

Allergan has always practiced the precautionary principle with regard to its products and operations. The inherent nature of researching and developing drug products 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 multitude of risks are determined to be acceptable to Allergan and the various stakeholders in the process including patients, physicians, employees, government officials, investors, and others.

## Allergan Sustainability Performance Report

### Allergan 2006 – 2010 Sustainability Strategic Performance Goals

- Reduce the corporate injury and illness incident frequency rate to 1.00 or less and sustain during the period.
- Reduce hazardous waste going for offsite disposal by 10% from 2006 to 2010 using 2005 as the baseline year.
- Reduce solid waste going for offsite disposal per production unit by 20% from 2006 to 2010 using 2005 as the baseline year and maintain the recycling rate above 50%.
- Eliminate the use of Chlorofluorocarbon (CFC) 11 in Heating, Ventilating and Air Conditioning (HVAC) systems, where opportunities occur.
- Eliminate process-related volatile organic compound (VOC) air emissions from all facilities by 2006.
- Reduce chemical oxygen demand loads in wastewater discharges by 5% during the period.
- Reduce the amount of thimerosal and other mercurial preservatives used by 99% and less than 1 kg/year by 2010 using 1996 as the baseline year.
- Reduce the amount of electrical energy used by 5% from 2006 to 2010 using 2005 as the baseline year both on an absolute and normalized to square footage basis. Implement existing technologies such as cogeneration and photovoltaic systems. Implement new technologies such as fuel cells. Change the fuel types used from fuel oil to natural gas. Increase the fuel efficiency. Increase the use of renewable energy sources.
- Develop and implement a comprehensive greenhouse gas reduction plan. Achieve a 5% reduction in greenhouse gas emissions during the period.
- Develop a water management strategy and policy. Implement water reduction projects during the period. Reduce water consumption by 15% during the period.
- No Notices of Violation (NOV) received during the period.
- No community complaints, which are left, unresolved during the period.
- Evaluate all new products using the Environmental Health and Safety Product Design Criteria (EPDC) during the period.
- Continue internal audit program addressing Allergan manufacturing and R&D facilities; treatment, storage and disposal facilities; suppliers; third party manufacturers; distribution centers; acquisitions and divestitures.
- Continue EHS Communications Plan implementation during the period.

# Allergan Sustainability Performance Report

## 2011 – 2015 Allergan Strategic Performance Goals

### 1. Improve Sustainability Performance

- Reduce injury and illness incident rate  $\leq 0.80$
- Reduce number of lost days by 10% using 2010 as the baseline
- Achieve Allergan overall recycling rate  $\geq 75\%$
- Achieve 15% Allergan waste reduction by 2015 using 2010 as the baseline
- Achieve 15% energy reductions by 2015 using 2010 as the baseline
- Achieve 15% water reductions by 2015 using 2010 as the baseline
- Achieve 15% GHG emissions reduction by 2015 using 2010 as the baseline
- Increase fleet vehicle fuel efficiency
- Purchase 15% green energy by 2015
- Certify all new buildings to LEED
- Increase EHS community interaction

### 2. Integrate Sustainability into Allergan Business

- Integrate EHS into product research and development (from concept to production)
- Marketing to drive the EHS product initiatives

### 3. Improve Sustainability Accountability

- EHS objectives integrated into objectives and tied to compensation
- Ensure appropriate EHS representation in all regions

## Allergan 2010 – 2020 Sustainability Strategic Vision Goals

Allergan has also developed a long range sustainability vision with strategic goals that will take Allergan through 2020. The goals of this plan are described below. Achieving these goals will stretch the corporation but are considered attainable.

### 1. Improve Sustainability Performance

- Establish incident rate goal at  $\leq 0.5$
- Achieve Allergan overall recycling rate  $\geq 80\%$
- Achieve 50% Allergan waste reduction in absolute terms by 2020 using 2005 as the baseline
- Achieve 50% energy and water reductions in absolute and normalized to square footage, production and sales terms by 2020 using 2005 as the baseline
- Achieve 50% GHG emissions reduction in absolute terms by 2020 using 2005 as the baseline
- Purchase 50% green energy by 2020
- Certify all new building construction to LEED
- Increase staffing to appropriate levels as determined by project management planning
- Increase community interaction

### 2. Integrate Sustainability into Allergan Business

- Integrate sustainable concepts into product research and development (from concept to production)
- Integrate sustainability concepts into Marketing product initiatives

### 3. Improve Sustainability Communication

- Integrate sustainability objectives into business objectives and accountability
- Integrate sustainability objectives into business review and establish a steering committee
- Establish sustainability communications strategy
- Establish an Sustainability Information Management system – Sustainability “dashboard” to increase accountability and communication of performance

# Allergan Sustainability Performance Report

## UN Global Compact Communication on Progress

The following narrative and links will demonstrate how Allergan is addressing each of these Principles and plans for improving performance in each of these areas.

### Principle 1 Protection of Human Rights

Allergan approaches the Protection of Human Rights as it does any other personal freedom and has articulated this support through its [Code of Ethics](#). The Code of Ethics applies to all Allergan employees and directly in all of Allergan's business dealings. The Code of Ethics requires that employees respect human rights and do not discriminate against anyone based on race, color, religion, ethnic or national origin, gender, sexual orientation, age, disability, veteran status, marital status, or other characteristics protected by law will not be allowed. Harassment is not tolerated in any form. Violence or threats of violence in the workplace are not tolerated. This code applies to persons or entities representing or working on behalf of Allergan as well. Allergan aggressively pursues employees and other company representatives that violate the Code of Ethics.

Allergan will continue to look for opportunities to improve its performance in this area.

### Principle 2 Complicity in Human Rights Abuses

Allergan will not be complicit in Human Rights abuses as stated in its [Code of Ethics](#).

Allergan will continue to look for opportunities to improve its performance in this area.

### Principle 3 Freedom of Association and Collective Bargaining

Allergan approaches the right to freedom of association and collective bargaining as it does any other personal freedom and has articulated this support through its [Code of Ethics](#). The Code of Ethics applies to all Allergan employees and directly in all of Allergan's business dealings.

Allergan will continue to look for opportunities to improve its performance in this area.

### Principle 4 Forced and Compulsory Labor

Allergan will not be complicit in forced or compulsory labor per Allergan's [Code of Ethics](#).

Allergan will continue to look for opportunities to improve its performance in this area.

### Principle 5 Child Labor

Allergan will not be complicit in the use of child labor per Allergan's [Code of Ethics](#).

Allergan will continue to look for opportunities to improve its performance in this area.

### Principle 6 Discrimination

Allergan approaches the Protection of Human Rights as it does any other personal freedom and has articulated this support through its [Code of Ethics](#). The Code of Ethics applies to all Allergan employees and directly in all of Allergan's business dealings. The Code of Ethics requires that employees respect human rights and do not discriminate against anyone based on race, color, religion, ethnic or national origin, gender, sexual orientation, age, disability, veteran status, marital status, or other characteristics protected by law will not be allowed. Harassment is not tolerated in any form. Violence or threats of violence in the workplace are not tolerated. This code applies to persons or entities representing or working on behalf of Allergan as well. Allergan aggressively pursues employees and other company representatives that violate the Code of Ethics.

## Allergan Sustainability Performance Report

### Principle 7 Precautionary Approach

Allergan has adopted the Precautionary Approach in all its business dealings and articulates this in its [Annual Sustainability Performance Reports](#) located on page 6. Allergan has always practiced the precautionary principle with regard to its products and operations. The inherent nature of researching and developing drug products 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 multitude of risks are determined to be acceptable to Allergan and the various stakeholders in the process including patients, physicians, employees, government officials, investors, and others.

### Principle 8 Environmental Responsibility

Allergan has a very strong stand on environmental responsibility as indicated by its EHS [policy, programs](#) and various [performance reports](#). Specifically as part of its commitment to the UN Global Compact, Allergan has committed to the UN Global Compact Caring for Climate Program and the CEO Water Mandate. Allergan participates in meetings and offers suggestions and examples of strategies and projects that have worked for Allergan. Allergan contributes to policy and framework development. Ultimately, Allergan has been very successful at reducing energy and water consumption at its facilities and has aggressive [goals](#) to continue this performance. Allergan will continue to contribute to these efforts and looks forward to achieving its goals in the timeframes stated.

### Principle 9 Environmentally Friendly Technologies

Allergan has made its [approaches and technologies](#) used to achieve the results captured in Principle 8 available to the public through various initiatives such as the US EPA Energy Star and WasteWise Programs as well as through the [Allergan website](#), trade publications and speaking engagements.

### Principle 10 Corruption

Allergan has established positions against corruption including bribery in its [Code of Ethics](#). Allergan has also committed to the UN Global Compact Anti-Corruption and Bribery Principle by becoming a signatory to the CEO Letter on Anti-Corruption.

Allergan will continue to look for opportunities to improve its performance in this area.

### Conclusion

Allergan will continue to enhance support of the UN Global Compact Principles. Allergan will collaborate with the UN Global Compact on methods and means to improve its performance and the performance of all entities regarding these Principles.

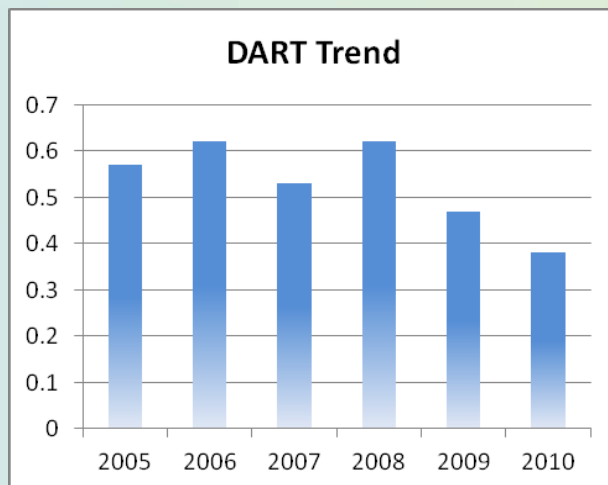


## Allergan Sustainability Performance Report

### Safety Performance Trend

Allergan's injury and illness frequency rate has dropped steadily since 1991. In 2010, Allergan's injury and illness frequency rate was 0.89 normalized to 200,000 hours worked. Allergan and its contractors have had no fatalities in 2010. Allergan's goal during the period is to reduce and maintain the incident rate to less than 1.00. In order to maintain this extremely low frequency rate, Allergan expanded programs in 2005 and 2006 to include behavior-based safety (Safe Start Program), Kaizen safety events, detailed risk assessments, improved training, and metrics. These programs have helped Allergan maintain the high level of performance in the safety area.

Allergan had a very low Days Away from work-Restricted duty-Transferred duty (DART) case rate of 0.38 normalized to 200,000 hours worked in 2010. Allergan continues to work with injured employees to return them to work as soon as possible.



### Climate Change and GHG Trends

Allergan has focused on climate change since 1996 directly when we joined the USEPA Climate Wise Program. Previous to this Program involvement, Allergan has always been looking for efficiency improvements regarding energy use. Allergan joined the USEPA Energy Star Program in 2000 after having participated in the USEPA Green Lights Program from 1994 to 2000. Allergan participated in the US DOE 1605b Voluntary Greenhouse Gas Reporting from 1998 through 2007. Allergan has responded to the Carbon Disclosure Project since 2004. Allergan has participated in the California Climate Action Registry between 2006 and 2008 and participated in The Climate Registry for 2008 and 2009. Allergan submitted its North American 2008 GHG emissions data to The Climate Registry in 2009 and submitted the 2009 North American GHG emissions data in April 2010. The emissions data and inventory for 2008 and 2009 have been verified by TUV SUD America, Inc.. Allergan Pharmaceuticals Ltd. located in Westport Ireland has had a greenhouse gas permit since 2006. The location has successfully been able to meet the commitments of the permit and more in this short time. The permit requirements are externally verified each year by a third party under the auspices of the Irish EPA. In 2011, Allergan has third-party verified and certified its greenhouse gas emissions for Allergan worldwide again using the services of TUV SUD America, Inc. The certification was conducted according to the ISO 14064 standard.

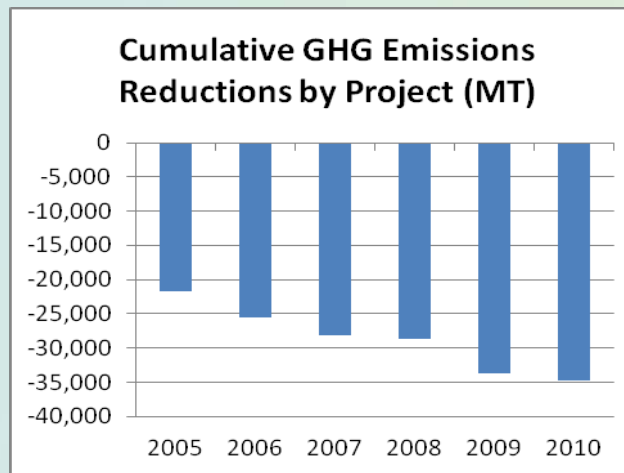
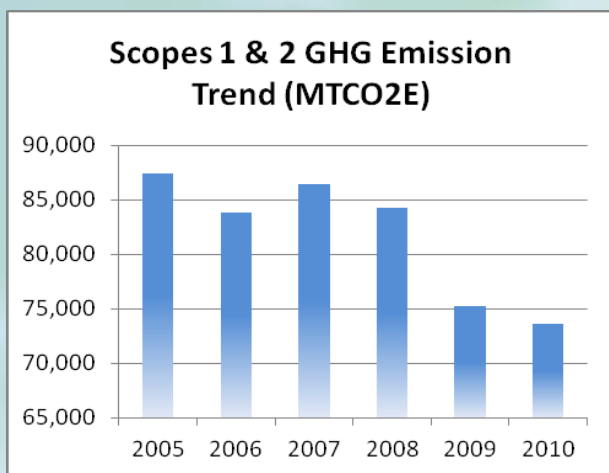
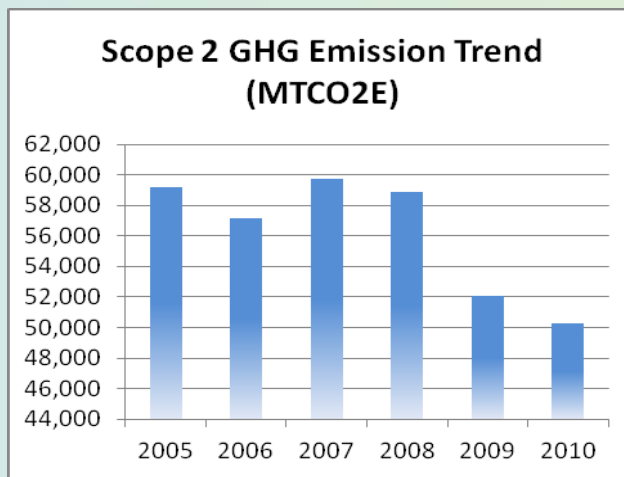
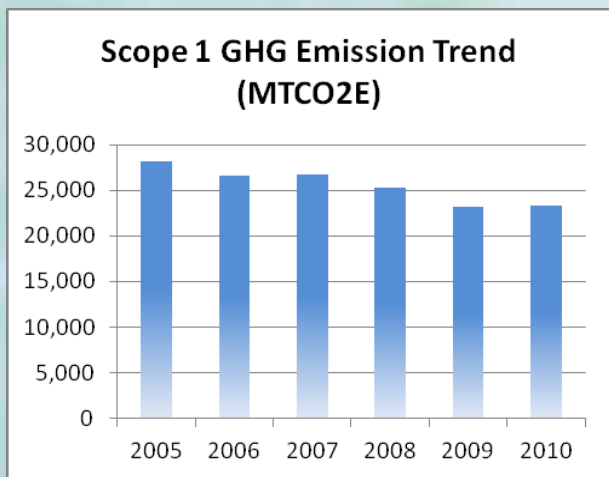
All Allergan facilities are reporting energy consumption. All R&D and manufacturing facilities have targets regarding energy consumption reductions and efficiency improvements. The Allergan vehicle fleets worldwide are reporting energy consumption and have established auto selections in their fleets that are improving fuel efficiency. Allergan is collecting information from commercial offices and distribution centers (generally third-party operated). Allergan is considering how to work with suppliers and customers to share our successes and methods as well as to encourage energy efficiency and subsequent reductions in greenhouse gas emissions. Allergan is also measuring carbon footprints for its facilities and the corporation as a whole as well as testing how this process would be conducted and developed for specific product lines. This is a challenging endeavor given all the options for supply chains regarding each product.

Allergan sees opportunity in these endeavors and expects that the implementation of these approaches will better position the company versus our competitors for sustainable growth.

## Allergan Sustainability Performance Report

The 2010 overall GHG profile for Allergan are presented in the following figures. 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. GHG emissions decreased by 2% vs. 2009 even with the addition of the new facility acquisitions. These acquisitions have significantly changed Allergan's carbon footprint on an absolute basis. Allergan would have been at pre-1998 levels if the recent acquisitions were not included. Projects to reduce energy consumption and consequently Allergan's GHG emissions at these new facilities are already underway.

Allergan met the planning period goal of reducing GHG emissions by 5% for its R&D and manufacturing operations using 2005 as the baseline year with more than a 10% reduction over the five-year period. With that achieved, Allergan has set an aggressive goal of 25% reduction during the next five-year period to end in 2015.

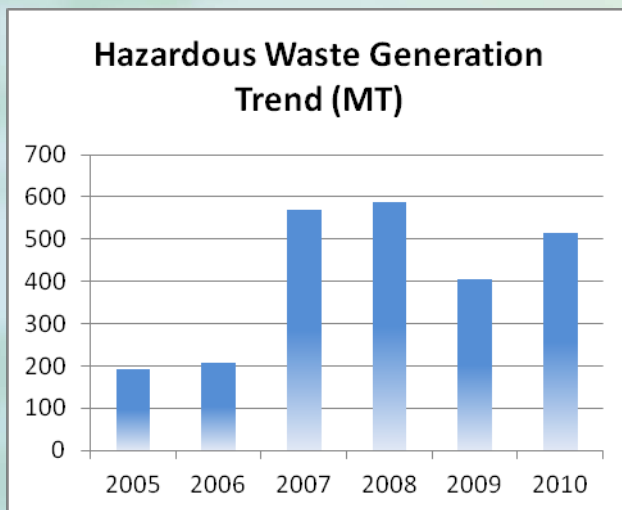


On a normalized to sales basis, the GHG emissions decreased by 60% in 2010 vs. 2005. The effect of the new facilities when normalized to sales demonstrates Allergan's success at GHG emissions reduction. On a normalized to square footage basis, the GHG emissions decreased by 45% in 2010 vs. 2005. On a normalized to production unit basis, the GHG emissions decreased by 58% in 2010 vs. 2005. The effect of the new facilities when normalized to square footage demonstrates Allergan's success at GHG emissions reductions. Allergan has aggressively improved the energy efficiency of existing systems and designed energy efficiency into new projects. The company has also consolidated operations. The energy efficiency improvements translated into avoided GHG emissions based on carbon dioxide equivalence, which cumulatively total more than 34 thousand metric tonnes in 2010.

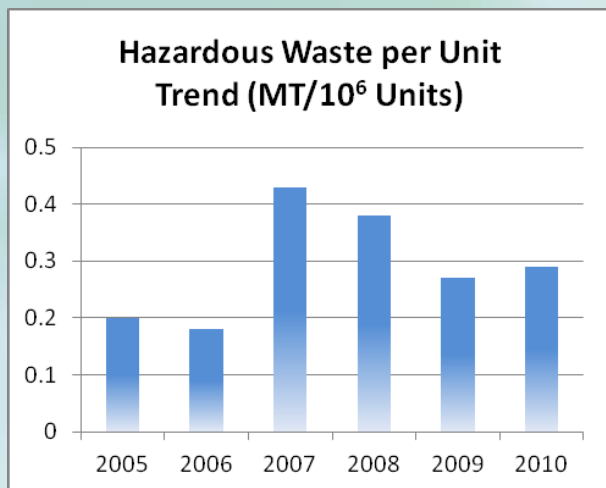
## Allergan Sustainability Performance Report

### Hazardous Waste Performance Trend

On an absolute basis, the hazardous waste increased by 30% in 2010 vs 2009. The primary reason for the increase in hazardous waste was due to tripling the production at the Allergan Medical facility located in Heredia, Costa Rica. This was after a massive decrease in hazardous waste generation at the Allergan Medical facility located in Pringy, France. Several opportunities have been identified and are being implemented at the Costa Rica facility to reduce the hazardous waste generated in 2011 and beyond. Allergan has set an aggressive target of 25% waste reduction based on 2010 levels to be achieved by 2015.



The hazardous waste generation is also normalized to production quantities for purposes of showing efficiencies. A 7% increase was seen in 2010 versus 2009 also when normalized to production units. The hazardous waste generation is also normalized to Allergan sales for purposes of showing efficiencies. The reduction in hazardous waste generated by the corporation and sent off site for disposal versus sales between 2010 and 2009 was 11%. These normalized measures demonstrate that Allergan continues to become more efficient in its R&D and manufacturing operations.



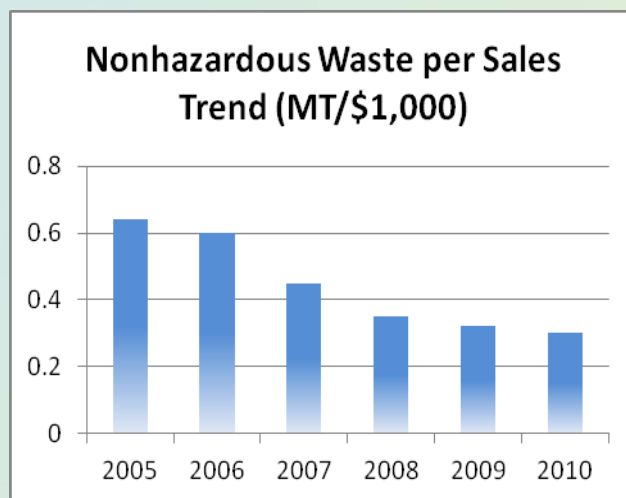
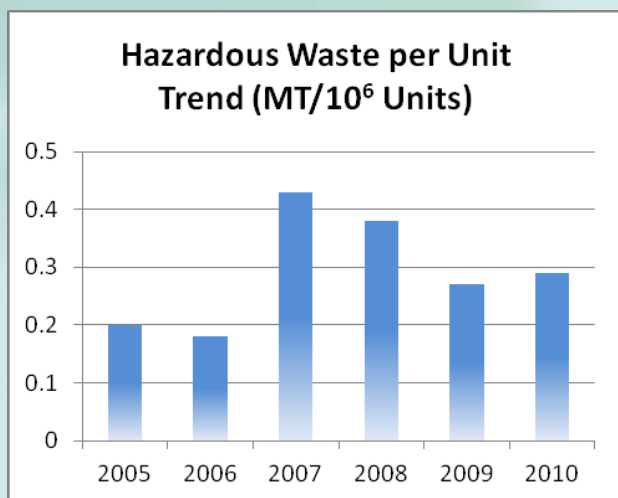
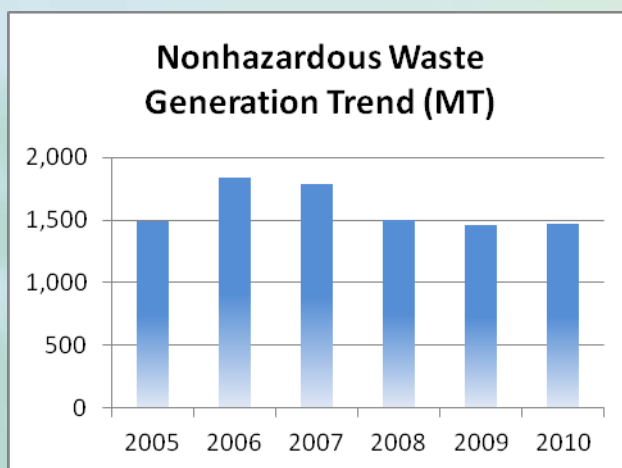
## Allergan Sustainability Performance Report

### Nonhazardous Waste Performance Trend

The goal for 2010 was to reduce the waste generated by 2% vs. 2009. Allergan achieved a 1.5% reduction in 2010 vs. 2009. The waste generated per production unit decreased by % in 2010 vs. 2009. The waste generated per sales units reduced % in 2010 vs. 2009. Allergan has set an aggressive goal for the next five-year period to reduce waste generation by 25%. Plans are developing to make this a reality.

Nonhazardous waste reduction is accomplished in two ways: 1) waste prevention through improved production yields and minimization of packaging, and 2) recycling. As indicated below under the recycling section, the quantity of material recycled is tremendous. The amount of waste generated that is recycled is currently more than 71%.

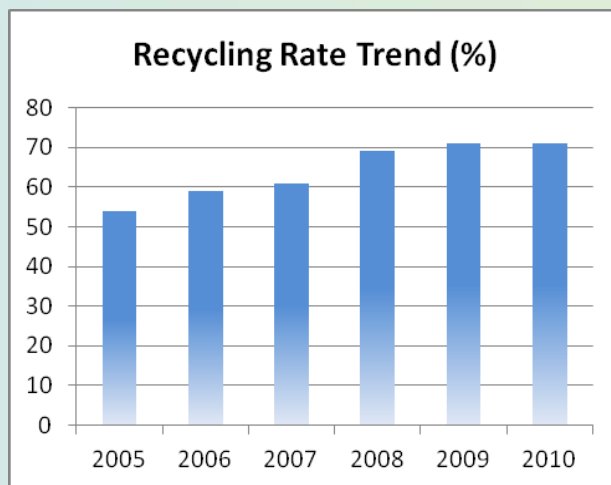
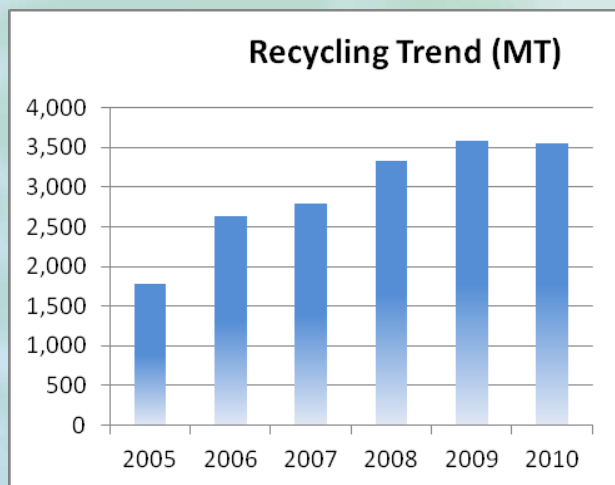
Allergan continues to participate in the US Environmental Protection Agency (US EPA) Waste Wise Program. Waste prevention, reduction, recycling, and purchase of recycled-content products are reported annually to the US EPA. Allergan has been recognized as a Waste Wise Program Champion or Climate Change Leader in 1998, 1999, 2000, 2001, 2005, 2009 and 2010, and received EPA commendations in 2002, 2003, 2004, 2006, 2007 and 2008.



## Allergan Sustainability Performance Report

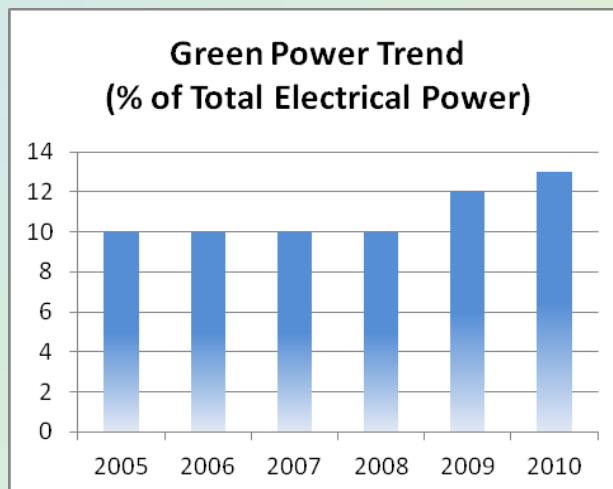
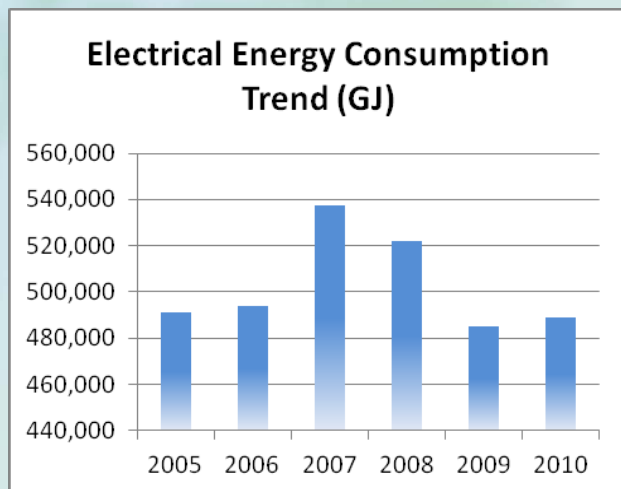
### Recycling Trend

Allergan increased its recycling rate from 29% in 1995 to 71% in 2010. The goal in 2010 was to increase the recycling rate to greater than 70%. The absolute quantity of recycled materials was greater in 2010 versus 2009 remained flat. Recycling rate is derived from the total recycled materials quantity divided by the total nonhazardous waste generated including waste going to offsite disposal and waste being recycled. Allergan is pushing this already high rate of recycling to 75% during this next five-year period ending in 2015.



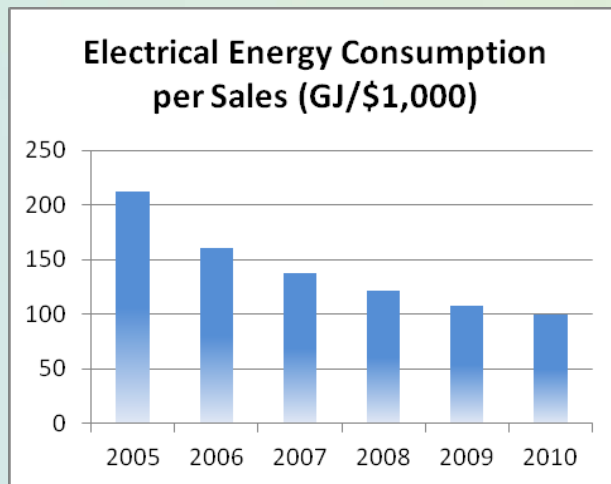
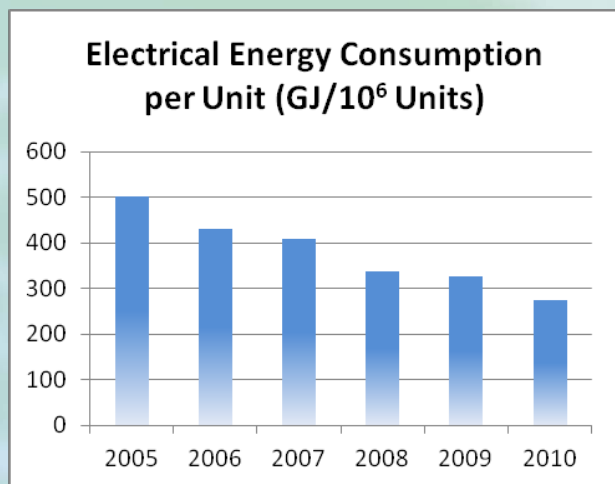
### Energy Consumption Trend

Allergan began a decrease in electrical energy consumption in 2000 due to upgrading manufacturing equipment, energy efficiency in renovations and new buildings, and consolidation of facilities. This trend in reduction had reversed between 2002 and 2005 due to major expansions at all major locations. The acquisition of Inamed Inc. also added a new base to the utility and waste aspects of Allergan performance in 2006. The acquisition of Allergan Laboratoire Corneal and EndoArt SA in 2007 and Serica Technologies, Inc. in 2010 also increased the overall electrical consumption. These sites are now collectively known as Allergan Medical. In 2010 versus 2009, electrical energy consumption remained flat on an absolute basis. Allergan has used tools such as Lean 6 Sigma, DMAIC, metering and sub-metering, and Energy Star performance indicators to ensure that energy efficiency is maintained. The Inamed locations have several energy efficiency opportunities being implemented. Allergan has set an aggressive goal to reduce energy consumption by 25% by 2015 using 2010 as the baseline year. Plans are developing to ensure that this goal is achieved.



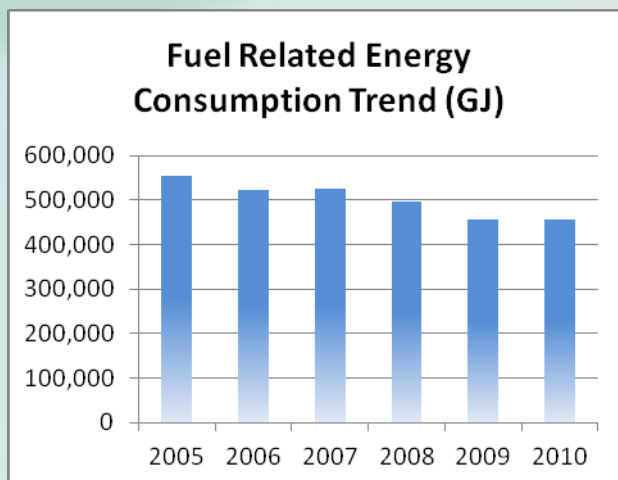
## Allergan Sustainability Performance Report

On a per production unit basis, the electrical energy consumption has decreased since 2005 in spite of the new business acquisitions. The decrease in 2010 versus 2009 was over 15%. On a per sales basis, the electrical energy consumption has decreased steadily since 1998. A more than 8% improvement in sales normalized electrical energy consumption efficiency occurred in 2010 versus 2009.

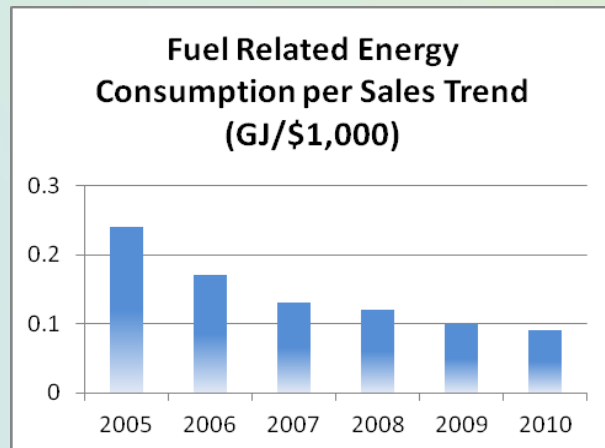
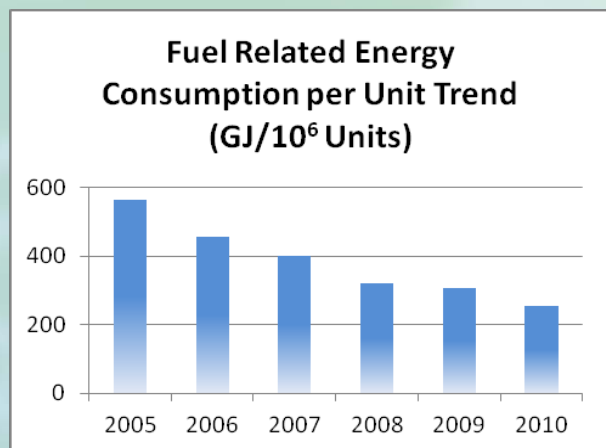


Allergan has consumed a percentage of its electrical energy produced by green power sources such as wind, solar, geothermal, biomass and small hydroelectric. The figure below represents the percentage by year. Allergan has purchased green power directly through its utilities. The green power purchased now makes up 13% of Allergan electrical power sources for all facilities worldwide. Allergan has chosen the high bar defining what constitutes green power by using the California definition of green power. The percentage would be much higher if one considered hydropower and nuclear as clean energy sources. All acquisitions through 2010 have been included in the data presented.

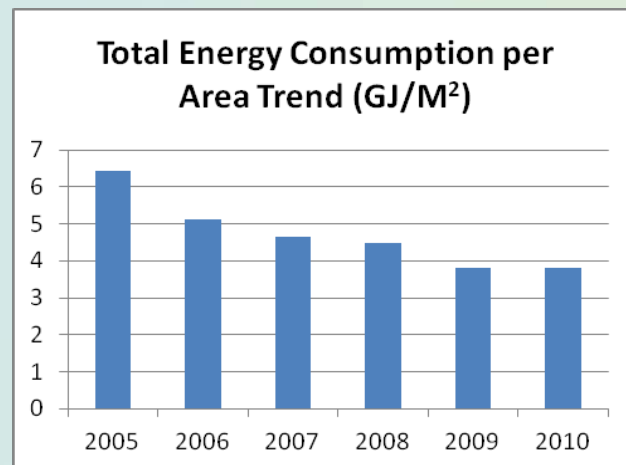
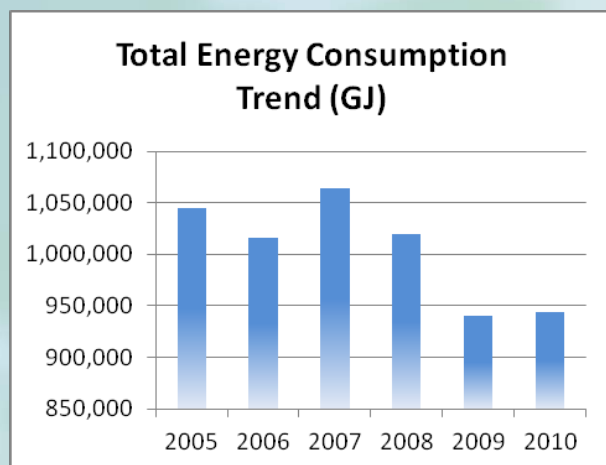
Allergan's fuel consumption trend increased dramatically in 1995 due to the upgrading of a central utility plant at our Westport, Ireland facility. A second increase occurred with the same upgrades at the Guarulhos Brazil facility in 1999. A third expansion occurred at both Irvine (two new R&D buildings) and Waco facilities in 2004/2005. This was done to satisfy numerous expansion projects and increased manufacturing requirements from the Food and Drug Administration (FDA) and other Ministries of Health. In 2006, 2007 and 2010, Allergan acquired four new businesses. The impacts of these acquisitions and the expansions ongoing at each of the facilities have been fully integrated. Conservation projects were implemented in order to reverse the trend in fuel consumption at these and existing facilities. Allergan decreased fuel consumption in 2010 by 3.4% vs. 2009. Allergan has set aggressive energy reduction goal to reduce energy consumption including fuel consumption by 25% in 2015 using 2010 as the baseline year.



## Allergan Sustainability Performance Report



Overall, Allergan has implemented projects and reduced the total energy consumption by 10% by 2010 vs. 2005 far exceeding our strategic goal of 5%. Allergan has set a goal of reducing its overall energy consumption by 25% in 2015 vs. 2010. This is an aggressive target given all the work already completed by Allergan to date.

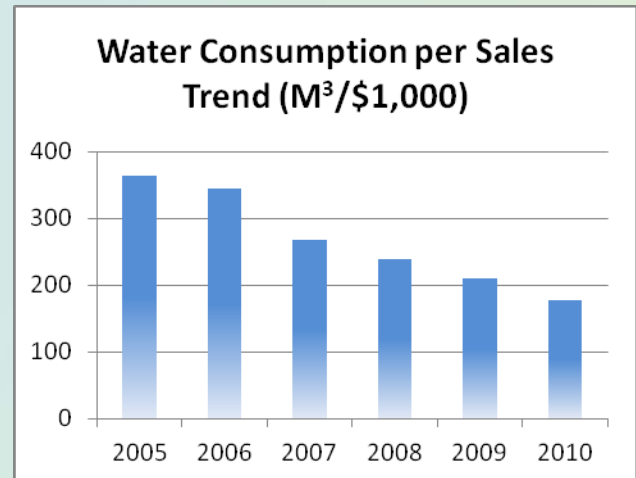
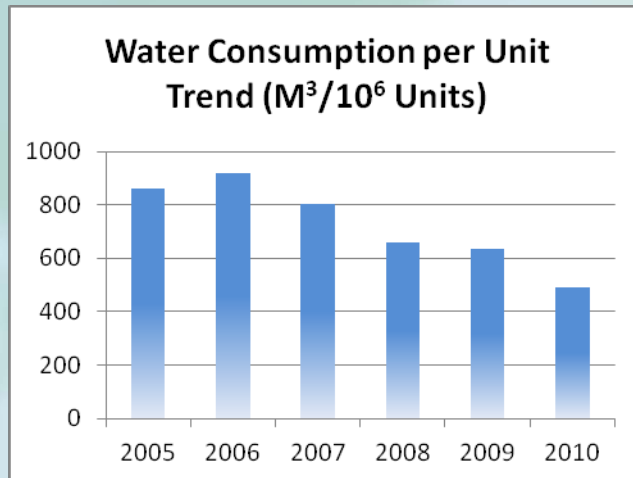
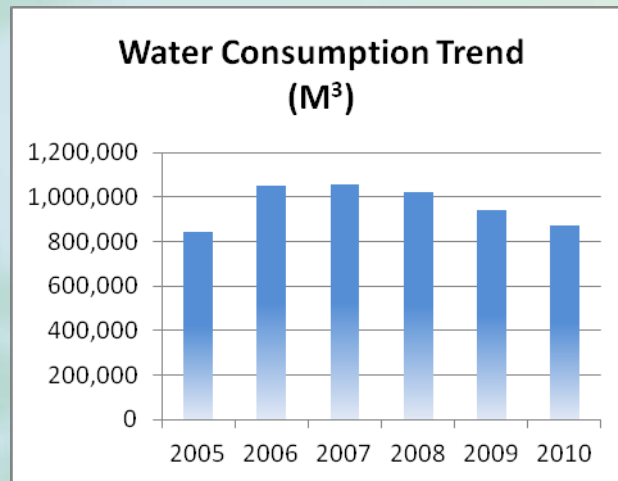


Allergan has seen generally a decline in total energy consumption on a per square meter basis since 2000. This trend demonstrates Allergan's effective energy management program. The reduction in 2010 vs 2005 was approximately 40% on a per square meter basis. The normalized trend demonstrates Allergan's commitment and results regarding energy conservation and management.

## Allergan Sustainability Performance Report

### Water Consumption Trend

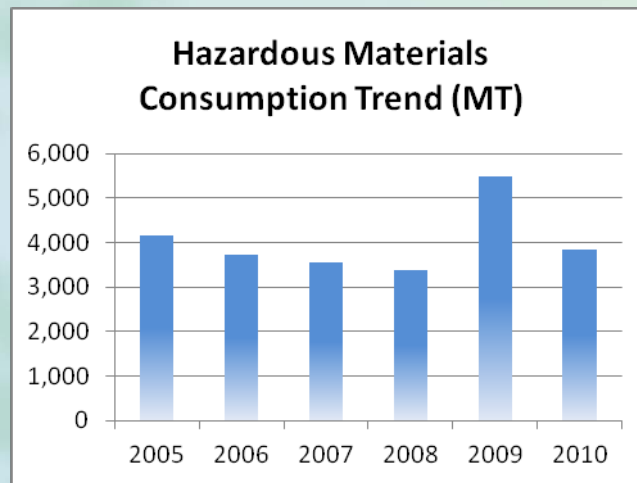
In 2010, the water consumption increased by 8.5% vs. 2009 in absolute terms. It is also expected with the major expansions and construction completed at all facilities that the water consumption will be more efficiently managed. Reclaimed water has been used at the Irvine location for many years for irrigation purposes. On a per unit basis, water consumption continues to decline. Water consumption normalized to facility area demonstrates the effectiveness of Allergan's water conservation programs. The use of lean 6 sigma processes to focus on water use and potential water conservation opportunities has yielded excellent results. Allergan has set an aggressive goal to reduce the water consumption by 25% in 2015 using 2010 as the baseline.



## Allergan Sustainability Performance Report

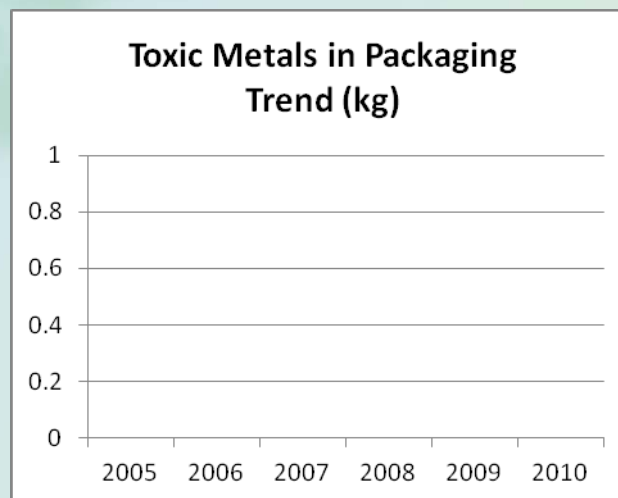
### Hazardous Materials Consumption Trend

Allergan consumption of hazardous materials, as defined by US Occupational Health and Safety Administration (OSHA), during production continues to be measured. The impact of Allergan Medical has been incorporated into the system at this point which has increased the overall hazardous materials consumption in 2010. So we are capturing more data in 2009 and 2010 than we had in previous years. The amount of hazardous materials consumed in 2010 was less than that consumed in 2009 even with a significant increase in units produced. Allergan is very efficient with its raw material consumption and improving this every year.



### Packaging Metals Reduction Trend

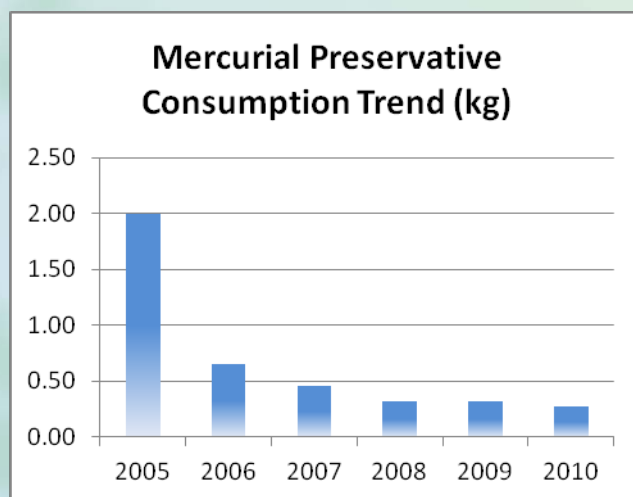
Toxic metals (cadmium, hexavalent chromium, lead and mercury) in packaging components were eliminated in 1996 through a company-wide effort.



## Allergan Sustainability Performance Report

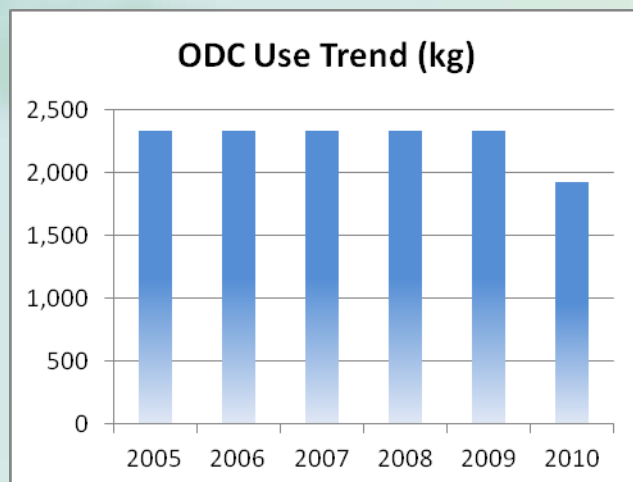
### Mercurial Preservative Consumption Trend

Thimerosal, Phenylmercuric Acetate and Phenylmercuric Nitrate consumption has declined steadily since 1996. Product reformulations, new product introductions without thimerosal, phenylmercuric acetate and phenylmercuric nitrate, and product attrition have accounted for this decline. In 2010, the thimerosal, phenylmercuric acetate and phenylmercuric nitrate consumption declined by 99% versus 1996. The strategic goal is to achieve a 99% reduction by 2010 versus 1996 was achieved.



### Ozone-Depleting Compounds Use Trend

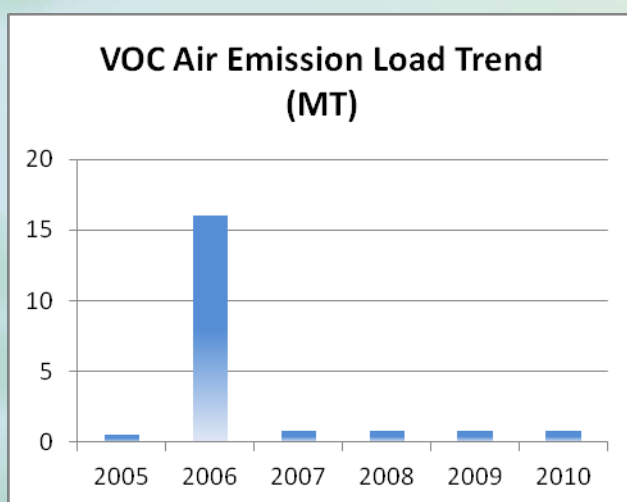
Allergan has eliminated 99% of the usage of ozone depleting compounds (ODC) at its facilities. In 2010, the use of CFC-11 in one chiller at Allergan Pharmaceuticals in Waco, an ODC, was discontinued resulting in an 18% reduction in CFC-11 use at Allergan as compared to 2009. In 2011, the remaining CFC-11 chiller will be replaced which will totally eliminate CFC-11 from the site.



## Allergan Sustainability Performance Report

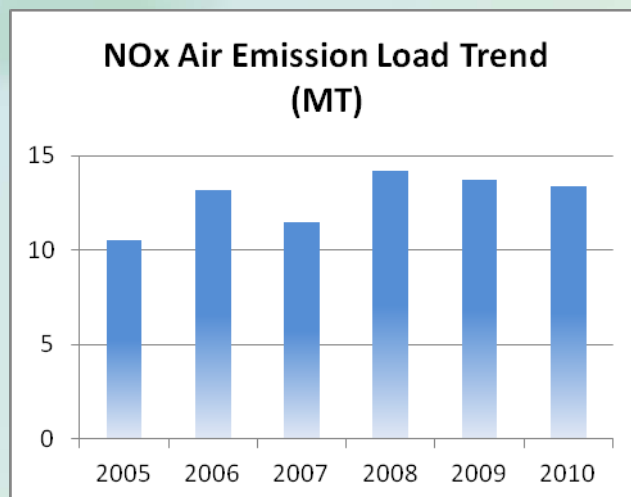
### Volatile Organic Compound (VOC) Emissions Trend

Allergan instituted controls to minimize the emissions of acetone from its Westport Ireland tablet coating operation in the early 1990s. Allergan developed and implemented new processes for tablet manufacturing and coating at its Guarulhos, Brazil facility in 1998. These process changes eliminated chloroform, methylene chloride, acetone, isopropanol, and ethanol emissions. The air emissions have been reduced to approximately 1 ton/year and reduced by greater than 99% as compared to 1999 emissions figures. In 2006, due to the “spin off” of the AMO manufacturing from the Westport facility, Allergan tablet coating emissions were eliminated from all Allergan facilities. This action met the intent of the goal to eliminate process-related volatile organic compound (VOC) air emissions from all facilities by 2006. When Allergan acquired Inamed, now known as Allergan Medical, xylene emissions associated with implant manufacturing operations added another emission source to the Allergan inventory. Allergan has again reduced air emissions to approximately 1 ton/year for all point sources.



### Nitrogen Oxide (NOx) Emissions Trend

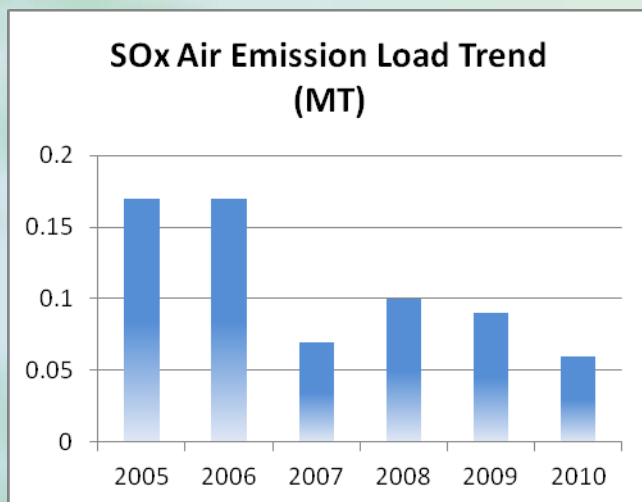
Allergan has negligible nitrogen oxide emissions from its facilities. These emissions are associated with fuel combustion for its boiler operations primarily. The nitrogen oxide emissions are unregulated at most of the locations due to the low levels of these emissions



## Allergan Sustainability Performance Report

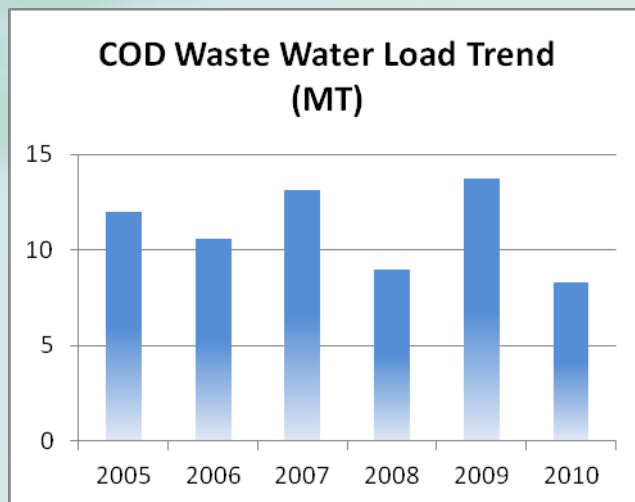
### Sulfur Oxide (SOx) Emissions Trend

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



### COD Emissions Trend

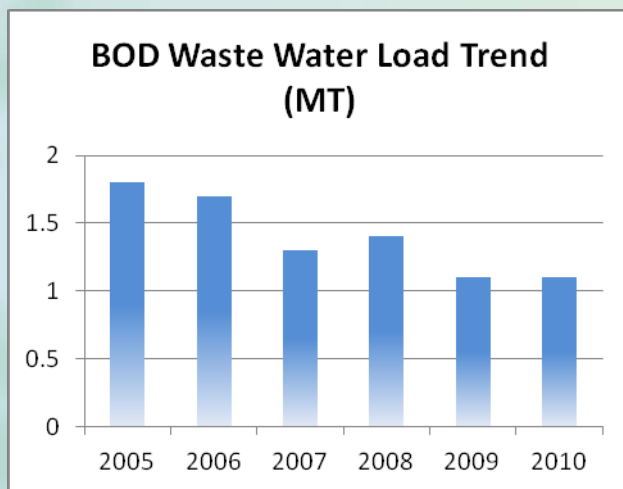
Chemical Oxygen Demand (COD), a measure of oxygen demanding chemicals in wastewater, has been reduced significantly due to wastewater equalization, neutralization and aeration facilities at the core manufacturing facilities. The improvement in materials use efficiency has also helped to reduce the COD levels. The COD emissions reduced to approximately 7.6 tons/year in 2010 and reduced by greater than 30% as compared to 2005 COD emissions figures. Allergan is currently well below permitted discharge levels for COD at all facilities.



## Allergan Sustainability Performance Report

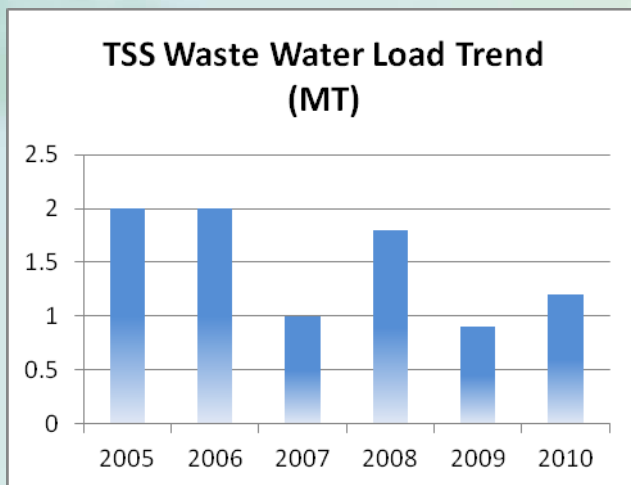
### BOD Emissions Trend

Biochemical Oxygen Demand (BOD), a measure of oxygen demand through biochemical processes in wastewater, has been reduced significantly due to wastewater equalization, neutralization and aeration facilities at the core manufacturing facilities. The improvement in materials use efficiency has also helped to reduce the BOD levels. The projected BOD emissions reduced to approximately 1.1 tons/year. Allergan BOD emissions have reduced 38% during the current planning period. Allergan is currently well below permitted discharge levels for BOD at all facilities that monitor this parameter.



### TSS Emissions 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. The 2009 TSS emissions reduced to approximately 1 ton/year. Allergan TSS emissions have reduced 40% during the current planning period. Allergan is currently well below permitted discharge levels for TSS at all facilities that monitor this parameter.

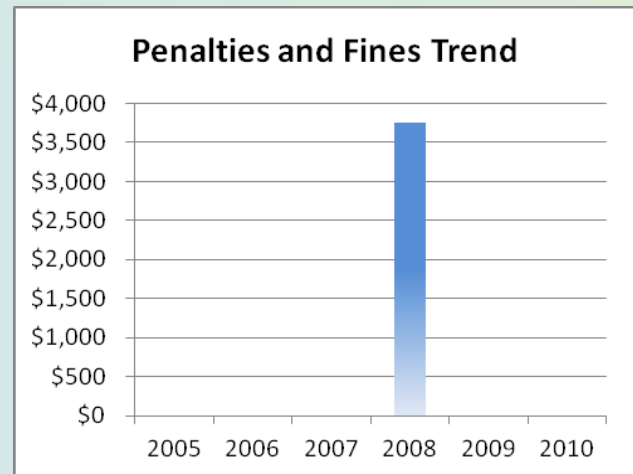
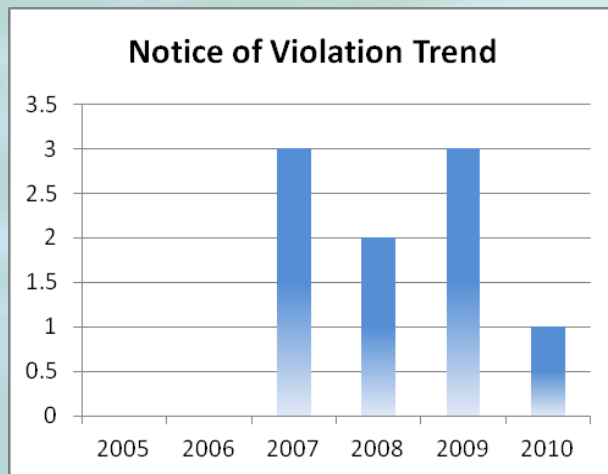


## Allergan Sustainability Performance Report

### EHS Regulatory Compliance

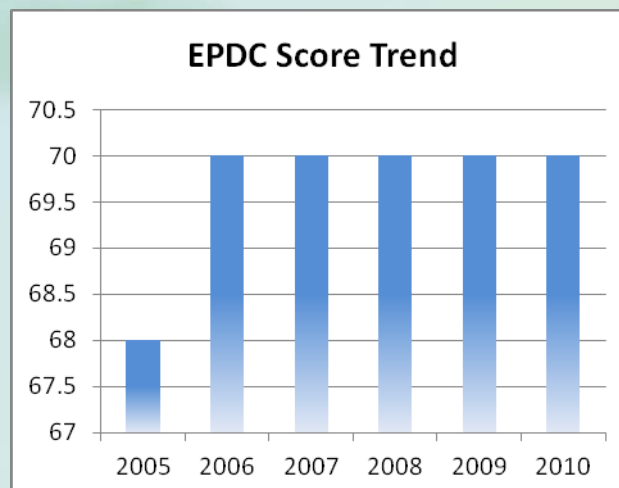
Allergan did not receive any penalties or fines in 2010. Allergan continues to be viewed by local regulators as a model business from an EHS perspective and Allergan has served as a demonstration example at its Waco, Texas manufacturing location for US EPA auditors auditing the City of Waco environmental permit compliance program. The Allergan Medical facilities have had no adverse impact on Allergan's regulatory performance.

Allergan has maintained very low levels of notices of violation for exceeding permitted limits at all its R&D and manufacturing locations over the past fifteen years. In 2010, this trend continued. Allergan has implemented corrective actions to ensure that it returns to the 2005/2006 performance level.



### Allergan EHS Product Design

Allergan developed an Environmental Product Design Criteria (EPDC) in 1994. One product was evaluated against these Criteria in 1994. Over the preceding years, the Criteria have been modified three times with the latest revision including health and safety parameters as well as environmental parameters.

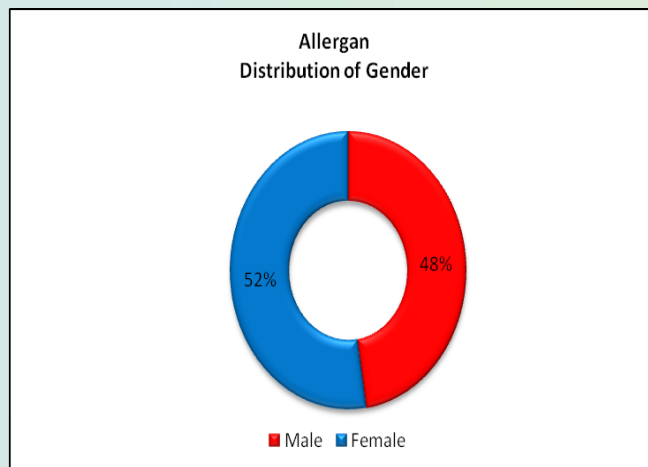
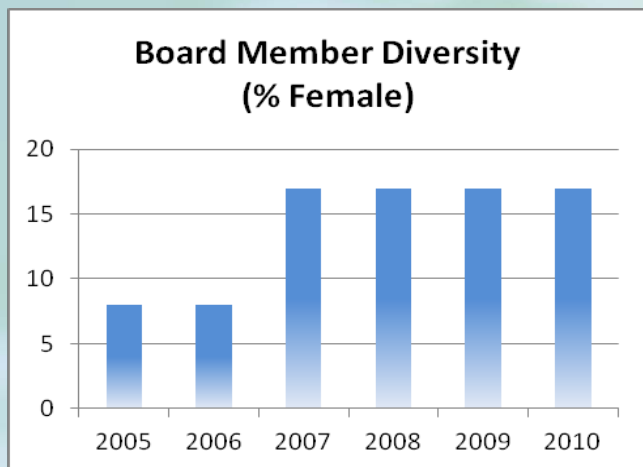


## Allergan Sustainability Performance Report

The Criteria has a set of worksheets that are completed by both EHS and R&D representatives. One worksheet evaluates the new product formulations considering use of restricted materials (toxic metals such as cadmium, hexavalent chromium, lead, or mercury), threshold limit values (TLV), lethal dose measurements (LD50), threshold planning quantities, reportable quantities, generation of hazardous waste, use of carcinogens (including mutagens and teratogens), generate hazardous air emissions, generate toxic water discharges, or require any other governmental reporting. The second worksheet evaluates the packaging design for the new product and considers use of restricted materials (toxic metals such as cadmium, hexavalent chromium, lead, or mercury), packaging weight reductions as compared to existing similar products or alternative packaging options, recycled-content materials use, reusable by Allergan, packaging material recyclability, and level of packaging elimination versus existing packaging or other packaging options. A third worksheet totals the scores for each new product optional formulation and/or packaging. A fourth worksheet requires a justification for not selecting the options with the best EHS performance. The maximum score achievable is 100. Allergan evaluated existing products prior to 1994 to develop a baseline. The figure demonstrates that Allergan has consistently improved EHS product design over the period since 1994. The improvement in EPDC score has increased 65% when comparing pre-1994 EPDC scores to current average new product EPDC scores.

### Diversity, Training, Development and Recognition

The strength of our organization rests upon our diverse, talented and committed employees, approximately 9,000 in 2011, an increase of nearly 10%. We are committed to a diverse and inclusive workplace – where colleagues of all backgrounds have the opportunity to be successful. In 2010, women comprised 52% of our workforce and 37% of our leadership roles. This includes more than 35% of our manager and director roles, and nearly 25% of our executive positions. We are also fortunate to have two exceptional female members of our Board of Directors who bring truly exceptional credentials to our organization and are committed to its development.



We are committed to being an inclusive and developmentally rewarding place to work. Our lean and efficient structure encourages responsibility and accountability that enables each and everyone to make an individual and collective difference with the opportunity to be noticed and recognized for accomplishments. A comprehensive learning management system was implemented in 2009 and 2010; it ensures consistent and comprehensive compliance and technical training takes place, and provides powerful reporting tools. In 2010, we began making significant additional investments in career and leadership development and, in 2011, will rollout a model and curriculum to ensure all of our employees have significant opportunities to grow and develop, and that Allergan has the talent pool necessary to sustain its 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. Our employee benefits programs are competitive for our business, and align with the uniqueness of our geographic markets.

# Allergan Sustainability Performance Report

## 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 assures that risks associated with land use, operations and impacts to biodiversity are identified and mitigated. Allergan assures compliance with international, national and local regulations and guidelines regarding biodiversity protection and preservation. Allergan assures open space and green areas are included in land use planning at our operations. Allergan assures consistency between Allergan sites regarding land use. 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 such as the Lake Waco Wetlands Habitat Preservation project supported by Allergan Pharmaceuticals Waco Texas volunteers with support from Allergan. As well as the Newport Back Bay Conservancy located in Irvine California and the Allergan Pharmaceuticals Ltd Westport Ireland volunteers that support rainforest preservation and local biodiversity preservation. Allergan agrees with the principles included in the UN Convention on Biodiversity and strives to meet these principles.

## Philanthropy and Community Interaction

Allergan has been continuously involved in [community activities](#) and prides itself regarding the voluntary efforts in which the company and individuals within the company participate. [The Allergan Foundation](#) is a U.S.-based, private charitable foundation established by Allergan, Inc. in 1998 with a mission to make a positive and lasting impact on the community. The Allergan Foundation lends philanthropic support and involvement to organizations working hard to make the lives of individuals healthier and happier and to make their communities better places to live, now and in the future.

Since inception, The Allergan Foundation has made grants of nearly \$31.4 million, focusing support in four philanthropic areas: the arts, civic programs, education, and health and human services. As part of The Allergan Foundation's commitment to health and human services, the Foundation 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. Every organization receiving support from The Allergan Foundation is dedicated to addressing unmet needs in its community, and Allergan is proud to support the Foundation in that effort.

## Conclusion

Allergan has successfully completed its third five-year Sustainability Strategic Plan. Allergan has been evaluated by many organizations and based on these assessments is a three-time member of the Dow Jones Sustainability Index North America and USA as well as a member of the FTSE4Good Index since inception. Allergan is also a member of the Domini 400 Indexes and has been for several years. Allergan received the US EPA WasteWise Climate Change Award in 2010. Allergan located in Waco Texas received the US EPA Energy Star Pharmaceutical Plant Energy Efficiency certification for the third year in a row. Allergan located in Irvine California received the Waste Reduction Award Program (WRAP) Award in California in 2010. Allergan Pharmaceuticals Ireland received the 2010 National Irish Safety Organization (NISO) Safety Award. Allergan Pharmaceuticals Brazil received the Pharma Union Safety Award in 2010. Allergan also completed the Carbon Disclosure Project [survey](#) establishing Allergan's positions regarding climate change and water disclosure. Allergan facilities worldwide also certified greenhouse gas emissions verified by TUV SUD America, Inc. Allergan also became Climate Registered™ by The Climate Registry in 2010. Finally, Allergan has committed to the [UN Global Compact](#) and specifically to the programs related to climate change, water conservation, and anti-corruption practices. Allergan looks forward to achieving even greater success during the next strategic period.

## Allergan Sustainability Performance Report





GREEN RANKINGS

OUR EXCLUSIVE ENVIRONMENTAL RANKING  
OF AMERICA'S 500 LARGEST CORPORATIONS.

CLIMATE CHANGE POLICIES

CARBON FOOTPRINT

ENERGY EFFICIENCY

CSR

**Allergan #19 in S&P 500**  
**Allergan #3 in Pharmaceutical Sector**

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