



**ABBOTT GLOBAL  
CITIZENSHIP REPORT**  
2013



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## To Our Stakeholders

FROM OUR CHAIRMAN AND CEO

**“Abbott fulfills its potential as a company by helping others to fulfill theirs. This applies to all that we do as an innovator, as a business, as an employer and as a neighbor.”**



**MILES D. WHITE**  
CHAIRMAN AND CHIEF  
EXECUTIVE OFFICER

There are almost 70,000 Abbott people around the world today. And we understand well how fortunate we are to be part of such a company. Our work and success not only provide for us and our families, they also contribute powerfully to improving literally millions of lives around the world.

This has been our story for more than 125 years now. And it creates a certain culture and worldview. I think it is fair to say that our perspective at Abbott is highly optimistic – all the more because it’s an optimism built on experience and facts. We know that it’s possible to face the gravest of challenges – heart disease, malnutrition, diabetes, HIV – and to succeed, step by step. Our long experience makes it clear that effort and commitment can always make things better – not perfect, but better; and then you take the next stride to make it better still.

We call this way of looking at things the Upside. We know there’s always one there – no matter how hard it might be to see, or how far out of reach it may seem. And it applies not only to our science, or the new technologies it produces to help people live healthier lives, but to everything we do as a company.

Abbott fulfills its potential as a company by helping others to fulfill theirs. This applies to all that we do as an innovator, as a business, as an employer and as a neighbor. We’ve thought intently on the role a company like ours should play in society, and have defined three core priorities that ensure we’re doing the right things and doing them in the right ways.

First, we’re committed to delivering product excellence. That’s our fundamental purpose and our reason for being. Our promise is that when you use a product with the name Abbott, you can trust that it will have been thoroughly tested and manufactured to the highest quality standards. Second is continually improving access to healthcare. We want the products we create to reach the people who need them, around the world, and we work with government, NGOs and other partners to continually expand availability. Finally, and just as importantly, we’re committed to safeguarding the environment – the foundation of health for all of us. We take continual steps to reduce the impact of our operations, decreasing emissions and water use to make our environmental footprint as light and small as possible.

Again, it all comes down to that fundamental purpose that we’ve had since the beginning: improving lives. When making people healthier is why you go to work every day, it shapes the way you think and act. Making things better is deep in our culture at Abbott. It’s the way we approach anything that’s in our path. And it breeds a deep sense of respect and responsibility for our world and the people we serve. I think this report vividly illustrates that philosophy at work, the great results it can produce and the difference it can make in people’s lives. I hope you find our report both enlightening and encouraging, and I thank you for your interest in our work.





# BUSINESS

IN THIS SECTION

Our Business

5





## Our Business

**\$8.5**

**BILLION**  
Spent with suppliers.

**\$882**

**MILLION**  
Returned in dividends to shareholders.

**\$1.45**

**BILLION**  
Invested in R&D.

**\$21.8**

**BILLION**  
Net sales worldwide.

### OUR BUSINESS

Abbott is a diverse, global healthcare company headquartered in north suburban Chicago in the United States, serving customers in more than 150 countries with approximately 69,000 employees.

Abbott has four core businesses – all focused on advancing innovations that provide better options and outcomes for people in their pursuit of healthy lives.

### DIAGNOSTICS

Our innovative instrument systems and tests help monitor a range of health conditions with speed, accuracy and efficiency. From automated immunodiagnosics systems and blood analyzers to sophisticated molecular diagnostics and point-of-care devices, our technologies provide healthcare professionals with information they need to make the best treatment decisions.

### MEDICAL DEVICES

Minimally invasive solutions for vascular procedures. Fast, accurate blood glucose meters. Proven laser-vision correction technologies. Our advanced medical device technologies are designed to help people return to their everyday lives faster and healthier.

### NUTRITION

We offer science-based nutrition products for every stage of life – from infant and pediatric to adult healthy living and therapeutic nutrition. Our products include leading consumer brands such as *Similac*, *Ensure*, *Glucerna*, *PediaSure*, *EAS* and *ZonePerfect*, as well as specialty products that help meet the nutritional needs of people with a variety of health conditions, such as cancer, diabetes, kidney disease and osteoporosis.

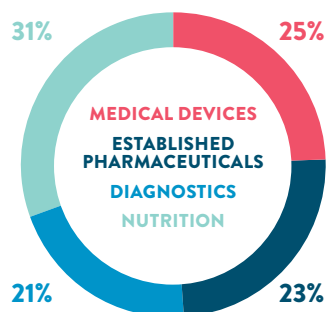
### ESTABLISHED PHARMACEUTICALS

We offer high-quality, affordable and trusted branded-generic medicines to help treat some of the most pervasive health conditions around the world. Through product enhancements such as new formulations, new indications and new packaging, we tailor our offerings to address regional health needs and provide access to trusted, proven medicines for those who need these products most.

We deliver results for patients and consumers, healthcare professionals, employees and shareholders, and our company's financial success enables us to continually invest, innovate and introduce new products that are changing the practice of healthcare. Our success also benefits stakeholders around the world. In 2013, for example, Abbott spent approximately \$8.5 billion with suppliers and invested \$1.45 billion in research and



### A GLOBAL AND BALANCED PORTFOLIO



#### 2013 REVENUE

Our balanced portfolio, with four leading businesses of roughly equal size, helps offset volatility in any single business or market.

development. Additionally, we contributed more than \$56 million in philanthropic grants, product donations and patient assistance from Abbott and our philanthropic foundation, the Abbott Fund.

#### CORPORATE GOVERNANCE AT ABBOTT

Abbott has long practiced strong, independent corporate governance. This is an essential step in building trust among stakeholders, particularly investors. Our Board of Directors has a longstanding history of a majority of independent members, who are elected annually through majority voting. This means our shareholders exercise considerable influence over Board composition. Abbott has established independence standards and governance guidelines, along with a published procedure enabling shareholders and others to communicate directly with Board members. The independent directors review the performance of our Chairman and CEO annually. Among the criteria for Board members are a global business perspective and a commitment to global citizenship. Ten of the 11 Abbott directors are independent and elected annually.

Abbott has a strong corporate governance profile:

- The Audit, Compensation, Nominations and Governance and Public Policy Committees are composed solely of independent directors.

- The chairman of the Nominations and Governance Committee acts as lead director to facilitate communication with the Board and to preside over regularly conducted executive sessions of the independent directors or sessions where the Chairman of the Board is not present. The lead director reviews and approves matters such as agenda items, schedule sufficiency and, where appropriate, information provided to other Board members.
- Directors and officers are subject to stock ownership guidelines.
- Abbott's directors are elected annually through majority voting. Because of the majority vote requirement, shareholders exercise considerable influence over Board composition.
- Abbott has established independence standards, governance guidelines and a published procedure that enables shareholders and others to communicate directly with Board members.
- The Board and each of its committees have complete access to management and the authority to hire independent advisers as they deem appropriate.
- The independent directors review the performance of the Chairman and CEO annually.



# APPROACH

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## Changing Approach to Citizenship

### GLOBAL CITIZENSHIP APPROACH

To be a responsible, sustainable and inclusive business.

#### STRATEGIC PRIORITIES



**DELIVERING  
PRODUCT  
EXCELLENCE**



**IMPROVING  
ACCESS**



**SAFEGUARDING  
THE ENVIRONMENT**

WE WILL ACHIEVE POSITIVE RESULTS IN THESE  
THREE PRIORITY AREAS BY DELIVERING

**RESPONSIBLE  
BUSINESS  
PRACTICES**

**SHARED  
VALUE  
INITIATIVES**

**COMMUNITY  
ENGAGEMENT**

At the beginning of 2013, Abbott separated into two new global healthcare companies. The new Abbott remains a leader in diversified medical products, committed to advancing human health and well-being. The former research-based pharmaceutical business is now AbbVie, a global leader in biopharmaceuticals.

This major organizational change has provided us with an opportunity to evolve our approach to global citizenship. In developing our new strategy, we have sought to build upon and strengthen our long and distinguished record of making responsible business a fundamental part of the way we operate. We call our new approach “Finding the Upside.”

### FINDING THE UPSIDE

At Abbott, we believe that innovative, responsible and sustainable business plays an important role in building a healthy, thriving society. We strive to foster economic, environmental and social well-being through our operations and in our work with others.

**It starts with responsible and sustainable business.** Every day, people around the world depend on our products to live healthier lives. That’s why we run our business the right way, for the long term – for the benefit of the many people we serve.

But that’s just the beginning. We see potential everywhere.

**By building a more inclusive business,** we aim to reach more people, in more places, than ever before. From strengthening the capacity of suppliers, to creating products that address local-country health needs, we are always finding new opportunities to expand the positive impact of our people, products and business in communities around the world.

We can’t tackle every challenge. But what we *can* do is address the critical issues that best match our scientific expertise, business acumen and unique resources, applying innovation and ingenuity to find the answers. Knowledge and optimism are resources that grow in value the more they are shared. Healthy economies contribute to healthy communities. Opportunity is contagious.

It’s a way of doing business. It’s a way of solving problems.

It’s a way of realizing our potential by helping others realize theirs.

**That’s the Upside.**





## OUR GLOBAL CITIZENSHIP

In pursuit of the Upside, our Global Citizenship strategy addresses three priority areas that are most important for our stakeholders and our growth – Delivering Product Excellence, Improving Access and Safeguarding the Environment. These are the material areas where our core business can have a significant impact on society and the environment. Our approach to Global Citizenship enables us to deliver positive results in each of these priority areas by identifying opportunities to create shared value, and engage and invest in communities, all while ensuring we operate as a responsible and sustainable business.

### OUR PRIORITY AREAS

- **Delivering Product Excellence** – Everywhere we operate, and in everything we do, we are committed to constant innovation under the highest standards of quality and safety, to ensure we deliver sustainable solutions that help improve people's health.
- **Improving Access** – Our products and services play a vital role in improving healthcare around the world. We work with a range of partners, including healthcare professionals, patients, consumers and governments, to leverage our expertise and increase access to healthcare through a combination of educational programs and infrastructure development. Our continuing success depends on our consumers and

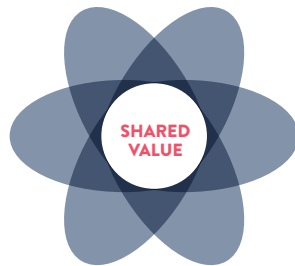
patients being empowered to make well-informed choices about their health.

- **Safeguarding the Environment** – We work to reduce our global environmental impacts through environmental stewardship initiatives that help protect the planet while improving efficiency, reducing costs and preserving our ability to do business in the future.

### RESPONSIBLE BUSINESS PRACTICES

The foundation of Abbott's approach to citizenship rests on being a responsible business. There are a number of principles that guide our business decisions and ensure we remain able to successfully meet the needs of society in a sustainable, successful manner while conserving resources and advancing social, environmental and economic best practices.

- **Supply Chain Excellence** – Supplier relationships are integral to our success, and we work closely with our suppliers to ensure high levels of performance in all aspects of quality, environmental excellence, compliance and social responsibility.
- **Valuing Our People** – We are committed to helping our employees fulfill their potential and build rewarding careers, exhibited through our award-winning workplace and employee programs.



CREATE POSITIVE SOCIAL  
IMPACT AT SCALE

DELIVER TANGIBLE  
BUSINESS VALUE

LEVERAGE ABBOTT'S  
KNOWLEDGE AND  
EXPERTISE

ADDRESS ISSUES THAT ARE  
OF SIGNIFICANT RELEVANCE TO  
OUR KEY STAKEHOLDERS

- **Ethics and Integrity** – Abbott maintains the highest standards of ethics and integrity in everything we do, ensuring we are consistently able to operate in a responsible manner.
- **Stakeholder Engagement** – Abbott is committed to actively engaging with stakeholders, gathering insights and feedback in a variety of ways. We recognize that listening to and responding thoughtfully to our stakeholders' concerns is critical to our business success.

#### CREATING SHARED VALUE

As part of our evolution in global citizenship, we see great opportunity to rethink our company's social investment, particularly related to reaching the growing consumer base in the markets of the future. We believe in shared value, which creates business value while solving social problems. This approach will most effectively allow our company to address some of the toughest social issues that are barriers to business success.

As we explore shared value at Abbott, we will seek to establish proactive partnerships that enable us to:

- Create positive social impact at scale
- Deliver tangible business value
- Leverage Abbott's knowledge and expertise
- Address issues that are of significant relevance to our key stakeholders

In doing this, we apply our scientific expertise, commercial acumen, resources and employee talents to make a positive impact on the world around us as we grow our business.

#### COMMUNITY ENGAGEMENT

Abbott will always seek to engage with the communities we serve, delivering programs that provide social and environmental benefits around the world and shaping our activities to reflect local concerns and priorities. In doing this, we seek out opportunities for catalytic community investment, building partnerships with stakeholders and investing in strategic activities that align with our business.



## Citizenship Management and Governance

Our commitment to good citizenship begins at the top. Global citizenship is valued and championed by our Board of Directors and led by our company's senior management.

At Abbott, we constantly work to embed and integrate our citizenship strategy with our core business strategy. For several years, our cross-functional Global Citizenship Working Group has led integration efforts at the company, while driving transparency in the reporting of our financial, social and environmental performance. The team includes representatives from Corporate Purchasing; Global Environment, Health and Safety; the Office of Ethics and Compliance, Quality and Regulatory Affairs; Human Resources; Supply Chain; R&D; Investor Relations; Government Affairs; and Commercial Operations. The team also includes representation from key functions and country operations based outside our headquarters office.

Several of our country operations, including Brazil, China, India, Ireland, Italy, Russia and Vietnam, have formed their own local, cross-functional Citizenship Working Groups. Typically, these groups are comprised of senior leaders from each of the business units represented in the country, along with representatives of core functions including Citizenship, Legal, Marketing, Public Affairs and Government Affairs. The Citizenship

Working Group leads the integration of responsible business practices across the organization, while driving specific initiatives for stakeholder engagement appropriate to local needs.

The following committees and working groups play an important role in our citizenship governance process.

- **Global Operations Council** – This group sets the priorities for all Abbott manufacturing operations around the world, and it drives key initiatives and actions to meet corporate objectives, such as environmental, health and safety performance goals. The council reports to the Chairman and CEO and is chaired by the Senior Vice President for Quality Assurance, Regulatory and Engineering Services, who is both a senior corporate officer and the senior executive charged with Global EHS responsibility. The group is comprised of our company's heads of Operations, Quality, Engineering, Purchasing and Information Technology.
- **Public Policy Committee of the Board of Directors** – Comprised solely of independent directors, this committee's charter includes the review and evaluation of Abbott's policies and practices with respect to social responsibility.
- **Business Conduct Committee of the Board of Directors** – Comprised of business heads,







## OUR STAKEHOLDERS



this committee oversees implementation of our ethics and compliance programs.

- **Executive Inclusion Council** – Led by our Chairman and CEO, this council oversees our diversity and inclusion initiatives.

Responsibility for implementing our global citizenship strategy is the responsibility of the Global Citizenship and Policy (GCP) team. This department works with our four businesses, key functional areas and affiliates across the world to ensure that we consistently deliver on our citizenship ambitions. The GCP team reports to our Senior Vice President, Chief Marketing Officer, a corporate officer who reports to the Chairman and CEO.

In addition to these internal governance structures, we work externally with the Global Citizenship Advisory Council (GCAC) to identify opportunities and manage risks that impact our company across the value chain. During 2014, we will reorganize the GCAC to better reflect the operating environment of the new Abbott, and to engage with a core group of key stakeholders to help further develop our global citizenship strategy and operations.

### ENGAGING OUR STAKEHOLDERS

Abbott is an active participant in the global dialogue on health. We recognize that listening to our stakeholders and responding thoughtfully to their concerns and ideas are vital to our success as a business enterprise, and to our progress as a global citizen. In addition, stakeholder insights, gathered

through one-on-one engagement or through wider forums, help us to develop new products to address unmet health needs; educate patients, healthcare professionals and others about emerging diseases and treatment options; and understand how and where our company can make a difference.

To promote and ensure local implementation of our group-wide approach to stakeholder engagement, we have a defined method of stakeholder engagement, designed to be used on a cross-functional basis within each business and affiliate where we operate.

At the local level, we have developed a stakeholder engagement plan that guides Abbott leaders in setting local engagement strategies. Responsibility for implementation is often led by the Global Citizenship or Public Affairs teams locally.

### ADDRESSING LOCAL CONCERNS

Through our engagement mechanisms, we aim to ensure that we stay abreast of the major issues of concern to our local stakeholders in each of the countries in which we operate.

### Food Safety in China

In China, a major concern for many of our stakeholders is food safety standards. In order to understand views on this topic and work collaboratively to find solutions, we partnered with the government to share core competencies and help improve the quality and safety of food and nutritional products in the country. Abbott scientists and



## 150+ PARTICIPANTS

Abbott scientific exchanges on food safety drew more than 150 participants from the Chinese government.



## 2,500 MOTHERS

Feedback from more than 2,500 mothers helped create the *Similac SimplySmart* baby bottle.

quality experts worked with counterparts in Chinese government organizations, sharing expertise on vitamin and mineral analysis, quality system control, lab management and the detection of impurities. This included having delegations of Chinese scientists visit Abbott Nutrition's R&D headquarters, and sending Abbott experts to China for "train the trainer" sessions on best practices in nutrition analysis. To date, more than 150 participants from the Chinese government have attended these exchanges, which have resulted in the establishment of a common pathway for best practices in food safety.

### INTEGRATING CUSTOMER FEEDBACK

We are committed to ensuring that customer feedback is integrated into our activities, and we use a range of approaches to achieve this. These include providing round-the-clock feedback opportunities via the Internet, phone or mail. For example, in our nutrition business, we accept emails and responses to our social media Web sites 24/7, while we also provide a toll-free hotline seven days a week for questions relating to our *Similac* and *Pediasure* products.

The Abbott Nutrition Consumer Relations team, which includes highly trained licensed dietitians and nurses, provides product and program information, gathers feedback and suggestions and registers complaints. The quality of this service and its accuracy rates are reviewed daily to help our team improve its performance. For example, in the

development of the award-winning *Similac SimplySmart* baby bottle, launched in 2011, Abbott Nutrition gathered feedback from more than 2,500 mothers.

We also run a closed-loop model, where our team follows up with 100 percent of "detractors" – those who give our performance a score lower than six in surveys. An example: one call revealed that a customer had cut himself with a knife while trying to open one of our packages. Follow-up to this call showed that our product was difficult to open, and a deeper analysis revealed that other customers were also dissatisfied with the packaging. A re-design was implemented, resulting in packaging that was not only much easier to open, but that also required fewer materials. The final result was a win-win: in working to resolve a customer's concerns, we were able to create a package that costs less to produce and has a lower environmental impact – and that is also improving our profitability while helping our customers.

### HOW WE ENGAGE

In today's complex and competitive marketplace, we must be able to respond to the needs and concerns of a wide range of stakeholders. The table below details our progress among our priority stakeholder groups.


**STAKEHOLDER  
GROUP**
**KEY STAKEHOLDER  
INTERESTS**
**ABBOTT'S  
POSITION**
**EXAMPLES OF  
ENGAGEMENT**
**RESULTS OF  
ENGAGEMENT**
**PATIENTS, CONSUMERS AND  
CUSTOMERS**

- Availability of products that are safe and effective.
- Reliable information to allow well-informed health decisions.
- Advocacy for patient/health needs.

- Abbott is committed to developing safe and effective products that enhance lives.

- We engage in discussions with patient groups and associations, and we administer customer care lines, surveys and market research. Our diagnostics division measures customer loyalty with a Net Promoter Score (NPS), measured across all customers.

- Abbott gains important insights as to how we can improve our products and develop new ones.
- Our NPS has seen a rise from 29.9 in 2009 to 45.2 in 2013.

**HEALTHCARE PROFESSIONALS**

- [R&D developments](#).
- Quality, safety and efficacy of products and proper product use.
- [Responsible, ethical behavior and ethical marketing practices](#).
- Information and education about the latest tools and technologies.

- We seek new insights into patient and consumer needs and are committed to leveraging these insights into meaningful products.
- Healthcare professionals play a key role in proper diagnosis, treatment and rehabilitation, and we work closely to create greater understanding of diseases and treatment options.
- We seek to maintain high standards of integrity in all of our dealings with healthcare professionals.

- Abbott offers educational programs for healthcare professionals.
- We facilitate technical exchanges to bolster knowledge of healthcare professionals.
- We partner with healthcare professionals to conduct vital research.

- We foster improved understanding of emerging health challenges.
- We receive feedback on the quality, safety and efficacy of existing products.
- We help build a healthcare professional population with appropriate training in the latest science and technology.

**GOVERNMENT AND  
REGULATORS**

- Abbott policies that foster access to medicines, technologies and services.
- Ethical business practices.
- Partnerships to help address healthcare needs.

- We aim to make our products available at fair and affordable prices.
- We want to foster well-informed healthcare professionals, enhanced infrastructure and progressive policies, which are keys to healthcare access.
- Abbott holds all its employees to the highest ethical standards.

- Abbott works with governments to improve the provision of healthcare infrastructure.
- We participate in healthcare policy meetings.
- We participate in numerous U.S. and international trade groups, consistent with the guidelines in [Abbott's Code of Business Conduct](#).

- The medical community gains shared learning on the health needs of various communities.
- Governments and regulators share updates on major healthcare policy developments.
- [We disclose our political contributions](#).





| STAKEHOLDER GROUP                            | KEY STAKEHOLDER INTERESTS  | ABBOTT'S POSITION   | EXAMPLES OF ENGAGEMENT   | RESULTS OF ENGAGEMENT   |
|--|--|---|--|---|
| <b>OUR EMPLOYEES</b>                         | <ul style="list-style-type: none"> <li>Resources to improve our employees' own health and well-being.</li> <li>Access to training and development.</li> <li>Offer opportunities to get involved in their communities.</li> </ul> | <ul style="list-style-type: none"> <li><b>Our employees</b> are critical to Abbott's success, and we aim to support them in improving their own health and further developing their skills.</li> <li>Employees have skills and expertise that are of value to the communities where Abbott operates.</li> </ul> | <ul style="list-style-type: none"> <li>Abbott has several formal mechanisms that encourage and collect employee feedback.</li> <li>We conduct employee engagement surveys.</li> </ul>  | <ul style="list-style-type: none"> <li>Employee views are incorporated into the full range of company policies and practices.</li> <li>Employees feel engaged in their community and at their jobs.</li> </ul>  |
| <b>NON-GOVERNMENTAL ORGANIZATIONS (NGOS)</b> | <ul style="list-style-type: none"> <li>Develop products and programs to enhance access globally.</li> </ul>  | <ul style="list-style-type: none"> <li>We offer a variety of products around the world at fair and affordable prices, with an increased presence in emerging markets.</li> </ul>  | <ul style="list-style-type: none"> <li>We maintain an ongoing dialogue with NGOs.</li> <li>Abbott's Global Citizenship Advisory Council informs our strategic planning.</li> <li>We work to develop public-private partnerships.</li> </ul>  | <ul style="list-style-type: none"> <li>The medical community gains a broader understanding of emerging healthcare issues.</li> <li>New ways of combating diseases are identified.</li> <li>We build partnerships with other organizations whose skills and contributions complement our strengths and expertise.</li> </ul> |
| <b>LOCAL COMMUNITIES</b>                     | <ul style="list-style-type: none"> <li>Responsible and safe operations wherever Abbott operates.</li> <li><b>Community engagement.</b></li> </ul>  | <ul style="list-style-type: none"> <li>Abbott engages in the communities where we operate, and we treat our local communities with respect.</li> </ul>  | <ul style="list-style-type: none"> <li>We employ local people and pay taxes to local governments.</li> <li>We support educational efforts, civic and cultural programs and community healthcare organizations.</li> <li>All affiliates are encouraged to develop local engagement programs.</li> </ul> | <ul style="list-style-type: none"> <li>We maintain strong relationships with the communities where we operate.</li> </ul>   |
| <b>OUR SUPPLIERS</b>                         | <ul style="list-style-type: none"> <li>Ethics, labor laws and health and safety.</li> <li>Support for small and diverse suppliers.</li> </ul>  | <ul style="list-style-type: none"> <li><b>Our suppliers</b> are critical to providing high-quality, safe ingredients.</li> </ul>  | <ul style="list-style-type: none"> <li>Abbott maintains a strong Supplier Social Responsibility program, a formal Supplier Performance Program and a Supplier Diversity Program.</li> </ul>  | <ul style="list-style-type: none"> <li>Feedback improves both supplier processes and our own.</li> <li>In 2013, we spent \$1.1 billion with small and diverse suppliers.</li> </ul>   |



# PRIORITIES

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## Delivering Product Excellence

Abbott has a longstanding commitment to focused R&D and innovative products, and to providing solutions to healthcare challenges around the world. Our continued success depends on our ability to deliver exceptional performance and operational excellence without compromising our manufacturing and distribution standards.

Abbott has comprehensive processes in place to ensure that we meet the highest safety and quality standards in the design, development, manufacturing, delivery and labeling of our products. These robust systems extend across all facets of our business, from securing our supply chains and ensuring the development of high-quality products, to protecting stakeholders and our business by embedding ongoing risk management throughout everything we do.

### BALANCED AND EFFICIENT R&D

Central to our work is a culture of innovation and discovery. We take a balanced approach to R&D, focusing our resources in the areas where they will have the greatest impact for patients and consumers.

Highlights of our R&D approach and activities in 2013 include:

**Established Pharmaceuticals** – We use our Science and Engineering Collaboration

Platform as a mechanism to drive collaboration throughout our business, encouraging innovation and the development of new ideas among employees. A team of cross-functional experts help employees to develop and implement their ideas.

**Molecular** – The establishment of the Abbott Partnership in Oncology Leading Access to Research, Innovation and Science (POLARIS) Academy in 2013, between Abbott Molecular and oncology experts, will stimulate dialogue and collaboration among pathologists, oncologists and biologists, extending their knowledge of, and training in, molecular diagnostic testing. Michael Palm, Ph.D., Marketing Director for Europe of Abbott's molecular business, noted that the "POLARIS Academy offers a unique interactive community that will allow experts in molecular diagnostics to share best practices and educate other members through practical workshops and digital learning."

**Diagnostics** – To more efficiently evaluate and prioritize the steady stream of ideas for potential products and programs, Abbott's diagnostics business established a Novel Biomarker Committee. Biomarkers are anything that can be measured and used as an indicator of a disease, giving healthcare professionals insight into its presence and severity. The goal of this committee is to identify and prioritize potential biomarkers



**\$1.45  
BILLION**

Invested in R&D in 2013.





that can help doctors make decisions at an earlier point in the progression of disease than existing tests allow. Abbott conducts ongoing research to map the progression of various diseases – and to identify decision points where doctors could benefit from additional factual data to support potential changes in treatment.

**Vascular** – Our vascular business runs a steering committee that solicits R&D ideas and input, then creates target topics in clearly prioritized scope areas. The committee holds quarterly meetings and hosts technical exchanges for scientists, technologists and marketers to highlight ongoing innovation.

**Nutrition** – We recognize that a collaborative approach can enhance patient outcomes. For this reason, we consult with experts from around the world to generate new nutrition ideas. The [Abbott Nutrition Health Institute](#) is a global knowledge center that shares information about the value of science-based nutrition with healthcare professionals through a combination of education, advocacy and collaboration.

### DEVELOPING NEW AND PROMISING PRODUCTS

Across our broad-based businesses, Abbott is a leader in researching, developing and bringing to market new products to address emerging patient and consumer needs. Highlights from across our pipeline in 2013 included:

- Our established pharmaceuticals business received approval for its *Cholib* medication from the European Medicines Agency. This pill, which can be used to treat abnormal levels of cholesterol and triglycerides, is the first of its kind to be approved in Europe. It offers improved treatment for patients, providing the lipid-lowering effects of both fenofibrate and simvastatin in a single, fixed-dose combination tablet. Fixed-dose therapies such as this offer increased convenience and make medication compliance easier for patients.
- From Abbott's vascular devices business, *MitraClip* is a minimally invasive device for the treatment of certain patients with mitral regurgitation (MR) that was approved for launch in the United States in 2013. MR is the most common type of heart valve insufficiency and affects more than 8 million people in the United States and Europe. Clinical data show that treatment with *MitraClip* results in clinically important reductions in MR, meaningful improvements in quality of life and a reduction in the rate of rehospitalization for heart failure. Abbott also announced the initiation of clinical trials in the United States in 2013 for our *Absorb™ Bioresorbable Vascular Scaffold* (BVS), which was launched internationally in 2011. This device works by opening a blocked blood vessel, thereby restoring blood flow to the heart. This is similar to a metallic stent, but *Absorb* then dissolves over time. *Absorb* is an investigational device in the U.S. and not currently available for sale. It is commercially available in more than 40



## LEADERSHIP



### DIAGNOSTICS PIONEERING MEDICAL DIAGNOSTICS

- #1 in immunoassay
- #1 in blood screening
- Best-in-class infectious disease molecular tests
- Leading point-of-care platform



### MEDICAL DEVICES BETTER OPTIONS AND IMPROVED OUTCOMES

- #1 in drug-eluting stents
- World's leading drug-eluting bioresorbable vascular scaffold
- #1 in laser corrective eye surgery
- #2 in cataract surgery



### NUTRITION WORLDWIDE LEADER IN NUTRITION

- #1 adult nutrition brand
- Leading pediatric nutrition brand
- Market leader in 25 countries



### ESTABLISHED PHARMACEUTICALS LOCALIZED INNOVATION

- A product portfolio including some of the world's most trusted brands
- #1 in India
- #2 in Pakistan

countries in Europe, India, the Middle East and parts of Asia Pacific and Latin America.

- Abbott Diabetes Care received European regulatory approval (Conformité Européene, or CE marking) for its new, streamlined device, *FreeStyle Optium Neo*. This icon-driven system provides visual glucose trend indicators and insulin logging, all delivered in a single device. The compact, easy-to-use system is designed to help patients improve their daily diabetes management and is yet another example of Abbott's commitment to meeting the needs of its patients. In addition, Abbott Diabetes Care's *FreeStyle InsuLinx* device was selected as a finalist for the annual Medical Design Excellence Awards (MDEA) in the Over-the-Counter and Self-Care Products category. The MDEA is one of the medtech industry's premier competitions for medical device design and innovation.
- Time is a critical factor in the diagnosis and treatment of potential heart attacks. To aid physicians in the rapid detection and treatment of these attacks, Abbott Diagnostics launched the *ARCHITECT STAT* High Sensitive Troponin-I Assay. This test, which received regulatory approval (Conformité Européene, or CE marking) in January 2013, can measure very low levels of the protein troponin, which is the preferred biomarker used to identify suspected heart attacks. In addition, the test can also help physicians to determine the risk of future attacks, which is particularly valuable given that heart attacks and strokes account for the majority of the more than 17 million worldwide deaths

annually that result from cardiovascular disease. Abbott also received CE marking for the *ARCHITECT* Galectin-3 test in 2013. This test, developed in partnership with BG Medicine, Inc., runs on Abbott's *ARCHITECT* immunochemistry platform and will aid physicians with identifying those patients with congestive heart failure who are at highest risk for poor outcomes.

- Abbott Medical Optics introduced the *iDesign DX* system to U.S. ophthalmologists in 2013. This highly advanced diagnostic tool measures the surface of the eye, allowing doctors to fully evaluate imperfections that result in poor vision. Using these measurements, ophthalmologists can screen patients more efficiently to determine if they are eligible for *LASIK* or other refractive surgery. Abbott developed the *iDesign DX* system using wavefront sensor technology created for NASA's space telescope program and adapted it for the clinical requirements of ophthalmologists, who require comprehensive data about the entire eye.
- Abbott's Nutrition business released a number of new products, including *Glucerna Advance*, *EAS Energy Drink*, *EAS Complete Protein Powder* and *Kidz ZonePerfect Bars* in the United States.
- In the Asia Pacific region, the United Nations estimates that the number of people age 65 and older will increase threefold, from 420 million in 2010 to almost 1.3 billion by 2050. To meet the needs of this growing group, we introduced *ENSURE® Acti M<sup>2</sup>* in Singapore and Vietnam. Scientifically designed to



provide complete and balanced nutrition with important nutrients that support our cognitive health as we age, *ENSURE® Acti M<sup>2</sup>* combines the trusted nutrition of *ENSURE®* with ingredients such as Acti-SPS (soy phosphatidylserine, or soy-PS) and choline.

- Consumption of bone-building nutrients can also help reduce the risk of osteoporosis, another concern within aging populations. Abbott Nutrition's new locally developed supplement, *BoneSure®/CalciSure™*, is formulated with a comprehensive blend of nutrients such as calcium, magnesium and vitamins K and D3 to help maintain strong bones and calcium absorption.

### ADDRESSING LOCAL NEEDS

Around the world, Abbott is using innovative approaches to solve a range of healthcare challenges for patients, consumers and caregivers in the communities we serve:

#### Pakistan

Malaria, transmitted by mosquitoes, affects more than 200 million people worldwide. According to the United Nations World Health Organization, there is a moderate prevalence of malaria in Pakistan, with the disease estimated to cause at least 50,000 deaths out of an estimated 500,000 cases every year. Only one in four malaria sufferers in Pakistan receives treatment for the disease. *Mospel*, Abbott's market-leading mosquito repellent, provides protection against malaria and dengue fever (a hemorrhagic disease also carried by mosquitoes).

*Mospel*, launched more than two decades ago, is the only insect repellent available in Pakistan that is based on the World Health Organization's approved DEET formulation. In 2013, we introduced a new, improved cream formulation that is gentle on skin and easy to apply, with a pleasant scent. This new formulation combines simple application and protection against devastating mosquito-borne diseases, providing people with an effective, easy-to-use product that can help them live healthier lives.

#### Australia

Diabetes is Australia's fastest-growing chronic disease, with diabetic retinopathy a common complication in Type II diabetic patients as the disease progresses. It is one of the leading causes of vision impairment. As diabetic retinopathy progresses, it can affect a person's ability to carry out everyday tasks and can eventually result in severe vision loss. In late 2013, Abbott received approval for a new indication of its trusted brand *Lipidil* (fenofibrate) to treat diabetic retinopathy in Type II diabetes patients. This new indication for fenofibrate can slow the progression of diabetic retinopathy, and it is the first tablet that can help manage this debilitating condition. Previously, treatment options have been limited, with procedures such as laser eye surgery and injections into the eyeball typically considered in severe cases.





## RIGOROUS QUALITY CHECKS

Before our products are released for sale, each batch has undergone hundreds of quality checks.

### Japan

In Japan, many patients are interested in tinted intraocular lenses, both for cosmetic purposes and to help block harmful UV and violet rays from entering their eyes while allowing healthy blue light to enter, which is useful in low-light conditions and normal circadian rhythms. To meet this demand, Abbott Medical Optics developed and launched a tinted version of its proven *TECNIS* platform of intraocular lenses specifically for the Japanese market in early 2013. The *TECNIS 1-Piece OptiBlue* IOL can be used to replace patients' natural lenses that have become clouded by cataracts, while also protecting their eyes from harmful UV and violet rays.

### PACKAGING INNOVATIONS

Available for nearly 25 years in nearly 100 countries, Abbott's *Klacid* (clarithromycin) is one of the most widely used macrolide antibiotics in the world. Responding to customer preferences for more ecologically friendly products, Abbott is now expanding the availability of *Klacid* in a package that uses recycled materials. *Klacid* was chosen as the first established pharmaceutical product to convert to this new recycled packaging due to the potential positive impact of the changes – the product is prescribed and dispensed thousands of times each year around the world. The new packaging is already available in a dozen countries, with more to come in the near future. Along with information about

the recycled packaging, healthcare providers also receive materials to help educate patients about the responsible use of antibiotics to prevent resistance to these medications.

### PRODUCT QUALITY AND SAFETY

We are committed to ensuring the quality and safety of the products that we develop and have a range of processes in place to ensure this throughout the R&D process. As one example of our process, at our nutrition manufacturing plant in Singapore, the quality and integrity of our products are tested at every stage in the production process. Before they are released for sale, each product has undergone rigorous quality checks. We keep a record of every test conducted on our products, with our state-of-the-art microbiology, analytical and sampling laboratories facilitating this process.

## Improving Access



Abbott collaborates with healthcare professionals around the globe to develop customized patient education materials.

Developments in healthcare science, and the creation of innovative and effective new products, will enable us to address many present and emerging healthcare issues. These include the most pressing challenges put forth in the United Nations' [Millennium Development Goals](#). However, unless healthcare practitioners and consumers are informed of and have access to these advances, the healthcare needs of the world's growing population will remain unmet.

Abbott was founded with the purpose of improving health outcomes around the world. This commitment forms a critical component of our citizenship approach and is integral to our core business strategy. In achieving this goal, we are conscious of the need to engage with our stakeholders, providing them with the knowledge and support needed to address the healthcare challenges they face.

Through a combination of targeted programs, shared value initiatives and responsible business practices, we work to ensure everyone can access and use our products and services, improving health outcomes. We do this by addressing disparities in healthcare infrastructure, providing support to healthcare providers and ensuring even those in the most hard-to-reach communities are able to access our products and services.

Our work includes:

- Increasing access to healthcare by providing practitioners with the latest information about effective patient care, while also supporting the establishment of healthcare infrastructure and the dissemination of new tools and technology.
- Empowering communities and consumers through the provision of educational programs on the prevention, diagnosis and treatment of many diseases and health conditions.
- Building and strengthening partnerships to gain deeper insight into the needs and challenges of patients and improve the standard of care they receive, while also raising public awareness and educating governments and policymakers about healthcare challenges and the need for expanding access to treatment.

### INCREASING ACCESS TO HEALTHCARE

Much of the world lacks basic healthcare infrastructure, with critical shortages of professionals trained in modern diagnosis and treatment protocols, as well as insufficient size and scope of facilities for patient care. In addition, healthcare practitioners in developing nations often lack access to the latest information about chronic diseases such as diabetes, cancer and heart disease, all of which are increasingly prevalent in the



## ABBOTT IN INDIA

**14,000**  
EMPLOYEES

**400,000**  
PEOPLE SCREENED FOR CHRONIC  
CONDITIONS AND ACUTE CARE

**17,600**  
HEALTH CAMPS AND EVENTS

**7,100**  
MEDICAL PROFESSIONALS  
PARTICIPATED IN EDUCATIONAL  
PROGRAMS

developing world. In China, for example, more than 40 million people have diabetes, and an additional 20 million suffer impaired glucose tolerance.

The incidence of such diseases is bound to intensify as more people in developing nations adopt Western-style diets and sedentary habits. To compound these issues, the social stigma that may accompany certain diseases often interfere with proper diagnosis and treatment.

Despite such challenges, Abbott is successfully boosting access to a wide range of healthcare services and products, working in partnership with numerous government agencies, healthcare professional societies, non-governmental organizations and other key stakeholders.

In India, our business units host a variety of health camps, screening events and patient awareness programs, often targeting remote and underserved populations. Continuing medical education programs also provide healthcare providers with updates on the latest diagnostic techniques and treatment practices for such conditions as cardiovascular disease, diabetes, acute care and other aspects of prevention, treatment and care. In 2013, nearly 400,000 patients have been screened at more than 17,600 camps and events, and more than 7,100 medical professionals participated in educational programs.

## EDUCATING AND SUPPORTING HEALTHCARE PRACTITIONERS

In countries around the world, some of the most important work we do to enhance access involves training and educating local healthcare providers to address gaps in the quality and quantity of healthcare services. There are a number of ways in which Abbott works to achieve this – from working with government to improve healthcare access and services, to making health outcome data readily available, to running nutrition education programs for healthcare professionals.

To help advance understanding of emerging products and treatments, we follow local regulations to sponsor and collect patient outcome data related to the usage of our products and make this data easily accessible to healthcare professionals, payers, regulators and the public. Around the world, we offer a wide range of training, meetings, conferences and educational activities targeting multiple stakeholders.

### ABBOTT'S CROSSROADS TRAINING CENTERS

To advance understanding of the latest tools and techniques in cardiac care, we created the Abbott Crossroads training centers to educate healthcare providers in coronary, endovascular and structural heart interventions. The newest Crossroads center is located in Shanghai, China; other facilities are located in Brussels, Belgium; Tokyo, Japan; and Johannesburg, South Africa.



#### **PARTICIPATING IN RUSSIA'S HEALTHCARE MODERNIZATION PROGRAM**

Abbott partners with the Russian Federal Research Institute for Health Organization and Informatics of the Russian Ministry of Health and Social Development to deliver an educational initiative for healthcare management professionals on the modernization and reform of the Russian healthcare system. In 2013, around 600 regional healthcare professionals participated in six two-day conferences, held from October to December. The second annual seminar included discussion of the federal contract system, as well as regional specifics of the healthcare modernization system and increases in quality of patient care.

Leonid Parshenkov, General Manager of Abbott Russia, noted that “by supporting these dedicated education initiatives across Russia, Abbott strives to make our contribution to the system of continuing professional education in Russia and to support the modernization of the country's healthcare system.”

#### **DIABETES CARE IN SAUDI ARABIA**

Abbott is committed to tackling the emergence of diabetes around the world, and we work to help governments develop programs to address this growing problem. One example of this is our partnership with the Saudi Ministry of Health's innovative new “Sahsehlo” (“Watch Out”) Saudi National Diabetes Awareness Program (SNDAP).

Saudi Arabia has one of the highest diabetes prevalence rates in the world, coupled with a low incidence of glucose testing. According to the Ministry of Health, 14 percent of Saudi citizens across all ages, and 28 percent of those over 30, have the disease.

The SNDAP provides critical diabetes education, support and supplies to Saudi citizens. Abbott Diabetes Care's (ADC) local distributor, MediServ, is providing all blood glucose meters and test strips for SNDAP, as well as a comprehensive diabetes awareness program. In addition, ADC is providing trained staff to help educate and treat people in 20 diabetes centers across the country.

Through this innovative public-private partnership, we hope to reach more than 800,000 Saudi citizens over the next three years, helping to both slow incidence rates of diabetes and provide better care to those people who have already been diagnosed.

#### **IMPROVING CHILD HEALTH IN PAKISTAN**

Abbott plays an important role in addressing the effective management of health issues in children in Pakistan through our All 4 Kidz program. All 4 Kidz offers learning sessions and workshops that examine issues such as early childhood mortality, pain management and the recognition and management of epilepsy in children, as well as child development issues such as the identification of markers that signal early developmental issues in children and how to educate parents regarding domestic injuries and poisonings.

More than 1,200 healthcare professionals have participated in the program, which have taken place in Karachi, Lahore and Islamabad.

At the All 4 Kidz events, Dr. Sohail Salaat, Consultant and Head of Neonatology at the Aga Khan University Hospital, has noted that Pakistan was third among five countries that account for almost half of all deaths in children under five worldwide. “Personal hygiene, public health measures including access to clean drinking water and proper sanitation, good nutrition, frequent health checkups and immunization are preventive strategies for minimizing child mortality,” said Dr. Salaat.

Abbott also organized an international speaker series in the country that gathered authorities in the fields of pediatrics and nutrition to learn the latest clinical knowledge and evidence-based practical recommendations for immune system development among children.

Dr. Sanja Kolacek, a global expert on child nutrition and Secretary General of the European Society of Pediatric Gastroenterology, Hepatology and Nutrition (ESPGHAN), highlighted the role of nutrition in the immune system development of children during sessions hosted in Karachi, Lahore, Islamabad and Gujranwala.

In addition, partnering with leading physicians in pediatric sciences, Abbott recently launched the Pediatric Advisory Board in Pakistan, designed to foster continuous learning in





## ABBOTT IN TANZANIA



# 1,000

People cared for each day at the new outpatient center.



# 40,000

People receive critically needed care at the emergency room each year.



# 23

Regional laboratories modernized and connected via Tanzania's first national IT network.



# 47,000

Hours of support from Abbott volunteers.

primary care physicians, to activate patient support and education programs and to enable Abbott's national programs to better serve the needs of Pakistani people.

### INFRASTRUCTURE AND TECHNOLOGY

As in developed nations, modern information technology and digital recordkeeping can revolutionize the delivery of healthcare services in developing regions. Abbott is partnering with a wide range of nonprofit organizations, government agencies, healthcare professionals and other stakeholders to help improve healthcare system capacity and infrastructure through digital innovation.

Abbott has developed a mobile application that serves as a reference or enhancement tool for hospitals and healthcare professionals. The Patient Education Vascular Videos app is a free iPad/iPhone app available for public download in the United States. A great resource, the app helps healthcare professionals educate patients about cardiovascular disease and therapies via multimedia engagement. The program is available in English and Spanish.

### SUPPORTING INFRASTRUCTURE AND TECHNOLOGY IN TANZANIA

Abbott and the Abbott Fund also have a long tradition of supporting healthcare infrastructure and technology development in Tanzania – where we have engaged in a public-private partnership with the

Government of Tanzania to strengthen the country's healthcare system for more than 11 years. To date, Abbott and the Abbott Fund have invested more than \$100 million in this comprehensive program.

Our activities include working to modernize Muhimbili National Hospital with a new emergency department and outpatient treatment center, a state-of-the-art laboratory building and a hospital-wide information technology system that tracks inventory, prescriptions and patient health history. We completed a project to modernize laboratories to improve diagnostic and monitoring capabilities at 23 regional hospitals.

Additionally, we have supported more than 20,000 healthcare worker trainings in patient testing, treatment and care, laboratory equipment operation, hospital information technology and hospital management.

In 2013, Abbott and the Abbott Fund celebrated several significant program milestones. Tanzania's first class of eight residents graduated from the Abbott Fund-supported Emergency Medicine Residency Program, the first in East Africa. Forty nurses also completed the first training program in emergency medicine. Together, these experts are providing critically needed care for 40,000 people each year, while also serving as mentors for the next generation of healthcare providers.



The year 2013 also brought the country's first nationwide lab IT network. The network links all 23 regional labs and is creating capacity for sharing test results, disease surveillance and management practices across the country. Expert Abbott lab technicians are providing on-the-ground training and mentoring for local teams, ensuring maintenance and sustainable operations.

### EMPOWERING OUR CONSUMERS AND COMMUNITIES

Abbott works with a wide range of partners to help educate families about the importance of advancing maternal and child health, including the role of proper nutrition in childhood development. Cambodia, for example, has significantly high rates of childhood malnutrition and maternal mortality, the result of years of war and civil unrest. At Angkor Hospital for Children, Abbott and the Abbott Fund are working with Direct Relief in a unique nutrition education program. The program teaches thousands of families how to grow and prepare nutritious foods, while also training nurses and other healthcare workers in nutrition and healthcare issues.

#### STRONGMOMS ESPAÑOL

Hispanic babies now account for more than 25 percent of births in the United States, according to the recent census, meaning that there is an increasing need for Hispanic moms to have access to Spanish-language resources. StrongMoms Español – a program launched

through our infant formula brand *Similac* – fills this niche, providing moms with free, relevant Spanish-language resources that enable them to make informed decisions about the nutrition of their babies and families, whether that be breastfeeding, formula feeding or a combination of both.

Mothers who enroll in the program will receive weekly emails about their baby's development, prenatal nutrition and infant nutrition – including breastfeeding, supplementing and formula feeding – as well as membership rewards, partner offers and coupons. Mothers can also access additional resources on the newly redesigned Spanish-language Web site from *Similac* at [es.similac.com](http://es.similac.com). To increase the reach and impact of this program, *Similac* partnered with the National Association of Hispanic Nurses (NAHN), which has advocated for more educational resources on infant nutrition for Hispanic women. NAHN and *Similac* hosted joint educational events with expert speakers and NAHN nurses, giving mothers the chance to receive relevant information and meet with nurses one-on-one.

#### WOMEN'S HEART HEALTH INITIATIVE

In 2007, one woman died approximately every minute in the United States as a result of cardiovascular disease, with the disease claiming more lives than cancer, chronic lower respiratory disease, Alzheimer's disease and accidents combined. In addition, despite being commonly perceived as a "man's disease," cardiovascular disease has claimed the lives of more women than men each year since



Hispanic babies now account for more than 25 percent of births in the United States.



1984. Compounding the risks associated with a lack of awareness of the disease among women is the fact that risk factors, symptoms and response to treatments differ between the sexes.

To raise awareness of these risks, Abbott launched the Women's Heart Health Initiative (WHHI) in 2009. Through the use of a comprehensive educational program, the WHHI aims to improve awareness and prevention of cardiovascular disease in women.

To convince women of the need for concern about heart health, and to provide effective preventive care, awareness needs to be raised long before a woman's first visit to a cardiologist, which often occurs later in life. Recognizing this, Abbott collaborated with the Society for Cardiovascular Angiography and Interventions (SCAI) to identify the best avenues for engagement. Given that many women interact frequently with their obstetrician-gynecologist (OB-GYN), we developed a tailored heart disease screening survey that could be delivered by OB-GYNs to their patients.

Nearly 3,000 women at sites across the United States completed this survey, providing important insight into the prevalence of cardiovascular risk factors in this population. Results revealed that three out of four of the women surveyed were at risk of cardiovascular disease.

An important indicator of elevated risk is a history of pregnancy complications, such as gestational diabetes or preeclampsia. For example, the latter can almost double the risk of women experiencing heart disease over the following five to 15 years. Women who were identified as high risk through the survey were referred for additional medical consultation with a cardiac specialist or internist.

The value of this novel screening approach was affirmed in 2011, when the American Heart Association added new recommendations to its guidelines that recognized the importance of screening women for a history of pregnancy complications when assessing the potential for developing cardiovascular disease. Novel approaches to screening, such as those championed by Abbott through the WHHI, may help to identify women with risks of cardiovascular disease earlier, before symptoms arise. In turn, this may help to both prevent disease and reduce healthcare costs.

Because of the impact of this innovative program, WomenHeart, The National Coalition for Women with Heart Disease, honored Abbott with the prestigious Wenger Award in 2013, in recognition of the company's efforts in developing this unique survey, implementing the program and raising awareness among women about the risk of heart disease. The WHHI program has also led to the development of new tools for practitioners, such as our Women's Vascular Health iPad application.



**African-American women are 35 percent more likely to die of heart disease than white women.**

Source: WomenHeart, The National Coalition for Women with Heart Disease



**A history of preeclampsia means double the risk of stroke, heart disease and dangerous clotting 5 to 15 years after pregnancy.**

Source: American Heart Association



## MATERNITY AND CHILDBIRTH IN AFGHANISTAN

**14%**  
OF WOMEN

HAVE ACCESS TO SKILLED MEDICAL  
CHILDBIRTH CARE IN AFGHANISTAN

**70**

PREGNANT WOMEN DIE EVERY  
DAY IN AFGHANISTAN

**\$4.5**  
MILLION

IN PRODUCT DONATIONS AND  
\$1.2 MILLION IN GRANTS TO  
THE AFGHAN INSTITUTE OF  
LEARNING FROM ABBOTT

### MATERNITY AND CHILDCARE IN AFGHANISTAN

In Afghanistan, only 14 percent of women have access to skilled medical childbirth care – partly because Afghanistan's male healthcare providers are not allowed to treat women. As a result, Afghanistan has one of the highest maternal mortality rates in the world, with 70 pregnant women dying every day, many during childbirth. Meanwhile, one in five children will not live to see their fifth birthday.

Abbott and the Abbott Fund are working to address these challenges through a partnership with Direct Relief International and the Afghan Institute of Learning (AIL). Founded by Nobel Prize nominee Sakena Yacoobi, a longtime advocate for women's rights in Afghanistan, AIL has five clinics serving rural areas, each providing health services and education and staffed and operated by Afghan women. To help expand AIL's health education efforts, the partnership focuses on supporting women's health workshops, expectant mothers' workshops and nutrition education programs. AIL also works to empower women by training midwives, as well as skilled healthcare providers for infants and children. We have supported AIL with more than \$4.5 million in product donations and \$1.2 million in grants.

### THE POWER OF PARTNERSHIPS

On our own, our ability to improve healthcare around the world can be limited. However, through the establishment of innovative, influential partnerships, we are able to leverage our skills and services, exponentially increasing our impact on the challenges faced by our stakeholders.

#### ABBOTT AND MUSIC SAVES LIVES ENCOURAGE YOUTH TO BECOME LIFELONG BLOOD DONORS

Blood transfusions help save millions of lives every year – approximately every two seconds, someone in the United States requires a blood transfusion. However, although nearly 40 percent of the U.S. population is eligible to donate blood, less than 10 percent of these potential donors give annually. Often this means that hospitals and clinics face a shortage of blood for patients.

Founded in 2005, Music Saves Lives® is a not-for-profit organization that works to empower young people and connect them with important community actions, catalyzing activities such as donating blood or registering for the bone marrow program. To spread its message, Music Saves Lives partners with well-known entertainers and musicians to reach millions of fans and young people with this important message.



**EVERY  
2 SECONDS**

Someone in the U.S.  
needs blood.



**ONLY  
10%**

Of the U.S. population  
eligible to donate blood  
actually does so each year.

“Abbott has joined forces with Music Saves Lives to encourage young people to become donors, to help make sure that we have an ample blood supply for many years to come.”

**BRIAN BLASER**  
EXECUTIVE VICE PRESIDENT,  
DIAGNOSTICS PRODUCTS

Abbott’s longstanding commitment to helping ensure the safety of the world’s blood supply, and our continuous improvements in blood screening technologies, makes Music Saves Lives an ideal partnership to encourage young adults to consider becoming lifelong blood donors.

“The demand for blood persists even as the repeat donor population continues to decrease,” said Brian Blaser, Abbott’s Executive Vice President of Diagnostics Products. “Abbott has joined forces with Music Saves Lives to encourage young people to become donors, to help make sure that we have an ample blood supply for many years to come.”

One of the first initiatives of this new partnership was the launch of the [Very Important Donor Club](#), which urges donors to pledge to give blood at least once a year. This club uses music as a means to motivate involvement in the blood donation process. Through social media platforms, including Instagram, Facebook and Twitter, members can learn more about the musicians who support the effort and how donations impact people’s lives.

One such musician is legendary DJ and producer Tiësto, who teamed up with Abbott and Music Saves Lives by offering donors the chance to attend a concert in Washington, D.C., in November 2013. Tiësto noted, “Blood is a vital resource that cannot be manufactured,

and it’s only available through the generosity of donors. I’m getting involved to help spread the message – so that my great fans will take notice and step up to donate blood to help those in need.”

In its first year, this innovative collaboration inspired thousands of young people to donate blood for the first time, and several hundred pledged to donate blood at least once a year.

#### SHARING INSIGHTS IN NUTRITION

We recognize that a collaborative approach can enhance patient outcomes. For this reason, we consult with experts from around the world to share epidemiological data, insights from patients and advancements in science. The Abbott Nutrition Health Institute and the Alliance to Advance Patient Nutrition illustrate our commitment to this approach and enable us to interact with and support healthcare practitioners, while also generating new nutrition innovations.

#### ABBOTT NUTRITION HEALTH INSTITUTE

A global knowledge center, the Abbott Nutrition Health Institute strives to illuminate the power of science-based nutrition for healthcare professionals through a combination of education, advocacy and collaboration.





Our Web site, [anhi.org](http://anhi.org), provides access to nutrition resources 24/7 free of charge, along with dozens of conference videos. This includes coverage of our 14<sup>th</sup> Abbott Nutrition Research Conference, which took place over two days in April 2013, with experts covering a range of topics in the areas of cognition and nutrition.

In addition to providing educational resources through the institute, Abbott Nutrition partners with the University of Illinois at Champaign-Urbana to fund nutrition and cognition studies through the Center for Nutrition, Learning and Memory. The center, governed by representatives from both the university and Abbott, aims to drive the field of nutrition science research forward with the use of cutting-edge brain imaging and supercomputing technologies.

#### THE ALLIANCE TO ADVANCE PATIENT NUTRITION

In the United States, one in five Medicare patients is readmitted to the hospital – at an estimated cost of \$17.5 billion annually. To reduce this impact, the Affordable Care Act has introduced hospital penalties based on readmission conditions that commonly affect patients aged 65 and older, including acute myocardial infarction, congestive heart failure and pneumonia.

In 2013, a groundbreaking study assessing the impact of nutritional supplements on readmission and costs was published. Conducted by leading researchers at the University of Southern California, Stanford University, the Harris School at the University of Chicago and Precision Health Economics, and supported by Abbott, the study found that the use of oral nutritional supplements decreased the probability of 30-day hospital readmission, length of stay and costs among hospitalized Medicare patients aged 65 and over.

Study co-author Tomas Philipson, Ph.D., the Daniel Levin Chair of Public Policy at the University of Chicago, noted, “This analysis suggests that use of oral nutritional supplements is a simple and cost-effective solution that hospitals can implement immediately.” To further this work, Abbott was a co-founder of the Alliance to Advance Patient Nutrition, launched in 2013. This interdisciplinary consortium is dedicated to championing effective patient nutrition practices and is composed of leaders from the Academy of Medical-Surgical Nurses, the Academy of Nutrition and Dietetics, the Society of Hospital Medicine and Abbott Nutrition. The alliance represents more than 100,000 dietitians, nurses, hospitalists and other physicians.



# 1/3

**OF PATIENTS**  
Are malnourished when  
admitted to a hospital.



## Safeguarding the Environment



### OUR 2020 ENVIRONMENTAL GOALS

**40%**

REDUCTION IN CARBON  
DIOXIDE EMISSIONS

**30%**

REDUCTION IN TOTAL  
WATER INTAKE

**50%**

REDUCTION IN TOTAL  
WASTE GENERATED

At Abbott, we are committed to reducing our global environmental impacts across our business – from the sourcing of raw materials and the manufacturing and distribution of our products, to the use and disposal of our products by patients, consumers and healthcare providers. Our environmental stewardship initiatives help protect the planet while improving efficiency, reducing costs and preserving our ability to do business in the future. We are guided by our own tradition of environmental stewardship, as well as national and international legislation and feedback from our stakeholders.

We have three environmental priorities:

- Climate change
- Water usage
- Product stewardship

Environmental issues are inextricably interconnected and, as a result, so are the solutions. Recognizing this, we have developed comprehensive management and governance systems that reflect our three priorities and enable us to ensure that they are fully integrated into our day-to-day planning and business processes.

### 2020 GOALS AND PERFORMANCE DATA

To ensure that we achieve our overall aim of reducing our global environmental impact, we have set ambitious goals for 2020:

- A 40 percent reduction in carbon dioxide equivalent (CO<sub>2</sub>e) emissions from direct emissions or from sources we own or control and from the electricity we purchase, compared with 2010 levels (adjusted for sales)
- A 30 percent reduction in total water intake (adjusted for sales)
- A 50 percent reduction in total waste (adjusted for sales)

### ENVIRONMENTAL MANAGEMENT OVERSIGHT

Improving our performance requires clear lines of accountability and senior-level leadership and support. We have multiple levels of environmental management oversight within businesses and across the company. The Senior Vice President for Quality Assurance, Regulatory and Engineering Services, a corporate officer, who reports to the Chairman and CEO, reviews metrics, key programs and progress on a regular basis. The following groups implement our Environment, Health and Safety (EHS) programs and initiatives:



- **Global Operations Council** – This body sets priorities for all Abbott manufacturing plants and makes resources available to meet local needs based on internal assessment of performance, benchmarking of best practices in the industry and risk profiles. The council reports to the Chair and CEO, and is chaired by the Senior Vice President for Quality Assurance, Regulatory and Engineering Services (who is both a corporate officer and the senior executive charged with global EHS responsibility). It consists of our heads of operations, research and development, quality, purchasing and information technology. As part of the internal assessment process, the Senior Vice President for Quality Assurance, Regulatory and Engineering Services periodically reviews key performance indicators and status of preventive actions with the Global Operations Council.
- **Commercial EHS Executive Council** – This council sets priorities and implements EHS goals and objectives for our sales operations around the world. This includes driver safety and reducing vehicular accidents among the sales force, as well as reducing greenhouse gas (GHG) emissions from fleet vehicles. The Executive Vice President of Established Pharmaceuticals chairs this group.
- **EHS Executive Council** – This group develops and implements programs and actions that are consistent with the priorities set by the Global Operations Council and the Commercial EHS Executive Council. This team meets regularly to share best practices and discuss EHS issues with company-

wide implications. This group also builds awareness of EHS performance, promotes our EHS Excellence Awards, supports EHS training and conferences and communicates our performance improvement initiatives.

## ADDRESSING GLOBAL CLIMATE CHANGE

Examples of the predicted consequences of climate change are already visible worldwide, from Typhoon Haiyan in the Philippines to Superstorm Sandy in the United States. The impact of these events could increase in the coming decades, with the United Nations noting in its 2013 Emissions Gap report that we are increasingly unlikely to meet global 2020 emissions reduction targets.

Clearly, climate change poses serious challenges for humanity and our planet, and has the potential to affect Abbott in a multitude of ways. For example, extreme weather patterns and water scarcity pose challenges for sourcing, operations and distribution, while a more carbon-constrained world could add to energy costs. Additionally, climate change could lead to significant changes in the global disease burden.

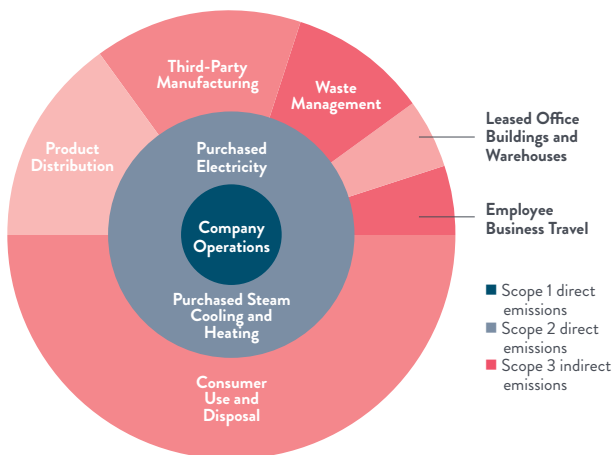
It is clear that action is required, not only to mitigate these risks, but also to help society adapt to the climate changes already under way. As a global healthcare company, we are committed to doing our part to address this issue – by reducing our direct impacts from manufacturing and by making a positive difference from indirect impacts across our value chain.



**2.3% REDUCTION IN CO<sub>2</sub>e EMISSIONS IN 2013**

**REDUCING OUR CARBON FOOTPRINT**

We are committed to reducing our carbon emissions, and we encourage our suppliers, distributors and other stakeholders to reduce their own impacts.



**ABBOTT'S CARBON FOOTPRINT**

The nature of our business encompasses a wide range of potential sources of carbon emissions. These include our manufacturing, warehousing and office activities, as well as our vehicle fleets. Through our global value chain, we also indirectly contribute to carbon emissions. These arise from our sourcing and distribution of products, as well as the ways that consumers and health professionals use and dispose of our products. Our 2020 carbon emission reduction target to reduce our emissions by 40 percent (against 2010 levels) is evidence of our commitment to address this and reduce emissions in every aspect of our business.

We have been measuring and managing our direct emissions since 2000. One important way in which we do this is through participation in the [Carbon Disclosure Project \(CDP\)](#). This international initiative provides an important framework for us to measure and manage our key environmental impacts. Through this program, we share critical data on energy consumption and emissions. This work has enabled us to identify our three greatest sources of impact – our manufacturing fuel combustion, our electricity use and our global fleet – and develop a comprehensive management program to address them. This program, which includes features such as increasing energy efficiency across our operations and integrating green engineering technologies and concepts into our projects, has resulted in an 8 percent reduction in our absolute energy consumed since 2010.

Outside our areas of direct responsibility, we work across our global value chain to reduce our emissions and encourage our suppliers, distributors and other stakeholders to manage and reduce their impacts. To facilitate this process, Abbott joined the CDP Supply Chain initiative in 2013. This annual process allows us to map out the carbon footprint of our supply base by gathering information from our suppliers on their climate and water-related strategies and activities. Although we participated in the survey for the first time in 2013, we managed to engage 230 of our most critical suppliers in the process. We are now analyzing their responses to the survey to determine where we can improve Abbott's supplier sustainability and gain further operating efficiencies.

**REDUCING OUR FOOTPRINT: ABBOTT'S CLIMATE RESPONSIBLE ENERGY POLICY**

Our [Climate Responsible Energy Policy](#) provides guidance and goals to help our employees around the world manage energy use and related emissions. Our policy focuses on increasing energy efficiency in our manufacturing operations; investing in low-carbon energy; improving efficiency within our transportation fleet; encouraging a lower carbon footprint within our supply chain; and publicly reporting our performance.

Our Global Energy Council includes utilities professionals from our most energy-intensive businesses. The council works to monitor, evaluate and reduce total energy consumption globally while negotiating best-in-class price and delivery contracts and promoting the



installation of financially beneficial energy conservation and alternative energy projects.

Through our numerous energy management initiatives, we:

- Perform energy audits to identify energy conservation opportunities
- Share best-in-class energy practices
- Evaluate and test new energy conservation technologies
- Prioritize and allocate funding for projects that reduce carbon and energy
- Source low-carbon fuels
- Negotiate competitive energy contracts and implement financial hedges to reduce price volatility

Our ambitious carbon emissions reduction target of 40 percent by 2020, compared with 2010 levels, has acted as a catalyst for our efforts to improve our energy efficiency across the organization. This has included switching to “clean” energy in many of our operations – including the use of low-carbon fuels, cogeneration and renewable energy, which will help us to reduce our overall carbon footprint.

#### CARBON REDUCTIONS IN MANUFACTURING

Abbott Nutrition’s manufacturing work is particularly energy- and water-intensive, accounting for around 45 percent of Abbott’s greenhouse gas emissions. With the likelihood of future volatility in fuel and water availability, this was clearly an area that needed to be addressed.

For this reason, Abbott Nutrition launched the Utility Excellence (UEX) program in February 2013. The objective of UEX is to cultivate a culture of sustainable utility management through employee awareness and accountability. The goal is to achieve reductions in utility usage of 50 percent by 2017. To date, the UEX program has resulted in efficiency savings exceeding \$8 million, and significant reductions in greenhouse gas emissions.

Since the program launch, UEX teams have been established at 16 Abbott sites, embarking on a journey to transform site culture through employee awareness and engagement initiatives. For example, the Cootehill UEX team in Ireland created a utility value-stream map to identify opportunities for savings in terms of reducing utility usage.

In the Cootehill plant, the wet process area – where liquid milk is mixed with powdered ingredients – was identified as holding significant opportunities for savings. Through assessment, the team determined that the manufacturing of some products could be done at a temperature 25 degrees lower, with no product or process impact. Changes were implemented, which resulted in annualized savings of \$69,000. The Cootehill project will serve as a critical element for replication and standardization across other sites.

This new initiative was one of many at Abbott in 2013 that enabled us to achieve an 8 percent absolute reduction in total energy consumed.



# 50%

## REDUCTION IN UTILITY USE

With its UEX program, Abbott Nutrition is working to reduce utility use by 50 percent by 2017.





## LEED FACILITY CERTIFICATIONS

4

LEED GOLD

2

LEED SILVER

4

GREEN BUILDING  
CERTIFICATIONS

Other examples of energy efficiency programs that help reduce carbon emissions at our plants include:

- Our pharmaceutical plant in Goa, India, installed a biomass fuel boiler in November 2012, replacing a boiler fired by furnace oil. This single change – switching to a leading-edge, clean energy source – could potentially reduce CO<sub>2</sub> emissions by 1.4 million pounds per year. That is an 18 percent reduction from 2012 levels. The installation of the biomass boiler will also reduce steam generation costs for the Goa plant, from 18 percent to six percent of the plant's overall utility costs.
- Our nutrition manufacturing plant in Singapore is realizing an annual reduction in energy use of 36 million kWh per year through a number of energy-saving initiatives. These include elimination of excess utility systems, heat recovery from air compressors; reducing heating, ventilation and air conditioning usage in some areas; and the installation of variable frequency drives on water pumps.

### CARBON FOOTPRINT REDUCTIONS THROUGH GREEN BUILDING

Abbott is increasing efforts to integrate green engineering technologies and concepts into our regularly scheduled projects, such as re-roofing and other renovations, as well as new building design. Some of these projects involve new and emerging technologies that, if proven

successful at one plant, may improve our global environmental performance at other locations.

In 2010, we implemented a front-end planning process and assessment tool for evaluating the energy and environmental impacts of capital projects costing \$2.5 million or more. When those impacts are deemed significant, planners are required to evaluate design alternatives that might prove more environmentally friendly.

Our front-end planning tool gives project designers three-dimensional models for analyzing and comparing various alternatives that might improve energy efficiency, optimize natural light and ventilation and incorporate various other green components. The tool also estimates energy usage and costs over a building's useful life. In addition, our assessment tool provides carbon footprint reporting and optimization alternatives that can improve a building's carbon-neutral potential.

We are committed to using green building guidelines when planning or evaluating each construction project, whether it involves a new building or renovations to an existing building. In the United States, we follow the U.S. Green Building Council Leadership in Energy and Environmental Design (LEED) rating systems. Wherever practical, Abbott project teams attempt to execute construction and renovation projects in alignment with



the green building guidelines and with the ultimate goal of achieving LEED certification. At present, Abbott has four facilities that have achieved LEED Gold certification, two LEED Silver buildings and four additional facilities with green building certification.

**REDUCING OUR INDIRECT IMPACTS THROUGH GREEN PURCHASING AND SUPPLIER SELECTION**

As previously noted, the sourcing, distribution and use of our products is linked to the production of carbon emissions, with this group being referred to as Scope 3. We are committed to addressing this area by encouraging our suppliers and distributors to reduce the carbon emissions for which they are directly responsible, and also by educating end users about the carbon emissions related to the use of our products.

In evaluating our Scope 3 carbon footprint, we are first focusing on indirect emissions in the supply chain and distribution. We believe that by understanding the carbon impact of our supply chain, we can encourage optimization where we have some level of influence, and this will ultimately lead to carbon-footprint reductions across the supply chain.

We continue to work on assessing our Scope 3 emissions using the methodology outlined in the World Business Council for Sustainable Development/World Resources Institute Scope 3 Accounting and Reporting Standard. We have identified areas where we may have the ability to quantify and potentially influence emissions, as well as several key

emission sources outside our direct control. These sources include emissions from transportation suppliers, commercial business travel, waste management and product distribution. We continue to evaluate and report our Scope 3 emissions as we are able to collect and improve these estimates.

We also continue to partner with our global transportation suppliers to estimate the greenhouse-gas emissions associated with Abbott's activities. Our analysis indicates that upstream and downstream transportation and distribution accounts for about 4 million metric tons of emissions each year. These emissions equate to about four times our total Scope 1 (direct) and Scope 2 (indirect) emissions. In 2014, we included our major transportation suppliers in our CDP Supply Chain initiative to refine our analysis.

Additionally, we are continuing to work on assessing other sources of indirect emissions that lie outside our boundaries and on which we have less influence, such as employee commuting, third-party manufacturing and consumer use and disposal of our products. We will continue to better quantify and report on these Scope 3 emissions and the actions we are taking to minimize them. Our participation in the CDP Supply Chain initiative also presents an opportunity to engage critical suppliers on projects of mutual risk and performance improvement benefits.



#### EMISSIONS FROM WASTE

The breakdown of landfill waste results in the release of methane, a potent greenhouse gas. Consequently, sending waste to landfill can significantly increase an organization's carbon footprint. For this reason, Abbott evaluates the greenhouse gas impact of the waste it sends to landfill. In 2013, we sent 14,000 metric tons of waste to landfill, resulting in 5,000 metric tons of GHG emissions, or 1 percent of our total global direct (Scope 1) and indirect (Scope 2) emissions.

Abbott is taking aggressive steps to reduce the amount of waste it sends to landfill. We have put in place a waste management strategy that covers both our own manufacturing operations and, ultimately, those of our suppliers. Part of this strategy is our commitment to achieving 12 zero-waste-to-landfill manufacturing facilities by 2015. At the end of 2013, we had already converted 13 manufacturing facilities and one non-manufacturing site to zero-waste-to-landfill, surpassing the 2015 goal. By the end of 2014, we predict that we will have converted an additional six sites to zero-waste-to-landfill. The achievements of this program are detailed in the Waste Management section below.

As a result of our waste reduction initiatives, including our zero-waste-to-landfill program, we diverted more than 9,000 tons of additional waste from landfill since 2010, reducing our landfill greenhouse-gas impact by 16 percent.

#### MINIMIZING THE IMPACT OF OUR FLEET

The separation of Abbott and AbbVie at the start of 2013 resulted in a significant reduction in the carbon impact of our fleet operations, with our global fleet being reduced to 27,000 vehicles from 35,000. Nearly 90 percent of these vehicles are now operated outside of the United States, and, due to the types of vehicles commonly used, they have an average fuel efficiency of 50 miles per gallon, as well as lower-carbon and flex fuels availability.

While beneficial from an environmental perspective, these vehicles have presented a greater-than-average risk of injury from an occupational safety perspective. We are addressing these issues through a range of health and safety initiatives under our HERO (Helping Employees Reduce risk across the Organization) program, such as providing safety training to our employees in high-risk roles in India and Vietnam. Further detail is available in the Valuing Our People section of this report.

In the United States, our 2,700-vehicle fleet has steadily improved its carbon profile over the last several years as a result of vehicle leasing program improvements and driver incentives. This fleet is now composed of nearly 11 percent hybrid vehicles. In addition, a small percentage of the company-owned service vehicles at our headquarters campus in Illinois have been converted to plug-in electric models; Abbott will evaluate the use of charging stations and the feasibility of



installing these at other domestic company locations.

### A COMPREHENSIVE WATER STRATEGY

Clean water is a critical resource, essential to sustaining human health, economic growth and the environment. Access to water is essential to our manufacturing operations and to all those who use our products. Abbott is committed to managing our water use in an efficient, sustainable manner and to improving people's access to clean water in the communities where we work and live.

water tools helps facilitate communication with internal and external stakeholders on water challenges and serves as a mechanism to facilitate change. It also allows our company to focus on manufacturing sites that are at greatest risk for water supply interruptions now and in the future.

[Abbott's Water Policy](#) requires manufacturing sites identified as a significant water user or operating in water-stressed regions to perform a more detailed local water analysis. In the local analysis, sites identify external water related impacts and business water risks; outline opportunities to reduce or eliminate these impacts or risks; and develop a water strategy complete with performance targets that drive reduction in risk based on the opportunities identified. This information is collected and maintained in the site's Water Management Plan. Progress toward achieving the 30 percent reduction of water intake is evaluated on a quarterly basis along with other key water data.

Our water management program is continuously evolving as we gain additional knowledge and insight into this important resource.

Our manufacturing plants continue to implement water reduction projects based on these and previous analyses. For example, as previously noted, our nutrition business accounts for a substantial percentage of



**TOTAL WATER INTAKE  
REDUCED BY 3.1% IN 2013**

### REDUCING OUR WATER FOOTPRINT

Since 2010, we have lowered our total worldwide water intake by 10 percent on an absolute basis and 18 percent when adjusted for sales. By 2020, we seek to reduce our company's total water intake by 30 percent, adjusted for sales.

Abbott uses the World Resource Institute (WRI) Aqueduct global water risk mapping tool in combination with World Business Council for Sustainable Development (WBCSD) Global Water Tool to help identify Abbott manufacturing plants that are operating in water-stressed regions. Results of our global water assessment have identified 16 manufacturing sites that are currently operating in regions with significant baseline water stress. Having our sites mapped relative to varying degrees of water stress by the global



**4 IN**   
**5 OUT** 

By conserving and filtering the water we use at our plant in Cootehill, Ireland, we return five liters of water for every four we take in – and it actually comes out cleaner than before.

Abbott's total water usage. The UEx program, implemented in 2013, is working to achieve significant reductions in water management, realizing environmental and economic benefits for the business.

In another water conservation effort, at our manufacturing plant in Rio de Janeiro, we implemented a tertiary wastewater treatment system that uses existing systems to recycle wastewater for use in the HVAC cooling tower, fire water tanks and gardening. This resulted in a reduction in water use of around 9,000 cubic meters per year. In addition, by reusing rather than immediately discharging the water, we have also achieved a 23 percent reduction in the amount of treated wastewater being released into a public river.

Supported by the success of these and other initiatives, Abbott aims to be an industry leader in water stewardship.

#### EDUCATING COMMUNITIES ON WATER CONSERVATION

Along with reducing our own water footprint, we are committed to helping the communities where we work and live with water conservation. Abbott experts frequently engage with community partners and nonprofit organizations to conduct water audits and help develop timelines for water use reduction goals. We are committed to continuing to collaborate with key stakeholders to identify water conservation opportunities, especially in water-stressed

regions where Abbott has manufacturing operations.

Abbott and the Abbott Fund have expanded their long-term partnership with Project WET in Brazil, where we are working with local communities and nonprofit partners to educate children and their families about the importance of clean water, water conservation, sanitation and hand washing in preventing the spread of infectious diseases, creating change that will lead to improved health outcomes in the favelas in Rio de Janeiro. Abbott employees in Brazil volunteered their time and expertise, assisting the organization in the development of local water conservation educational materials.

#### SUSTAINABLE PACKAGING

With all of our healthcare products, Abbott's primary concern is to ensure quality, safety, integrity and ease of use. Product packaging plays an essential role in fulfilling those responsibilities. At the same time, we are well aware of the ways in which our product packaging affects the environment – from the materials and energy required for its manufacture through its ultimate end of life.

In balancing the need to reduce the environmental impacts of our packaging with the necessity of ensuring the protection of our products, we are guided by what we call the four R's of sustainable packaging:

- **Reduce** – optimize packaging design to reduce the amount of materials used





WE FOLLOW THE 4 R'S  
OF SUSTAINABLE  
PACKAGING

**REDUCE**  
**RENEW**  
**RECYCLE**  
**REUSE**

- **Renew** – source packaging with renewable materials when feasible
- **Recycle** – improve the use of recycled content in our packaging, and expand the use of packaging that is recyclable
- **Reuse** – design packaging to allow reuse opportunities

Sustainable packaging is a necessary design feature of packaging materials and systems. For example, many of our milk-based nutritional products are contained in packages that can be shipped and stored without refrigeration for up to 36 months. This packaging reduces the energy used by distributors and contributors and is an especially important benefit for people in developing nations, where refrigeration facilities can be less readily available and reliable.

Looking at packaging through a sustainability lens enables us to consider the complete life cycle of impacts on energy use, emissions and solid waste. Abbott is committed to leadership in developing and implementing sustainable packaging innovations. We will continue to work collaboratively to improve the social, environmental and economic benefits of our brands by employing sustainable packaging principles.

#### PACKAGING PERFORMANCE TARGETS AND PROGRESS

To proactively address the sustainability of our packaging, Abbott is aggressively working to reduce the amount of packaging we use and distribute to our customers. Our target goal is to reduce 10 percent of packaging weight by 2020 from a 2010 baseline. Achieving this goal will represent the elimination of approximately 30 million pounds of packaging from our supply chain.

We continue to make progress toward our 2020 goal. By the end of 2013, the cumulative reduction was slightly more than 3 percent, the equivalent of 8.9 million pounds of packaging.

Achievements in 2013 included:

- We completed our conversion of 4-ounce glass bottles to 2-ounce plastic bottles for our nutritional products, eliminating approximately 1.5 million pounds of packaging on an annual basis.
- A new product, *Ensure Compact*, is a low-volume energy- and nutrient-dense oral nutrition supplement sold in 125-milliliter containers. It provides all the benefits of a standard-size serving of *Ensure Plus* – in approximately half the volume. Packaging is reduced 25 percent from the comparative standard 200-milliliter packaging.
- In packaging for the *Ensure* and *Pediasure* 8-ounce bottles, we consolidated down to one common unprinted closure design.
- We implemented the use of recycled paperboard for cartons at our Chatillon,



France, manufacturing plant. Approximately 85 percent of the paperboard material used at the plant now comes from recycled paper.

- By consolidating the number of package sizes from four to two, we reduced blister packaging material for our products manufactured at our Tlalpan, Mexico, plant by 45 percent. In addition to the material reduction, production line efficiency was improved as a result of this change.
- We developed and introduced an amber-colored polypropylene bottle with the clarity of PET for our Established Pharmaceuticals products in India. The bottle weight was reduced approximately 80 percent with this development.
- Packaging for *Duphalac*® (lactulose) products was redesigned for more efficient use of materials, providing greater convenience for consumers. The new stick-pack pouch design has eliminated in excess of 975,000 pounds of packaging annually.

#### SUSTAINABLE PACKAGING PARTNERSHIPS

Abbott works with a number of industry and independent groups, including the [Sustainable Packaging Coalition](#), to advance sustainable packaging systems. We also work with suppliers who have achieved or are pursuing certification with respected sustainability organizations, such as the Forest Stewardship Council.

We also pursue green purchasing goals with suppliers around the world, working with them in many cases to help raise their own sustainability performance. We carefully screen suppliers, holding them to stringent

packaging requirements. Additionally, we work with major retail customers to share information on packaging reductions we have achieved in our consumer products.

#### WASTE MANAGEMENT

Abbott's next goal is to reduce the total waste we generate by 50 percent from 2010 levels by 2020, adjusted for sales. By the end of 2013, through focused resource management and collaborative partnerships with waste management vendors, we achieved a 19 percent reduction in generated waste volume from 2010 on an absolute basis, and a 27 percent reduction when adjusted for sales.

All vendors responsible for the management of Abbott-generated waste are expected to meet minimum requirements in areas such as compliance, financial assurance, inventory control/record keeping, facility design/operating conditions and approvals, among others. Vendors who do not meet these standards are not permitted to do business with our company. These firms are identified through the implementation of Abbott's waste-vendor assessment program, which includes periodic on-site evaluations and documentation reviews to help ensure that only appropriately qualified and responsible vendors are permitted to manage Abbott waste.

Our approach helps us to quickly identify emerging issues and resolve problems in a timely fashion.



**TOTAL WASTE GENERATED  
REDUCED BY 1.3% IN 2013**



# 14

**ZERO-WASTE-TO-  
LANDFILL SITES**



# 98%

**REUSED OR RECYCLED**

At Abbott's Cootehill, Ireland, facility, 98 percent of waste is reused or recycled.

Abbott is also committed to reducing the amount of waste that we send to landfill. Historically, landfills have been an easy and economical solution for waste disposal. However, permitted landfill space has become increasingly scarce over the past several years. For many years, the Global Environmental, Health, Safety and Energy (GEHS&E) organization has partnered with our operating businesses to investigate more environmentally friendly ways to manage our waste. This effort has grown into a comprehensive program to certify Abbott sites as zero waste to landfill. This program has resulted in increases in efficiency, costs savings and reductions in our carbon footprint.

#### ZERO WASTE TO LANDFILL

Zero waste to landfill is defined as the process whereby a site finds ethical, economical, efficient means to manage processes to avoid and eliminate the volume and toxicity of waste and materials, and to conserve and recover all resources. Implementing ZWL eliminates all waste sent to a landfill and diverts it to become a resource for other beneficial use.

By the end of 2013, 13 manufacturing sites, and one non-manufacturing site, had achieved zero-waste-to-landfill status:

Diagnostics facilities:

- Wiesbaden, Germany
- Dartford, England
- Donegal, Ireland
- Sligo, Ireland
- Longford, Ireland

Nutrition sites:

- Cootehill, Ireland
- Ballytivnan, Ireland
- Zwolle, Netherlands

Vascular sites:

- Clonmel, Ireland
- Heerlen, the Netherlands

Pharmaceutical sites:

- Chatillon, France
- Goa, India
- Olst, the Netherlands
- Weesp, the Netherlands

The reductions achieved by these sites are truly impressive. For example, our nutritional facility in Cootehill, Ireland, worked with its local waste vendor to provide an alternative to landfill for disposing of materials such as polystyrene packaging, contaminated recyclables and general waste. With support from all of their employees, 98 percent of their waste is reused or recycled, and the rest is diverted from landfill. Our newest ZWL site, an Abbott Diagnostics facility in Donegal, Ireland, has achieved an equally impressive recycling rate of 97 percent, with the remaining non-recyclable waste being sent for solid fuel source, where it is used in the production of cement.

#### **ENVIRONMENTAL MANAGEMENT, POLICIES AND STANDARDS**

Clear policies, standards and management systems ensure we operate in a manner that protects both human health and the



environment. Our environmental management metrics, auditing and reporting mechanisms are evaluated regularly, and we hold our managers responsible for improving their performance against these targets as part of our annual performance appraisal process.

Our [environmental policy](#) aims for, and achieves, the following objectives:

- Improving the efficiency and sustainability of our business activities and products, reducing greenhouse gas emissions, water use and waste
- Requiring contractors working on behalf of Abbott to conform to regulatory requirements and meet applicable internal Environment, Health and Safety (EHS) standards
- Establishing goals and strategies for the enterprise and reporting publicly on our progress
- Integrating sound EHS practices consistent with our management system into all aspects of the business

#### ENERGY AND WATER POLICIES

In Abbott's [energy](#) and [water policies](#), we outline our aggressive goals to further reduce our environmental footprint, including our commitments to dramatically reduce CO<sub>2</sub>e emissions. Our policies also detail our commitment to improving access to clean water in communities around the world, and to reducing and efficiently managing our company's own use of water.

Our management standards set minimum requirements in the following areas:

- Environmental policy and programs
- Strategic planning
- Self-assessment/risk assessment
- Business integration
- Training and awareness
- Communication and information
- Performance measures
- Assurance reviews
- Environmental global standards

These standards allow Abbott to have consistent technical expectations in all our manufacturing operations around the world.

We also have published a [green procurement policy](#) to formalize our approach and to provide guidance on incorporating sustainable sourcing principles into the purchasing process.

#### GLOBAL EHS AUDITS

Abbott's Global EHS audit function systematically evaluates our EHS-related performance and compliance status. These periodic assessments serve several purposes, including identifying potential risks to employees, the environment and the company; fostering continuous improvement; developing staff expertise; and promoting knowledge transfer. Abbott facilities are typically audited once every 36 months to help ensure compliance with regulatory and internal requirements.

Abbott EHS professionals also partner with commercial management to complete formal on-site EHS gap assessments. During these assessments our affiliates are provided with compliance tools and implementation resources designed to ensure sustainable compliance and program improvement.

#### ENVIRONMENTAL REPORTING AND ASSURANCE

Abbott had selected 2013 environmental and safety data externally verified by the independent company [ERM Certification and Verification Services \(ERM CVS\)](#). A copy of their statement is provided on our [Web site](#).





# RESPONSIBLE BUSINESS

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## Supply Chain Excellence

As a global healthcare company, Abbott recognizes that managing our relationships with suppliers is an integral part of our success. Our suppliers play a critical role in fulfilling our commitment to global citizenship and ensuring we can continue to deliver quality products to people around the world. We work closely with our suppliers to maintain high levels of performance in all aspects of our business – ensuring quality, compliance and socially responsible practices. We work closely with our suppliers, monitoring and helping them to enhance their performance according to robust, clear metrics.

In 2013, a key element of our efforts to manage the impacts of our global supply chain was joining the [CDP Supply Chain program](#). This program focuses on assisting organizations to implement successful supplier engagement strategies, reduce their supply chain emissions, control water impact and manage risk in a changing climate. We assessed 130 companies considered critical to our business in the first stage of this collaborative process. We will be continuing our work with this group, and we look forward to reporting on our progress toward mapping the carbon footprint of our supply base.

Our [Green Procurement Policy](#), discussed in the Transparency section of this report, forms a cornerstone of our supply chain

practices by encouraging the procurement of environmentally preferable products and services.

### MANAGING SUPPLIER QUALITY AND DEPENDABILITY

Our supply chain encompasses more than 150 countries, includes more than 20,000 suppliers and represents an estimated spend of \$8.5 billion in 2013. By using a risk-based approach, we are able to manage this complex system, applying appropriate levels of focus and rigor throughout the process and carrying out routine audits, both remotely and on-site.

We apply additional focus to the subset of suppliers responsible for the raw materials that have the potential to most directly impact the quality of our products. This group accounts for around 40 percent of our total supply chain. Abbott completed more than 380 on-site supplier quality audits in this group in 2013.

### MANAGING SUPPLIER SOCIAL RESPONSIBILITY

Our Master Service Agreement with all suppliers contains a clause that requires them to adhere to social responsibility standards that align with both our supply chain management strategy and our global citizenship strategy. These standards are set out in our Supplier Social Responsibility guidelines and managed through our Supplier



**\$8.5**

**BILLION**

Purchased in goods and services.



## SUPPLY CHAIN EXCELLENCE

Our global purchasing compliance team audits our suppliers to check that they provide:

### SAFE WORKING CONDITIONS

### DIGNIFIED AND RESPECTFUL TREATMENT OF EMPLOYEES

### RESPONSIBLE MANUFACTURING PROCESSES

### ADEQUATE MANAGEMENT SYSTEMS

### ETHICAL PRACTICES

Social Responsibility program, established in 2011. This program includes a supplier classification model, a quarterly results tracking scorecard and a semi-automated audit report.

Abbott is also a member of the [Pharmaceutical Supply Chain Initiative \(PSCI\)](#) – a consortium of major pharmaceutical companies that share a vision of better social, economic and environmental outcomes for all those involved in the pharmaceutical supply chain. We survey our suppliers using the principles established by the group.

Our global purchasing compliance team, responsible for conducting these assessments, proactively identifies suppliers for screening, with a focus on those in business-critical industries, geographies and spend categories, as well as those in emerging markets. Based on the outcomes of these surveys, we may subject suppliers to an additional layer of scrutiny by conducting on-site audits. These enable us to check that suppliers are providing:

- Safe working conditions
- Dignified and respectful treatment of employees
- Responsible manufacturing processes
- Adequate management systems
- Ethical practices

In 2013, more than 300 suppliers completed self-audits, which were then reviewed by third parties. These checks formed the basis for

on-site audits. In addition to the third-party audits, we also send Abbott employees to check suppliers from an Abbott perspective. This adds another layer of robustness to our monitoring and management practices, and assists us in developing our supplier relationships.

Abbott is committed to engaging our suppliers in this structured process, enabling continual learning and development. As a result of this process, both our suppliers' and our own systems are improved. We also partner with suppliers to help them advance their social responsibility programs, improving their outcomes and impacts.

#### SUPPLIER GUIDELINES

All Abbott suppliers are required to follow our [Supplier Guidelines](#), which are published in multiple languages. These guidelines document our principles, guidelines and expectations in areas including ethical behavior, business integrity and fair competition, human rights, privacy, labor rights and worker protection, animal welfare, environmental stewardship and health and safety practices. We host an external Web site, [Resources for Suppliers](#), that includes answers to frequently asked questions (FAQs) related to social responsibility and also provides insights into Abbott's expectations for suppliers. In addition, our Isotrain program trains all Abbott procurement staff on our policies on supplier social



# \$1.1

## BILLION

In goods and services from more than 10,000 small and diverse suppliers.

responsibility. Completion of this training is a core requirement for all employees with buying responsibility and is considered on annual performance assessments.

Our Supplier Performance Program, established in 1991, is designed to both measure the performance of suppliers and to encourage improvement among those suppliers negotiating challenges.

We recognize exceptional performance and sustained improvements through our Supplier Excellence Award, presented to seven supplier companies in 2013. The program identifies Abbott's highest-performing suppliers by assessing performance in the categories of consistent high quality, delivery performance, service, cost-effectiveness, process improvement and innovation.

#### SUPPLIER DIVERSITY

As with our own workforce, Abbott believes diversity in our suppliers is essential to our ability to compete globally. We are committed to purchasing from a diverse base of suppliers, including small businesses and those owned by minorities, women, veterans, service-disabled veterans and Native American tribes, as well as nonprofits and businesses located in Historically Underutilized Business Zones. We encourage all suppliers that produce the products and services we need to contact us, regardless of size or ownership.

Abbott's diverse supplier spending continued to increase in 2013. For example, spending

with diverse suppliers in our diabetes care business increased 20 percent in 2013. In 2013, Abbott purchased \$1.1 billion in goods and services from more than 10,000 small and diverse suppliers across the world. To promote diverse businesses, we work with a range of advocacy organizations, including the National Minority Development Council, Elite Service Disabled Veterans and Veterans Council, and we actively participate in local, regional and national outreach events bringing together diverse suppliers and corporations.

#### GLOBAL PRODUCT PROTECTION (COUNTERFEIT AND DIVERSION)

Counterfeiting, illegal diversion and theft of Abbott products globally pose threats to Abbott's patients, consumers and the general public. The safety and integrity of Abbott products for the patients we serve is our highest priority. We regularly take action to keep counterfeit, illegally diverted and stolen Abbott products out of the marketplace. We have four key strategies to achieve this.

- **Secure the Supply Chain** – By analyzing the global supply chain for weak points, evaluating track and trace technologies and expanding the use of Distributor Agreements with contracted wholesalers and distributors, Abbott reduces the risk of counterfeit, diverted and stolen product in the marketplace.
- **Ensure Ability to Authenticate** – By implementing overt and covert security



## 4 KEY STRATEGIES

To keep counterfeit, illegally diverted and stolen Abbott products out of the marketplace:

1. SECURE THE SUPPLY CHAIN
2. ENSURE ABILITY TO AUTHENTICATE
3. DISRUPT CRIMINAL ORGANIZATIONS
4. BUILD GLOBAL MOMENTUM

features on the packaging, Abbott hinders counterfeiters and makes authentication of its products easier, encouraging customer confidence.

- **Disrupt Criminal Organizations** – By building relationships with local law enforcement and regulatory organizations, Abbott works to identify and dismantle criminal enterprises involved in counterfeiting, diversion and theft.
- **Build Global Momentum** – By working with government, industry and not-for-profit organizations, Abbott pursues stricter penalties for individuals and organizations involved in counterfeiting, diversion or theft.

Using preventive measures, the Global Product Protection team recently worked to develop and deliver new security features for *Duphaston* blister packages in specific regions. While this overt security feature is easily recognizable, it is very difficult to duplicate – improving the security of the product.

### DISTRIBUTOR AGREEMENTS

It is often through the secondary market that counterfeit, adulterated or improperly stored and handled products make their way into the supply chain. When product comes from the secondary market, it is difficult to assure patients and healthcare professionals of the security or integrity of the supply chain. Among other protections, Abbott works to include exclusive sourcing clauses in distributor agreements. Where allowed, these

protections help prevent the introduction of improperly sourced product into the legitimate supply chain by requiring our distributors and/or wholesalers to purchase Abbott product uniquely from Abbott.

## SAFETY IN MANUFACTURING

Our global engineering standards specify the design, construction and equipment requirements for our manufacturing facilities and workplaces, including standards for noise control, lighting, ergonomics, indoor air quality, temperature and humidity. These include 30 [EHS technical standards](#) that specify operational requirements to prevent and minimize work-related injury and illness.

To monitor each work site's performance on key health measures, we launched a new Global Health Scorecard in 2011. In 2013, 100 percent of our manufacturing and R&D sites met or exceeded targets set under this framework. We also administer Environmental Health Awareness and Office Safety training for our employees. Further information on this work is detailed in the section [Valuing Our People](#).

In addition to manufacturing capacity expansion efforts, Abbott has initiated global programs that invest in more efficient manufacturing process technologies as measured by energy and material consumption. As part of a broad improvement portfolio that includes lean operational excellence, these changes will contribute to reducing our production costs.



## RISK AND CRISIS MANAGEMENT

According to the Centre for Research on the Epidemiology of Disasters, the rate of natural disasters around the world is growing, from 50 in 1950 to 400 in 2011. Natural disasters resulted in economic losses of \$196 billion globally in 2013, reports Aon Benfield. Such events result in an increased demand for critical food and medicines, while simultaneously complicating the delivery of these life-saving products. To ensure the continued ability to fulfill vital healthcare needs in communities around the globe, and to support our stakeholders and mitigate risks to our supply chain, Abbott created the Executive Crisis Management Team (ECMT). The ECMT is tasked with:

- Managing the safety and security of Abbott employees
- Managing the risks to business continuity
- Being prepared to serve others during catastrophic events

Abbott also has a network of trained local emergency response teams that are well prepared to manage many crises on their own. However, when global coordination and assistance is required for major events such as earthquakes, hurricanes and floods, the ECMT leads Abbott's response.

Led by our Senior Vice President of Quality Assurance, Regulatory and Engineering Services, the ECMT is composed of two teams, with cross-divisional, multifunctional representation that includes senior leaders

from across the organization. The skills captured within the teams reflect our past experience and enable us to address the wide range of potential crises that Abbott, as a global company, might face. The existence of two teams also enables us to provide full-shift coverage to manage a crisis response around the clock if necessary. Once the team has gathered enough information on an event, and an action plan has been devised, the ECMT transitions into business continuity/recovery mode.

While we take satisfaction in the external recognition of our strong risk management capabilities, the most important measure of our success is our ability to keep supply lines intact and to give our patients, customers and employees the support they need to overcome unexpected challenges. To that end, our Crisis Management and Business Continuity Planning Specialists around the world spend a significant amount of time running crisis scenarios with both the ECMT and 29 country-specific crisis response teams. These specialists also travel the world, working with Abbott affiliates and business leaders to help them devise, revise and test their crisis management and business continuity plans.

This robust, evolving approach enables us to ensure the safety of our employees, our customers and the public, and to protect our reputation, brand and financial performance.





**\$800,000**

Prior to the 2013 hurricane season, Abbott, the Abbott Fund and our partners had pre-positioned more than \$800,000 worth of donated products.

#### ANTICIPATING AND RESPONDING TO NATURAL DISASTERS

When natural disasters and other emergencies strike, Abbott and the Abbott Fund respond quickly with grants and product donations to trusted humanitarian relief partners – not only to meet people’s immediate needs, but also to assist with longer-term reconstruction and rehabilitation efforts. We also work to anticipate disasters. For the past seven years, for instance, Abbott has worked with Direct Relief and Feeding America to pre-position medical and nutritional products in targeted high-risk locations in advance of hurricane season. By pre-positioning products that will be urgently needed in food banks and clinics along the East and Gulf Coasts, in the Caribbean and Central America, we ensure that the right products are in the right places before a disaster occurs.

Prior to the 2013 hurricane season, Abbott, the Abbott Fund and our partners had pre-positioned more than \$800,000 worth of donated products, which could then be delivered within two or three days of a disaster, compared with the seven to 10 days typical of most relief programs. Each clinic and food bank participating in our program receives disaster relief modules or packs containing the most essential supplies. These packs can treat more than 100,000 people, helping to mitigate mass referrals to local hospitals.

#### TYPHOON HAIYAN

In early November 2013, the Philippines and large areas of Southeast Asia were hit by Typhoon Haiyan (also known as Typhoon Yolanda), a devastating tropical cyclone. Haiyan was the deadliest Philippine typhoon on record, killing at least 5,924 people in that country alone. In the region, the United Nations estimates that 11 million people were affected, with many made homeless.

Abbott and the Abbott Fund committed to providing \$450,000 in grants and healthcare products to deliver immediate relief to the Philippines. The Abbott Fund provided \$350,000 in grants to CARE, Direct Relief and the Philippine Red Cross through the American Red Cross. Abbott also donated approximately \$100,000 of critically needed products, including antibiotics, oral rehydration solutions and nutritionals, to long-standing partners Direct Relief and AmeriCares. These donations helped to advance immediate relief efforts and address the growing health crisis among those impacted by the storm.

Abbott sees the provision of humanitarian relief as an integral part of its commitment to being a responsible global citizen. In the past, we have also provided significant support to relief efforts in Japan, Vietnam and the United States. For example, we provided approximately \$1 million in funding following Hurricane Sandy.



## Valuing Our People

As a company, Abbott adapts quickly and continually to changing healthcare needs, harnessing our talent for innovation to create products that improve health and quality of life around the world. The creativity and agility of our organization is critical to our continued success, and is a reflection of our employees' skill and dedication to advancing healthcare science and technology. Valuing and recognizing our employees' contributions is a core part of Abbott's culture, as is our commitment to helping them fulfill their potential and build rewarding careers.

We choose our people carefully, selecting those with energy, enthusiasm and a commitment to embodying Abbott's **Promise for Life**. We provide unparalleled opportunities through meaningful career paths and ensure that our human resources strategy reflects these opportunities via the breadth and diversity of our global business.

As a global healthcare company, we need a wide array of skills to help us effectively deliver on our mission. We recognize that current and prospective employees' skills, interests, values and priorities may differ from one country or region to another. As a result, we make a dedicated effort wherever we operate to attract a diverse group of employees. We use internal and external research to develop a competitive, locally relevant employee value proposition and total

rewards package. This enables us to address local challenges and priorities more effectively in areas such as diversity, inclusion and work-life harmony.

The core components of Abbott's award-winning workplace environment include:

- A commitment to promoting diversity and inclusion
- Extensive professional development, mentoring and training programs
- Efforts to encourage work-life harmony
- Formal and informal channels for employees to share their opinions with managers and the company
- Competitive compensation and benefits, tailored appropriately for each market
- Protection and promotion of human rights
- Encouragement of wellness campaigns
- Commitment to employee health and safety

We have been recognized with a number of workplace excellence awards globally. For a list of these, please see [External Recognition](#).

### A DIVERSE, INCLUSIVE WORKPLACE

Diversity of perspectives, experiences and skills is critical to our global competitiveness. Abbott is committed to fostering diversity within our company; our diversity and inclusion programs are designed to ensure that our workforce reflects the customers



Abbott's leadership in the workplace has been recognized around the world.



and patients we serve. Our approach also guarantees that we remain able to attract and retain talent, while simultaneously driving innovation throughout our business. We work to leverage our diversity and learn from our differences to deliver greater business impact across all levels of our company. In a testament to our efforts in this area, Abbott has appeared on *DiversityInc's* list of the top companies for diversity for the past 10 years.

We have a range of mechanisms for promoting diversity and inclusion across our business. Abbott's Executive Inclusion Council, led by our Chairman and CEO, monitors the hiring and advancement of women and minorities in U.S. management positions and supports programs that promote an inclusive work environment. In the United States, the representation of women and minorities in management has been an area of particular focus for Abbott for more than a decade. As a result, we've seen the percentage of women in management positions increase from 44 percent in 2010 to 45 percent in 2013. The percentage of minorities in management positions has also increased, from 22 percent in 2010 to 27 percent in 2013.

We strive to promote diversity and inclusion in locally and culturally appropriate ways in our operations around the world. Among other initiatives, this includes a mentoring program in Europe, where we encourage employees to form mentoring partnerships with employees from backgrounds other than their own.

Additionally, many of our businesses have developed their own function-specific and country-specific diversity and inclusion initiatives. For example, in 2013, Abbott Nutrition placed an emphasis on local hiring for managers and line operators for its new plant in India; as a result of this initiative, 100 percent of the workers for the plant come from within the country. Our established pharmaceutical business also pushes for inclusion across the organization. Beginning in 2012, we hosted several training programs to encourage inclusion – with a special focus on women's advancement.

In Italy, we developed an online training program to address diversity and work-life harmony issues for women, with particular focus on supporting employees preparing for the birth of a child. The program – which was honored by the Italian government as best in class and adopted for widespread use throughout Italy – helps new mothers and fathers enjoy the full benefits of maternity or paternity leave without compromising the efficiency of fellow staff members.

We also work hard to encourage inclusion of individuals with disabilities across all of our businesses and locations. Abbott is one of the founding members of the Kanchi network, a leadership group of companies in Ireland working to revolutionize the relationship between business and disability so that people with disabilities will be recognized and valued as consumers, talent, suppliers and members of the community. Abbott Ireland is providing

## U.S. EMPLOYEES IN MANAGEMENT POSITIONS

45% WOMEN



27% MINORITIES





significant input into the development of a benchmark that will recognize excellence in disability equality in all businesses.

#### EMPLOYEE NETWORKS

Complementing our inclusion programs and initiatives, Abbott's employee networks play a vital role in building an inclusive culture and supporting business operations. These networks are sponsored by corporate officers, who help align group objectives with business strategies. By focusing on career development, mentoring, community involvement, informal networking and leadership skills development, our networks continue to expand visibility and create opportunities for participants. Nearly 4,000 employees participate in our six networks:

- Asian Leadership and Cultural Network (ALCN)
- Black Business Network
- La Voice Network (Hispanic/Latino)
- Flex Network (part-time and flexible schedules)
- PRIDE (LGBT)
- Women Leaders in Action (WLA)

These groups not only provide networking and coaching opportunities, but also enable employees to leverage their unique skills to help support business operations. For example, our ALCN provides translation services to high-level delegations of government officials and key opinion leaders visiting our

headquarters. Similarly, the La Voice Network, representing Hispanic and Latino employees, provides translation support when needed for Spanish-speaking customers calling our telephone hotlines.

During the past year, membership and engagement in our employee networks has continued to grow. For example, the WLA recently formed a chapter in Ireland, our first outside of the United States. The Irish WLA chapter boasts 87 members and combines leadership development and skill-building activities with community outreach. With both a new toolkit to guide the chapter development process and a dedicated committee to support it, several other countries are in the early stages of forming their own local WLA chapters.

#### MENTORING

An integral part of the Abbott culture of continuous learning and knowledge sharing, is mentoring, which is prevalent across the organization. Use of our formal U.S. mentoring program, administered through a Web-based partnership-matching tool, has resulted in the creation of hundreds of mentoring partnerships, with continuing growth in 2013. With WLA's Global Mentoring Program, WLA members were able to use their personal networks to match mentees with an international network of mentors.

Mentoring takes a variety of forms at Abbott, going beyond the traditional one-to-one relationship. For example, the members



# 818

Interns were hosted by Abbott worldwide in 2013.



**84% OF U.S. INTERNS**  
Offered full-time positions accepted the opportunity.

of our employee networks participate in mentoring circles, which combine education with networking opportunities and enable one or more subject-matter experts to mentor a group of protégés sharing similar interests. For example, a finance circle might invite Abbott guest speakers to give presentations on topics such as long-range planning, health economics research, cost accounting, commercial sales forecasting and so forth. In some cases, senior executives, such as the corporate controller, might join the circle to participate in an informal question-and-answer session on leadership topics and career paths. In 2013, ALCN, PRIDE and WLA launched a new series of mentoring circles.

## HIRING AND ADVANCEMENT

Global competition for talent is intense. By taking a proactive approach to recruitment and offering advancement and leadership development programs at all levels, we help our employees realize their potential. This ensures that we attract and retain the best talent to develop and deliver new healthcare solutions and fuel our growth.

### ENTRY LEVEL

Abbott offers a number of hiring and development programs to help employees begin or enhance their careers, starting with the Abbott Internship Program. In 2013, we hosted 167 interns at 19 facilities in the United States. Half of our interns were women, and 47 percent were minorities. Additionally, from the 2013 internship class, 84 percent of interns

who were offered full-time positions accepted them beginning in 2014.

In addition to the U.S. interns, 651 interns were hosted in affiliates around the world in 2013.

### UNIVERSITY RELATIONS

To further build our talent pipeline, we work with a wide range of universities to recruit entry-level talent through both campus career planning initiatives and student organizations. We partner with universities to identify potential talent in fields ranging from engineering, manufacturing and quality, to finance, human resources, information technology, business administration and marketing, as well as physician and pharmacy training programs.

We also partner with multiple organizations focused on advancing women and minorities in specific areas of study. Our U.S. recruiting partners include the National Society of Black Engineers, the Society of Hispanic Engineers, the Society of Women Engineers, the Association of Latino Professionals in Finance and Accounting and the National Association of Black Accountants, among others. Outside the United States, we continue to implement new recruiting partnerships with local schools and student organizations while expanding internship and entry-level rotational opportunities.





We also partner with a wide range of organizations to help recruit diverse candidates at more advanced stages of their careers, including the National Black MBA Association, the National Society of Hispanic MBAs, the National Sales Network and the Consortium.

#### PROFESSIONAL DEVELOPMENT PROGRAMS

Our two- and three-year Professional Development Programs provide the future leaders of Abbott with opportunities to gain diverse experiences by rotating through three to four assignments within the company, including international assignments. These programs have proven to be a leadership pipeline, with 27 percent of alumni moving into senior leadership positions at Abbott. The programs also demonstrate our commitment to diversity. Of the 85 people hired through these programs in 2013, 54 percent were minorities and 54 percent were women.

#### VOLWILER SOCIETY

Abbott has a number of professional groups across the organization. The Volwiler Society was created in 1985 as a way to recognize the fundamental importance a productive scientific community holds for Abbott. This year, the society inducted nine new members and promoted two researchers within the group, all of whom have demonstrated excellence, leadership and innovation in developing world-class science and engineering at Abbott. The society's Scientific Governing Board also annually recognizes

outstanding contributions to Abbott's intellectual property portfolio.

#### TALENT MANAGEMENT

Abbott has established a robust approach to talent management, which incorporates skills assessments, performance appraisals, succession and development planning and career pathing. With the launch of our new talent management system in 2012, we increased visibility of talent within our organization, while also enhancing the accuracy of our assessments and driving consistency in our skills mapping across our organization. A key element of this process is talent mapping – which consists of employee-developed and manager-approved talent profiles that capture key information. These empower managers to partner with employees to create accelerated or multi-year development plans to support near- and longer-term career objectives. Development planning provides every employee with the opportunity to improve in their current role, prepare for anticipated challenges and prepare to compete for future roles.

All of our employees participate in our annual performance management process, known as Performance Excellence. This process helps employees integrate their work priorities with the broader objectives of our organization, understand management expectations and demonstrate behaviors that are consistent with our values. We also provide a wide variety of performance management tools and resources to help managers and employees set goals and



drive performance. These include e-learning tools, as well as multiple support documents available via the Abbott intranet.

### COMPENSATION AND BENEFITS

Abbott's compensation philosophy is to pay for performance and is designed to attract and retain employees whose talents contribute to improving the health of people around the world, while also sustaining the profitable growth of the company.

Our compensation is intended to compare favorably with the pay programs of other global, consumer-facing and manufacturing-driven organizations with similar financial, operational and employment characteristics as Abbott.

Our total rewards program combines elements of base and variable pay, with a broad array of benefits and opportunities for growth and development. Our compensation structure has contributed to a corporate culture that encourages employees to regard Abbott as a place to build their career.

While our total compensation targets reference the median of other leading companies, average individual pay varies based on employee competence, experience and performance. This pay-for-performance philosophy, combined with internal and external analysis and reviews, helps drive our total compensation strategy.

For Abbott's business leaders, our compensation program is designed to provide an appropriate mix of elements to incent our executives to achieve our business strategies and goals, in line with shareholder interests. Our executive compensation program is competitive, performance based and balanced between short-term and long-term objectives.

For all staff, Abbott has set the following guiding principles for our compensation programs:

- Base salaries are competitive in the markets in which we compete for employees.
- Incentive plans are designed to balance short- and long-term financial and strategic objectives that build shareholder value and reward overall company and individual performance.
- Incentive compensation (both annual and long-term) is a key component of Abbott's pay-for-performance philosophy. Our structure ties individual awards to both business and individual results, to motivate our employees to achieve superior performance.

Compensation elements are designed to encourage behavior that is consistent with the ethical values established in [Abbott's Code of Business Conduct](#).



## 60,000 EMPLOYEES WORLDWIDE

Have access to job-specific training and development.



## 100% OF EMPLOYEES

Have access to Cultural Navigator™, an online toolkit with more than 100 country-specific modules.

## EMPLOYEE LEARNING AND DEVELOPMENT

Approximately 60,000 employees worldwide have access to job-specific training and development to ensure successful performance in their current roles across the full range of Abbott jobs – from commercial and operations to research and development, as well as human resources, finance and information technology. We also conduct ongoing learning, training and career development programs to help employees at all levels realize their potential. We develop current and future leaders through a robust combination of training, on-the-job experiences and formal and informal mentoring. Nearly 12,000 employees attended learning and development classes in 2013.

### CROSS-CULTURAL TRAINING

Because the scope of our business is global, many of our employees work or travel outside of their home countries – and cross-cultural competency is a key business need. Accordingly, Abbott provides all employees with free access to Cultural Navigator™, an Internet-based toolkit containing more than 100 country-specific modules with extensive information on local business practices, management tools, social etiquette and customs.

The Cultural Navigator tool also encourages employees to fill out a self-assessment that yields a personal cultural profile. This profile enables users to gauge their own business practices, management approach and behavioral styles so that they can compare

their personal habits to standard practices in other cultures. Additionally, Cultural Navigator users can run business simulation exercises to identify potential cross-cultural stumbling blocks and prepare themselves for potential challenges in their future business activities. Nearly 2,000 employees actively used this tool in 2013.

### LEADERSHIP TRAINING

To complement our skills training initiatives, we also offer focused training programs for employees transitioning into management roles. We are committed to helping our new leaders around the world succeed more quickly in their expanded positions.

For example, the Abbott Management Fundamentals program offers an extensive curriculum to help managers lead their teams more effectively, create a strong work environment and empower their teams to deliver results.

Additionally, the Director Foundation Program provides management training for newly hired or promoted director-level employees. Launched approximately six years ago, the Director Foundation Program helps build capabilities in strategic thinking, influencing, coaching and feedback, and it combines this training with high-level discussions on Abbott strategy. The program also stresses the key role that directors should play in sustaining our success by cultivating a talent pipeline.



▲500

**DIVISIONAL VICE  
PRESIDENTS AND  
GENERAL MANAGERS**

Have graduated from our  
Executive Compass leadership  
development program.

### Global Leadership Program

The Global Leadership Program (GLP) helps new and potential general managers in our international affiliates become more effective by better understanding and leveraging the Abbott resources available to them. The program is designed to enable emerging global leaders to benefit from the teachings and advice of Abbott's successful, experienced senior leaders from across our different regions and divisions.

The program consists of two one-week sessions that take place approximately six months apart. The first week includes presentations on corporate strategy from Abbott senior executives, along with case studies on general-manager-level decision making. The second week focuses on people leadership – helping new general managers explore what it takes to grow a business within Abbott, while also developing the talent of the people on their teams.

The GLP not only has helped us to bring new general managers on board faster and more effectively, it has also produced strong global networks of GLP alumni. GLP graduates routinely reach out and connect with their former classmates to share ideas, gain insights and explore new ideas. Additionally, the strong alumni connections enable deep trust and shared organizational understanding at some of the highest levels of management in our company.

The 2013 GLP class included 47 participants from 27 different countries across all regions of the globe.

### Emerging Leader Program

We recognize the importance of developing leaders early in their careers, and our Emerging Leader Program is a valuable tool for doing this. This program accelerates development of high-potential managers at the regional level in Latin America, Europe and Asia Pacific. Integrated into each manager's personal assessments and growth plans, the Emerging Leader Program includes discussions of strategy, leadership and people management. In 2013, 155 leaders in six cohorts completed the Emerging Leader Program. Europe hosted two cohorts, Asia supported one cohort and the Americas ran three cohorts.

### Executive Compass Program

For the most senior-level employees, Abbott's Executive Compass program provides ongoing training. In the past eight years, more than 500 divisional vice presidents and general managers of our Large Business Units have graduated from the Executive Compass program (and its precursor, Leadership Forum), which we view as the capstone of our leadership development series.

Historically, the program consisted of a week-long extensive training delivered by some of the top leaders of our company. The program provided new senior leaders with a deep dive into Abbott strategy and



challenged them to think through a broad range of scenarios affecting stakeholders and customers. Participants engaged in a series of intense case studies that helped hone their decision-making skills and prepare them for the day-to-day challenges of working in senior management.

The Executive Compass program has recently gone through revisions to ensure that the program builds the critical leadership skills needed for continued success today and in the future.

#### WORK-LIFE HARMONY

At Abbott, we recognize the importance of creating and maintaining supportive and healthy work environments that enable our employees to have a balance between their work and personal responsibilities and activities. Consequently, ensuring work-life harmony is an integral part of the Abbott culture. Reflecting this, Abbott offices in more than 60 countries offer flexible work schedules, including flex time, summer hours, part-time, job sharing, compressed work weeks, phased retirement and telecommuting.

We view these initiatives not only as important tools for talent attraction and retention, but also as key components of our approach to diversity and inclusion as we work to support employees in harmonizing work and family commitments.

Abbott understands that the overall employment experience is critical to attracting talent and retaining organizational knowledge. To that end, we continue to develop programs to support employees across their employment life cycles. We recognize that work-life priorities and challenges vary around the world, and we design our programs to be culturally sensitive and locally appropriate.

Some highlights of Abbott's award-winning work-life initiatives include:

- Recognizing the challenge of caring for children during summer vacations from school, in 2012 Abbott Italy hired a contractor to create a summer camp program for the children of Abbott employees. Abbott pays approximately half the child care costs at the camps, which run from June through July. Feedback from employees indicates very high levels of satisfaction with the quality of the camps. Indeed, some employees say the camps are one of the most valued benefits of their work at Abbott.
- In the United States, employees who care for an elderly family member or friend have access to personalized assistance through Abbott's Employee Assistance Program, including help in finding housing options and community resources and paying for care. In 2012, we offered a four-part elder care education and discussion series to help support caregivers in the workplace.



#### CHILD CARE

Abbott's commitment to helping our employees better manage their personal and professional lives is exemplified in our comprehensive child care allowances. Our U.S. child care programs provide a variety of alternatives, including an on-site child care center at some locations, emergency child care assistance, on-site parenting and counseling services, full-day kindergarten programs and school holiday child care programs.

In 2013, the value of these initiatives was recognized, with Abbott being named among the Top 10 companies on [Working Mother magazine's 100 Best Companies list](#). This is the thirteenth consecutive year that Abbott has been included in the prestigious ranking, which recognizes companies for providing a family-friendly workplace. Abbott was also named among the Top 50 Companies for Executive Women in 2013 by the National Association for Female Executives.

Highlights of our programs include:

- Our Early Discoveries on-site child care center – based in our headquarters location in Lake County, Illinois – is one of the five largest centers in the Bright Horizons network and ranked in the top 8 percent of U.S. child care centers for quality in 2013. Early Discoveries is shared with AbbVie and serves more than 800 children in total, with full-time, part-time, infant transition and backup care and holiday and summer programs, as well as a full-day kindergarten.

- Our Family Child Care Provider Training Program has trained more than 3,500 providers in our communities since 2001.
- Our child care discounts are offered at more than 2,800 centers across the United States.

#### PRODUCTIVE TRANSITION TO RETIREMENT

We are especially mindful of the complex and changing definition of retirement today, especially for the first wave of baby boomers, who are retiring in record numbers. Abbott's Freedom to Work program, available to eligible U.S. employees, offers employees who are considering retirement the option to scale back their hours and/or change their responsibilities without affecting their benefits, thus allowing for knowledge transfer. Since Freedom to Work was launched in 2008, more than 500 U.S. employees have enrolled in the program.

Freedom to Work offers employees two different options as they approach retirement:

- The Custom Schedule Program allows employees to reduce hours and pay/bonus without impacting benefits. This option allows employees to work four days a week all year or take up to an additional five weeks of vacation.
- The Emeritus Program allows employees to change their responsibility (for example, from managing staff to becoming an individual contributor) without reducing their pay or grade.

Abbott has been recognized over the years for this innovative program, including mentions



Abbott is included on *Working Mother* magazine's 100 Best Companies list for the 13th consecutive year.



# 3,500

#### CHILD CARE PROVIDERS

Have been trained by Abbott's Family Child Care Provider Training Program since 2001.





## 66 COUNTRIES

Employees in 66 countries participated in our global fitness program, Exercise Across Abbott.

in the *Wall Street Journal*, the *Economist*, *BusinessWeek*, *Fast Company*, *Fortune*, *CNN Money* and *Money* magazine.

### HEALTHY LIVING INITIATIVES

As a global healthcare company, we are committed to helping our employees and their families lead healthy, productive lives – and we strive to set an example to encourage other employers to embrace a culture of health. Our wellness programs provide resources, information, motivation and support to help our people make healthy lifestyle choices, minimize health risks, manage chronic health conditions and get access to comprehensive, high-quality healthcare, medicines and related supplies.

The healthy living and wellness programs we offer vary around the world, reflecting the needs of employees and the characteristics of national healthcare delivery systems. Most of our locations offer on-site influenza immunizations and health screenings, and most also facilitate employee exercise by offering on-site fitness centers, health club membership subsidies or discounts, and sports and recreation clubs.

In 2013, teams of Abbott employees in 66 countries participated in our global, four-week, team-based fitness program, Exercise Across Abbott. This program rewards participants for increasing their physical activity each week. At the end of the four weeks, 448 teams (58 percent of the total

number) had consistently increased their minutes weekly.

Many of our locations around the world offer a broad range of on-site health services in addition to educational programs and wellness events. For example, our affiliate in India offers health and wellness resources, including health checkups, health risk assessments and access to a health coach or medical professional. The program also offers monthly newsletters, workshops and health challenges. Similarly, our Brazil operation enhanced its wellness activities in response to employee feedback, providing more information and tips on stress management, healthy diet, exercise and weight loss. Abbott in Brazil created a local wellness committee, with representatives from various business units working together to support wellness initiatives, including a team run. Abbott in Ireland and in the United Kingdom offer wellness programs with health awareness campaigns and challenges.

### LIVELIFEWELL

In the United States, we offer an integrated wellness program, LiveLifeWell, which encompasses:

- Online health assessment and tools
- Personal health coaching and nutrition counseling
- Awareness-raising campaigns and events
- Walking program with a free pedometer to track daily progress
- On-site immunizations and health screenings



Approximately 70 percent of U.S. employees and 63 percent of their spouses participate in LiveLifeWell.

Through awareness-raising events, we help employees learn about their health risks and encourage them to make healthy choices. Examples of these activities include healthy-heart events with free blood pressure screenings, and posting nutritional information in Abbott cafeterias to promote healthy meal choices.

In 2013, LiveLifeWell spearheaded new efforts to focus on one of the leading risk factors faced in a workplace today – stress. A six-week campaign was offered to Abbott employees and their covered spouses to educate, motivate and build skills in the area of stress management. Participants tracked their level of stress, coping skills used and physical activity. In addition, participants received encouraging emails with links to resources and opportunities to participate in various in-person and online seminars. Seminar topics included learning relaxation techniques, building personal resiliency, learning stress management practices and joining 15-minute well-being breaks on visualization, desk stretches and breathing techniques.

#### **INTEGRATED CARE MANAGEMENT – PUTTING THE PATIENT FIRST**

In the U.S., Abbott's unique approach to integrated care management identifies gaps in standard programs and provides a customized, patient-centered model that delivers targeted

support for our population. The company has partnered with multiple organizations to provide integrated, comprehensive services and health plan benefits that help employees and families maintain and improve emotional, physical and financial well-being.

Integral parts of Abbott's healthcare strategy include:

- Eliminating cost barriers for preventive care services
- Supporting people across the healthcare continuum
- Proactively identifying early opportunities
- Ensuring each individual is appropriately/seamlessly transitioned to the best service that meets their needs at any point in time
- Co-managing and integrating with vendor partners to enhance member experience
- Creating impact with each member interaction to drive optimal outcomes
- Incenting individuals for active engagement in completing health goals

Abbott's integrated care management programs have produced multi-year cost avoidance for both Abbott and its employees, and helped deliver care that is more effective for individuals with serious health conditions. Abbott continues to evaluate the effectiveness of both the wellness and care management programs, and we have found the greatest ROI when individuals participate in all of the programs, so that they leverage the entire range of learning and behavior modification tools and resources.

#### **COMPREHENSIVE APPROACH – HEALTH IS MORE THAN PHYSICAL**

Abbott's commitment to our employees' well-being is further demonstrated in our programs to address emotional health needs. Abbott employees and their families in more than 20 countries around the world have access to company-funded Employee Assistance Programs (EAPs). EAPs are employee benefit programs that help employees address personal problems and concerns so they can face fewer distractions, make fewer mistakes and be more successful at work. These may include providing individuals with support to identify and resolve personal concerns regarding health, family, stress, finances, alcohol, legal concerns, grief and other issues that could impact job performance.

Abbott's EAPs help us to promote a productive and healthy workplace by applying specialized knowledge and expertise about human behavior and mental health, thus extending the beneficial impact of the program further into the community.

Beyond individualized assistance, our EAPs provide ongoing support to employees by offering topical seminars and online education covering topics such as stress management, child-care resources, grief, depression and taking care of personal health. Abbott's EAPs include crisis intervention services, and they respond to emergencies in the workplace. EAP resources are also available to employee family members.



## EMPLOYEE HEALTH AND SAFETY

Abbott has clear, consistent global policies and standards requiring that we operate in a manner that promotes employee health, safety and productivity while also protecting the environment. Among other tenets, our [Global Environment, Health and Safety \(EHS\) Policy](#) aims to:

- Foster a work environment that is ultimately free of injuries
- Improve the efficiency and sustainability of all our business activities
- Require contractors working on behalf of Abbott to conform to regulatory requirements and meet applicable internal EHS standards
- Integrate sound health and safety practices consistent with our management system into all aspects of the business
- Establish goals and strategies for the enterprise, and report publicly on our progress

Our global standards and technical program requirements include metrics, audit and reporting mechanisms that serve as a baseline expectation for health and safety performance worldwide. All Abbott manufacturing plants, R&D centers and commercial operations implement a plan based on these standards, and each is evaluated regularly.

Our management standards set minimum requirements in the following areas:

- Health and safety policy and program
- Strategic planning
- Self-assessment/risk assessment
- Business integration
- Training and awareness
- Communication and information
- Performance measures
- Assurance reviews
- Health and safety global standards

These technical standards enable Abbott to have consistent technical expectations at all our sites around the world.

## HEALTH AND SAFETY MANAGEMENT

Improving our performance requires clear lines of accountability and senior-level leadership and support. For example, the Senior Vice President of Quality, Regulatory and Global Engineering Services, who is also a senior corporate officer, reviews metrics, key programs and progress with the Chairman and CEO on a regular basis.

The following groups implement our health and safety programs and initiatives:

- **Environment, Health and Safety Executive Council** – This body sets priorities for all Abbott work sites and assures that resources are made available to meet local needs. Sponsored by a corporate officer, the council consists of EHS heads in each operating business.



- **Commercial Environment, Health and Safety Executive Council** – This council sets and implements EHS goals and objectives for our sales operations around the world. An executive vice president chairs this group.

#### REDUCING ACCIDENTS

We believe that all employee health and safety incidents are preventable, and that safety is the responsibility of every manager. As in other areas of citizenship reporting, we use an annual review process and routine performance reporting to help us set and monitor appropriate health and safety targets and to drive continuous improvement in our performance. Two of our key health and safety goals are reducing the number of incidents that result in time off work and reducing the incidence of vehicle accidents among our employees.

In 2013, our rate of 0.24 cases per 100 employees was an improvement of 25.6 percent on our performance in 2012. To achieve our 2020 lost workday case rate target of 0.15 cases per 100 employees, we will continue to focus on two key areas. First, a risk-based system focuses on the specific facilities with the greatest opportunity for health and safety performance improvement each year. Each business unit is responsible for addressing the concerns in its identified facilities by reviewing specific risks and implementing measures to improve performance.

The second area of focus is behavior-based safety. Senior leaders in each Abbott business have embraced our safety culture strategy, Moving to Zero (moving to zero workplace accidents). Sites around the world also share best-in-class programs designed to reduce employee injuries. This global initiative encourages all employees to think and act safely, and helps lead Abbott toward an injury-free culture.

#### VEHICLE SAFETY

Vehicle safety is a key priority for Abbott. At the end of 2012, we set a vehicle accident target for 2020 of 4.0 accidents per million miles driven – a 60 percent reduction from our 2010 baseline year. In 2013, our global vehicle accident rate improved by 6 percent from the 2012 rate, to 4.8 accidents per million miles driven.

In early 2013, we launched a new, comprehensive global education campaign to our international affiliates, designed to help our employees better understand the risks associated with distracted driving. Formally known as Helping Employees Reduce Risk across the Organization (HERO), the campaign focuses on our commercial field sales force. HERO is designed to encourage field-based employees to use safe driving habits and to raise awareness about the risks posed by in-vehicle distractions such as mobile telephone use. Since the campaign's launch, more than 90 percent of our commercial business sector has taken formal steps to prohibit calling and texting while driving, with



**-6%**

#### ACCIDENTS

In 2013, vehicle accidents were reduced to 4.8 per million miles driven.



**-25.6%**

#### DAYS LOST

In 2013, we reduced our rate of lost workdays to just 0.24 cases per 100 employees.



the balance of affiliates scheduled to complete the process in the first half of 2014.

To further advance vehicle safety, we focus on specific countries with the highest risk profile. For example, the acquisition of 3A Nutrition in Vietnam in 2012 involved welcoming 2,100 new employees into Abbott, including many field-based sales representatives operating motorcycles every day. Recognizing that our employees are our greatest asset, Abbott Nutrition leadership quickly established a course to ensure that all Vietnam field representatives complete formal, hands-on motorcycle safety training. This comprehensive, full-day training program, called Behind-the-Bar, is now firmly established. By the end of 2013, more than three quarters of all field employees across the Vietnam affiliate had completed the course and received complementary general EHS awareness training. Most importantly, field employees also were issued helmets to ensure the best possible protection during field travel.

#### **COMMERCIAL COMMUNITY OUTREACH - DECADE OF ACTION**

Driving a vehicle – whether it is a car or a two-wheel motorcycle – is the highest-risk activity commercial employees perform every day. Globally, 13 million people die every year due to road crashes, with road crashes now the ninth leading cause of death and injuries around the world. To address this critical humanitarian issue, the United Nations recently launched a global initiative called Decade of Action for Road Safety: 2010–2020.

The goal is to reduce global fatalities and injuries by 50 percent during the decade.

In 2013, Abbott began establishing partnerships with the United Nations as a way to formally support critical road safety initiatives across both Vietnam and India. Vehicle safety is a particular concern in these countries due to both the quality of the roads and the mode of transportation used, with transportation such as motorcycles being inherently more dangerous. In 2014, Abbott will take the in-house expertise, knowledge and road safety training provided to its own employees in Vietnam and India and reach out to local schools with information and training related to safe road transportation. By facilitating similar programs in surrounding communities, we will support the United Nations' valuable global initiative.

#### **OCCUPATIONAL HEALTH**

Our occupational health team plays an important role in promoting the health and productivity of all Abbott employees. Occupational health staff serve as integral members of the Executive Crisis Management team on all issues related to employee health. Among other responsibilities, the team monitors the spread of infectious diseases such as avian influenza and develops proactive preventive health strategies for Abbott work sites.

In 2013, we updated Abbott's global pandemic plan, which more broadly addresses infectious diseases that may spread across multiple

continents or even worldwide, such as the new coronavirus Middle East respiratory syndrome (MERS-CoV). The team also plays a critical role in assessing potential health impacts, such as air quality issues in China, and the preventive measures to minimize the health impact of these challenges.

Historically, the field of occupational health has focused largely on preventing workplace injuries, along with conducting preventive medical surveillance to ensure the safety of workers whose jobs entailed exposure to health risks such as loud noise or potentially hazardous chemicals. These basic occupational health activities are still performed at Abbott, but increasingly, the definition of occupational health has expanded to include a wide range of innovative programs that emphasize preventive care and take a holistic perspective on workforce health.

To ensure that our employees receive the best possible occupational healthcare, our Global Occupational Health Services organization also offers a scholarship program to fund advanced training for occupational health physicians and nurses at our facilities.

#### **GLOBAL HEALTH SCORECARD**

In early 2011, we launched a new Global Health Scorecard to monitor each site's performance on key occupational health measures and to identify areas for improvement. In 2013, we expanded the scorecard to include commercial affiliates as well as manufacturing and R&D sites. This





meant rolling out the scorecard to affiliates in 24 countries in 2013, far exceeding our initial plans to roll out in 15 countries.

The scorecard ranks sites according to how many targets they have reached from a menu of 15 global health offerings. In 2013, we were pleased to note that 100 percent of our manufacturing and R&D sites met the target for the year, with 71 percent of these sites already at the 2015 target. In order to maintain or reach the top level in 2014 and subsequent years, sites will need to improve their performance in additional health indicators such as achieving a nonsmoking campus, making healthy food options available in the cafeteria on a daily basis, offering seasonal influenza vaccinations on-site, holding a health fair and providing employees with access to physical activity at a fitness center and/or walking trail. For example, in 2013 we offered our seasonal influenza vaccine, *Influvac*, at our manufacturing and research and development sites in the northern hemisphere at a reduced rate. 2013 was the first year that we offered the program and, as a result of its success (1,356 employees vaccinated at 13 sites), we will be expanding the program to include our larger commercial affiliates in the northern hemisphere.

Employees around the world have benefited from a wide variety of health promotion activities in 2013. These included:

- **Travel health services** – 1,166 employees prepared for travel
- **Blood drive** – 1,649 participants
- **First-aid training** – 1,284 participants
- **Automated external defibrillator (AED) training** – 1,143 participants
- **CPR training** – 1,152 participants

Data demonstrates that these training initiatives not only ensure appropriate training, but also save lives. Since 2002, our global AED and CPR programs are believed to have saved at least nine lives at Abbott facilities worldwide. In all, more than 54,000 employees benefited from health promotion and health screening activities in 2013.

In 2013, Abbott became a member of [Harvard University's new Sustainability and Health Initiative for NetPositive Enterprise \(SHINE\)](#), which helps corporations measure and accelerate the ways in which they help the world become a healthier, more sustainable place.

## LISTENING TO OUR EMPLOYEES

Employee feedback provides us with valuable insight as we continue to shape our culture to achieve our business strategy.

In 2013, we began the process of building the new Abbott, after the January separation of the company into Abbott and AbbVie. We were conscious of the necessity of, and the value gained from, engaging our employees in the process of building the new Abbott. For this reason, we carried out a range of employee engagement activities, such as targeted focus groups, which gave employees from across our business a chance to provide feedback on the new company and strategy, while also offering insights on staff satisfaction levels. These efforts have resulted in a more robust strategy for the company and have set the tone for a new culture that reflects the priorities and concerns of both the business and our employees.

In addition to involving Abbott employees and stakeholders in the development of our new identity, we have continued to seek feedback from newly hired employees to gain insight into the quality of our recruitment process and each individual's early experiences with Abbott. In 2012, the employee satisfaction rate for those newly hired was 98 percent.

## HUMAN RIGHTS

Abbott believes in the dignity of every human being and respects individual rights as set forth in the Universal Declaration of Human Rights. These principles are reflected in our company's mission and core values. While governments have the primary responsibility to respect, protect, promote and fulfill the human rights of their citizens, Abbott recognizes that companies play a supporting role in promoting human rights within their spheres of influence.

We contribute to the fulfillment of human rights through compliance with laws and regulations wherever we have operations, as well as through our policies and programs. Our guidelines include:

- Encouraging open communication between management and employees.
- Complying with child labor laws and laws prohibiting any form of forced, bonded or indentured labor or involuntary prison labor.
- Providing compensation and benefits that are competitive and comply with applicable laws for minimum wages, overtime hours and mandated benefits.
- Providing a healthy and safe working environment.
- Promoting workforce diversity and not discriminating against any employee for reasons such as race, religion, color, age, gender, ethnicity, disability, marital status, sexual orientation or any other status protected by law.

- Not tolerating harassment or harsh or inhumane treatment in the workplace.
- Protecting individual privacy.

Abbott's position on human rights is reinforced through employment, ethics and procurement policies, which are designed to ensure that neither we, nor our suppliers, engage in human rights abuses.

### ABBOTT RECOGNIZED FOR CHILD-FRIENDLY PRACTICES

In January 2012, Fundação Abrinq/Save the Children ([www.fundabrinq.org.br](http://www.fundabrinq.org.br)) recognized Abbott as an Empresa Amiga da Criança (Child-Friendly Company) for its commitment to the welfare of children and adolescents in Brazil. Abbott was recognized for its public commitment to refrain from the direct or indirect use of child labor and to work only with suppliers who also commit not to use child labor. Going further, the award recognized Abbott's commitments to creating health and education programs for its employees' children and to promoting public health and education programs for Brazilian children and adolescents. The recognition enables Abbott to join a select group of Brazilian and multinational companies that are permitted to use Fundação Abrinq's seal on their products. The Abrinq seal is widely recognized and valued by Brazilian consumers.



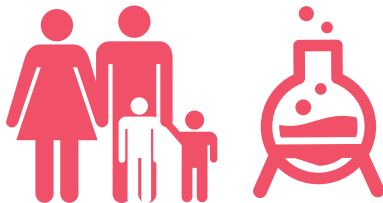
Abbott was recognized  
by Fundação Abrinq/Save the Children  
as a child-friendly company in Brazil.

## Community Engagement

**\$56+**

**MILLION**

Total social giving by Abbott and Abbott Fund in 2013.



**30,000+ CHILDREN  
AND PARENTS**

Have enjoyed Family Science events in seven countries around the world.

Making a positive and lasting difference in people's lives, and strengthening communities wherever we live, work and do business – these ideas are central to what we do. We achieve these goals by creating and distributing life-enhancing products; by providing our expertise to build healthy communities; and by providing financial support to [the Abbott Fund](#), a nonprofit 501(c) (3) foundation established by Abbott in 1951. The Abbott Fund works to realize a vision of creating healthier communities worldwide by investing in and supporting ideas that promote science, expand access to healthcare and empower communities. To that end, in 2013 Abbott and the Abbott Fund contributed more than \$56 million in grants, product donations, community partnerships and efforts to strengthen healthcare systems around the world.

To ensure that our philanthropic activities are strategic and impactful, Abbott begins by exploring the needs of those we seek to assist, listening and asking questions until we understand their challenges and can propose workable solutions. We identify partner organizations with skills and contributions that complement Abbott strengths and expertise, and then we carefully measure the impact of our programs and share what we learn with others.

Abbott's approach to community involvement includes:

- **Science Education** – Abbott works to engage students in scientific exploration and to inspire their families and teachers to foster the next generation of innovators. We sponsor and participate in programs that encourage young people to become proficient in science and to pursue careers in science and engineering. An example of this is our Family Science program, described on the following page.
- **Community Vitality** – Healthy communities possess vibrant and diverse institutions that serve the public good. These institutions range from health and human welfare agencies, such as food banks, homeless shelters and health clinics, to museums and universities. The Abbott Fund supports creative programs that address unmet needs of local communities. When natural disasters and emergencies strike communities, Abbott and the Abbott Fund respond with grants to trusted humanitarian relief partners. Grants are directed to both immediate needs and longer-term reconstruction and rehabilitation efforts.



## ULTRA RICE

# 200+

## MILLION

OF INDIA'S POPULATION  
SUFFERS FROM MALNUTRITION  
AND HUNGER

# 65%

OF INDIA'S POPULATION DEPENDS  
ON RICE AS A STAPLE FOOD

ABBOTT NUTRITION SCIENTISTS  
ARE WORKING WITH PATH  
TO IMPROVE ITS ULTRA RICE  
FORTIFICATION TECHNOLOGY

# \$1.5

## MILLION

HAS BEEN PROVIDED BY THE ABBOTT  
FUND TO REFINE AND SCALE UP  
PRODUCTION OF FORTIFIED RICE  
USING ULTRA RICE TECHNOLOGY

## ENGAGING AND INSPIRING YOUTH IN SCIENTIFIC EXPLORATION

Abbott's science and engineering education platform focuses on K-12 out-of-school programs providing an understanding of the science and innovation behind health care, medical devices and nutrition. These programs encourage young people to be more proficient in science, technology, engineering and math, providing a pathway to a promising future.

One of our major programs to interest children in science and inspire them to pursue scientific careers is Abbott Family Science. This program has been run in seven countries and brings together children aged six to ten, along with their parents and teachers, to learn about science and innovation through exciting experiments and activities led by Abbott scientists and engineers. To date, the program has involved more than 30,000 participants and more than 3,500 Abbott volunteers.

In China we have run this program in more than 30 cities, teaching children fundamental skills such as problem-solving and teamwork, while also demonstrating the basics of the scientific method. Ninety-five percent of families who have participated in the program said they would recommend it – a fantastic indicator of the value of the program. In addition, the program has won a number of awards, including the Asia Corporate Social Responsibility Award for programs in China,

Singapore and South Korea in 2011 and Highly Commended at the inaugural CSR Europe awards in 2013.

## CONTRIBUTING EXPERTISE IN NUTRITION SCIENCE

Malnutrition and micronutrient deficiencies afflict millions of people globally, especially children. Vitamin A deficiency, for example, compromises the immune systems of almost 40 percent of children under age five, causing nearly a million deaths in the developing world, according to UNICEF and the Micronutrient Initiative. Similarly, folic acid deficiency causes some 200,000 severe birth defects in 80 developing countries, while mild-to-moderate zinc deficiency affects more than a third of the world's population, compromising children's growth and immune function.

Abbott and the Abbott Fund are partnering with leading researchers and nonprofit organizations to develop new ways of tackling the challenge of malnutrition, while creating jobs and supporting local economies. Abbott contributes scientific knowledge about the role of multiple plant sources and other raw materials in producing specific vitamins and minerals, as well as expertise in formulation, large-scale production, quality assurance and related areas to help make the development and manufacturing of fortified foods more effective and efficient.



### 300% GOAL

Our agricultural program is working to raise incomes for Haitian farmers by 300 percent.

# 14, +

### HOURS VOLUNTEERED

For Haiti by Abbott experts.

#### ULTRA RICE IN INDIA

India is one of the fastest-growing countries in the world, both in terms of its economy and its population. However, more than 200 million people in that population suffer from malnutrition and hunger – more than any other country. In fact, UNICEF estimates that one in every three malnourished children in the world lives in India.

Since rice is a staple for most people in India, it may also help to find new solutions to the nation's malnutrition challenge. In 2011, Abbott and the Abbott Fund began a partnership with PATH, a Seattle-based nonprofit focused on international development, to refine and scale up the production and distribution of fortified rice using PATH's Ultra Rice fortification technology. This technology is a micronutrient delivery system that packs vitamins and minerals into rice-shaped "grains" made from rice flour and manufactured using pasta-extrusion equipment. When these grains are blended with milled rice, the result is more nutritious than traditional rice, yet almost identical in smell, taste and texture.

Abbott nutrition scientists are working with PATH to improve its Ultra Rice fortification technology in ways that reduce costs while improving nutritional value, ease of manufacturing, stability and taste. By combining the nutrition expertise of Abbott and PATH, the partnership aims to introduce new formulations of Ultra Rice that

will effectively deliver nutrients, helping to address malnutrition in India and, looking ahead, in several other countries.

PATH and Abbott's foundation, the Abbott Fund, are also working to build local production capacity, expand distribution of fortified rice in India's public and private sectors, and develop low-cost quality assurance tools to ensure production of high-quality fortified rice. Through the public sector programs alone, the Indian government provides approximately 30 million metric tons of rice to an estimated 450 million consumers – which gives an indication of the potential impact of Ultra Rice in India.

#### NOURIMANBA IN HAITI

Childhood malnutrition and lack of economic opportunity have long plagued Haiti. However, with the opening of a new, state-of-the-art nutrition production facility – the centerpiece of a broader partnership between Partners In Health (PIH), Abbott and the Abbott Fund – real progress is being made to boost the economic and social health of the country.

Even prior to the January 2010 earthquake, one in three Haitian children under the age of five suffered from malnutrition. Nourimanba, a ready-to-use therapeutic food product designed to treat severe childhood malnutrition, is a high-calorie, high-protein, fortified paste that is provided free to patients seen at PIH clinics throughout the country.

With the opening of a new nutrition production facility in the Central Plateau of





Haiti in 2013, the facility is producing and distributing Nourimanba to PIH clinics in the region. The facility, built by Haitians supported by Abbott engineers, scientists and other specialists, is operated and managed by Haitians, led by Zanmi Lasante (PIH's sister organization). Abbott and PIH experts provided extensive training for the local team in order to upgrade manufacturing, production and maintenance skills, and share best practices in quality and food safety. Abbott and PIH will continue to offer ongoing mentoring and support to ensure long-term sustainable operations.

Expanding economic opportunity is a key focus of the partnership. There is tremendous opportunity to expand local cultivation of peanuts, the main ingredient in Nourimanba. Working with two of PIH's local sister organizations, Zanmi Lasante and Zanmi Agrikol, as well as the nonprofit TechnoServe, the partnership is supporting an agricultural program to help local farmers supply the facility with high-quality peanuts, while raising their incomes. In addition, 35 local residents have been recruited and trained to provide services, including tillage and harvest collection. The effort is already improving crop quality, with the longer-term goal of increasing farmers' incomes by as much as 300 percent.

"When Abbott started working with Partners In Health a few years ago, we were both looking for ways to do things differently, so we can have a greater impact in helping to bring about transformational change in Haiti," said Katherine Pickus, Divisional Vice President, Global Citizenship and Policy, Abbott, and Vice President, the Abbott Fund. "By combining the unique expertise and resources of a nonprofit organization and a leading nutrition and healthcare business, and by listening and working closely together every step of the way, we have been able to open a new facility that both produces a life-saving treatment for children and provides economic opportunity for local communities."

Since the program began in 2009, our staff has provided more than 14,000 hours of expert technical support, with Abbott and the Abbott Fund contributing \$6.5 million in funding.

Looking ahead, the partnership is exploring a variety of ways to use excess production capacity to produce a fortified peanut butter. Revenue from peanut butter sales would be reinvested in the facility to cover the costs of Nourimanba production, with the goal of creating a social enterprise that will help sustain facility operations over the long term.

#### ABBOTT FUND INSTITUTE OF NUTRITION SCIENCE

Working with leading experts in China and Vietnam, the Abbott Fund Institute of Nutrition Science (AFINS) is designed to advance clinical nutrition within hospitals by supporting training and health education, clinical research and high-quality nutritional patient care. In China, AFINS began as a partnership between the Abbott Fund, the Shanghai Children's Medical Center (SCMC) and the nonprofit organization Project HOPE, bringing together evidence-based nutritional research, the advanced resources of SCMC and nutrition science expertise from Abbott.

AFINS China was established in 2007, in partnership with Project HOPE and the SCMC, to address gaps in pediatric clinical nutrition. Three years later, in 2010, we launched AFINS Vietnam, in partnership with Boston University, Bach Mai Hospital, the National Institute of Nutrition and Hanoi Medical University.

To date, 5,400 healthcare professionals have been trained through the AFINS program. In Vietnam, the program has launched a clinical nutrition specialty program for nurses and supported the development of a new, four-year bachelor-level dietitian degree at Hanoi Medical University, as well as conducting five research studies. In China, the program has helped reduce the malnutrition risk among children admitted to the SCMC by 78 percent since 2010, and in 2010, SCMC became the first and only children's hospital in mainland China to be accredited by the



### 5,400 HEALTHCARE PROFESSIONALS

AFINS has trained more than 5,400 healthcare professionals in China and Vietnam.



### 100%

#### OF NEW PATIENTS

At Shanghai Children's Medical Center are screened for malnutrition.



### 78%

#### DROP IN MALNUTRITION RISK

Since 2010, Shanghai Children's Medical Center has seen the risk of malnutrition in children admitted drop 78 percent.



### \$12 MILLION

In community giving by employees and matching grants in 2013.

Joint Commission International, which singled out the hospital's nutrition screening practices for special praise. In both China and Vietnam, AFINS has been embraced by local government and hospital leaders, ensuring the long-term sustainability of efforts to strengthen hospital nutrition and provide better patient care. AFINS is just one part of Abbott's broader outreach efforts to strengthen nutritional science, testing and practices in developing nations.

#### EMPLOYEE GIVING AND INVOLVEMENT

Our employees reflect our commitment to creating healthier communities, with Abbott employees around the world generously contributing their time, expertise, money and enthusiasm to numerous community-based initiatives. To facilitate this work, we have developed an online system enabling employees in Canada, Ireland, Puerto Rico, the United Kingdom and the United States to access volunteer activities that match both their needs and interests, and their professional skills and expertise.

Abbott employees also continued to expand their financial giving to nonprofit and community groups in 2013, with more than 87 percent of U.S. employees contributing through the company's annual employee giving campaign and matching-grant program. Contributions from the Abbott Fund and employees totaled \$12 million. Abbott's employee participation is more than twice the rate typically seen in employee giving campaigns, according to JK Group, which

administers corporate philanthropy programs at Abbott and elsewhere.

#### MEASURING RESULTS

Since 2009, Abbott has been a member of the global [LBG group](#), formerly the London Benchmarking Group. Abbott is among the more than 300 companies worldwide using the LBG model to measure, manage and report the value and achievements of the philanthropic contributions they make.

Using this model, we were able to assign a monetary value to the time and services of our employees involved in community activity, as well as our cash and product donations. Our total community contributions using LBG methodology came to more than \$40.9 million in 2013.

## Promoting Ethics and Integrity

### SEVEN ELEMENTS OF AN EFFECTIVE COMPLIANCE PROGRAM

- Leadership
- Written standards
- Effective lines of communication
- Training
- Accountability
- Assessment
- Remediation

### ETHICS AND COMPLIANCE

Abbott is committed to doing business in a responsible manner and we seek to maintain the highest standards of ethical conduct in everything we do. Our employees understand the impact that their work and our products can have on people around the world. As a result, they strive every day to ensure they are doing the right thing, in the right way. To help them in this work, we make it a priority to earn their support, ensuring that our employees understand our company's values, Code of Conduct, policies and procedures, as well as our wider legal obligations. Our ethics and compliance program and strategies work to the benefit of Abbott and our shareholders by safeguarding our company's reputation and enhancing trust.

### BUSINESS ETHICS AT ABBOTT

At Abbott, we are committed to meeting high ethical standards and to complying with all applicable local, national and international laws wherever we do business. Such ethical conduct honors Abbott's 125-year legacy of making a positive difference in the health of people around the world.

### EFFECTIVE COMPLIANCE PROGRAM

Reflecting our commitment to operating honestly, fairly and with integrity, our ethics and compliance program surpasses just adhering to applicable laws and regulations.

Our program is arranged around the seven elements of an effective compliance program, as set forth in the voluntary "Compliance Program Guidance for Pharmaceutical Manufacturers," published in April 2003 by the Office of Inspector General, U.S. Department of Health and Human Service ("HHS-OIG Guidance"). These elements are:

- Leadership
- Written standards
- Effective lines of communication
- Training
- Accountability
- Assessment
- Remediation

Our integrated, company-wide program is organized around these elements and also requires compliance with a suite of voluntary industry guidelines. These are listed below.

We address each of the seven key elements of effective compliance as follows:



# 35

## LANGUAGES

The Abbott Code of Business Conduct is published in print and online in 35 languages to support colleagues around the world.

### LEADERSHIP

The Chief Ethics and Compliance Officer (CECO) is responsible for the management and operation of the Office of Ethics and Compliance (OEC) and the development and enhancement of the compliance program. The CECO makes regular reports regarding compliance matters to the Chairman of the Board and to Chief Executive Officer, senior level leadership and Abbott's Board of Directors and committees.

The Business Conduct Committee (BCC) consists of senior-level leadership and is chaired by the CECO. Established to assist in the implementation of the compliance program, the BCC is accountable directly to the Chairman of the Board and the Chief Executive Officer. The committee holds periodic meetings to discuss matters including the legal and regulatory environment, risk areas and best practices, as well as modifications to the compliance program on the basis of such evaluation. OEC staff provides dedicated support to each of Abbott's businesses.

Outside the United States, our Affiliate Compliance Program is managed by local Affiliate Compliance Committees, composed of the Affiliate Management Representative and other top executives representing all of Abbott's businesses within a country. The Affiliate Compliance Committees are responsible for the day-to-day functioning of

the compliance program, including monitoring of compliance, providing awareness of and training for the program, revising policies and procedures and providing guidance to local employees. The committees also meet on a regular basis to discuss emerging issues and work with the International Ethics and Compliance organization as new programs initiated by the OEC are rolled out. Compliance professionals located throughout the world provide oversight and guidance to the Affiliate Compliance Committees.

### WRITTEN STANDARDS

The [Abbott Code of Business Conduct](#), published in print and online in 35 languages, sets forth our basic guidelines and requirements for ethical behavior. Abbott employees are required to read and certify adherence to our Code annually. Our Code states clearly that Abbott does not tolerate illegal or unethical behavior in any aspect of our business. It emphasizes the importance of ethical and honest conduct; adhering to Abbott's policies and procedures; treating confidential information appropriately; avoiding conflicts of interest; and maintaining Abbott's books and records with accuracy and integrity. Further, it requires our employees to ask questions or report any concerns.

In addition to our Code, we adopt policies and procedures that guide employees as they conduct their day-to-day activities. These



policies and procedures encompass relevant laws and regulations, including food and drug laws and laws relating to government healthcare programs. They also take into account industry best practices, including provisions of the International Federation of Pharmaceutical Manufacturers & Associations (IFPMA) Code of Pharmaceutical Marketing Practices and the updated Advanced Medical Technology Association (AdvaMed) Code of Ethics on Interactions with Healthcare Professionals, as well as other applicable industry codes.

We regularly update our policies to incorporate changes to the law and industry codes, including rules regarding gifts, meals and education we provide to healthcare professionals.

A number of laws in the United States require greater transparency in the relationships between our industry and individuals and entities involved in providing healthcare. These laws impose various combinations of code of conduct restrictions and tracking and reporting of payments and transfers of value (such as meals) provided to healthcare professionals and healthcare organizations. Abbott complies with the applicable state laws – California, the District of Columbia, Massachusetts, Minnesota, Nevada and Vermont – as well as the federal Sunshine Act.

#### EFFECTIVE LINES OF COMMUNICATION

Creating an environment where employees can raise questions and concerns helps us advance our commitment to ethical behavior. We have established systems and processes for employees to ask questions and report suspected or actual violations of our Code or our policies and procedures. We offer employees a number of resources, including our Ethics and Compliance Helpline, a telephone and Web-based hotline available 24 hours a day, seven days a week. Employees also may contact the OEC or the CECO directly.

In 2013, we received approximately 580 inquiries and allegations. All allegations are analyzed and corrective actions are taken where necessary, including terminating employees or supplier relationships. When appropriate, we report information about breaches of our Code to senior management. The OEC also creates opportunities to engage in face-to-face interactions with employees by participating in national and regional sales meetings and local site meetings. Issues also are highlighted on our OEC intranet site and through other targeted communications vehicles.

#### TRAINING

Ethics and compliance training is a part of Abbott's culture wherever we operate. Training and education programs for employees increase their awareness of our Code's precepts and the legal and ethical



#### ABBOTT'S ETHICS AND COMPLIANCE HELPLINE

Is available 24 hours a day, seven days a week.





implications of their actions and behaviors. Abbott ethics and compliance officers work with our local commercial teams throughout the world, to support them in conducting trainings and education programs that help ensure compliance and to strengthen Abbott's reputation as a responsible corporate citizen while enhancing relationships with customers and other stakeholders.

For example, employees in the United States, Puerto Rico, Latin America and various countries in Europe and Asia participate in our Legal and Ethics Resource Network (LERN) program, a Web-based training system designed to increase awareness of the legal and ethical implications of business decisions. In 2013, we launched the LERN system in 12 additional countries, bringing it to 33 countries in total. Another successful approach has been the use of interactive ethics challenge games, in which local employees meet face-to-face with OEC representatives to ask questions and discuss company policies.

The Abbott Communication, Education and Prevention (CEP) program is another good example of our efforts to support staff around the world on ethics and compliance issues. This cross-divisional, business-owned program focuses on enhancing and improving local affiliate compliance programs, and has been implemented in Latin America, Russia, the Middle East, Europe, India and China. Employee engagement is critical to the success of this program, so we encourage our commercial teams to "challenge the

rules" through training sessions that utilize innovative puzzles and games. These sessions give teams a valuable opportunity to swap ideas and to review and re-energize their individual affiliate compliance programs.

Our approach has resulted in the delivery of some ground-breaking compliance initiatives. We recognize and celebrate these outstanding programs by awarding the annual CEP "Oscars." In 2013, the three winning initiatives were:

- From Egypt, a video demonstrating the appropriate ethical response to business situations.
- From Turkey, an audiobook of Abbott's policies that sales representatives can listen to while on business trips.
- From Bulgaria, a revision of existing procedures to prevent future mistakes.

#### **"POSITIVE 'NO'" PROGRAM**

Clarifying the expectations of customers and our business is central to our work, and knowing when and how to say "no" is a critical skill for our employees. Launched in 2009, our innovative "Positive 'No'" program helps employees learn and practice the assertive communication skills that enable them to both avoid ethical conflicts, while strengthening customer and partner relationships by enhancing our reputation. To date, the program has been run in Mexico, Venezuela, Colombia, Peru, Ecuador, Uruguay and Brazil, where more than 90 percent of our employees have taken part. The program received an



# 90%

**OF OUR EMPLOYEES**  
In Mexico, Venezuela, Colombia, Peru, Ecuador, Uruguay and Brazil have learned assertive communication skills through the "Positive 'No'" program.



Abbott Chairman's Award, Abbott's highest honor for employees, recognizing its value in building the confidence and skills of our employees.

### ACCOUNTABILITY

Abbott employees are expected to adhere to our Code of Business Conduct as a condition of their continued employment. Any Abbott employee who violates our Code, or any policy or procedure, is subject to appropriate disciplinary action. Any Abbott employee who fails to report a violation of Abbott policy or procedure that he or she is, or should have been, aware of may also be subject to disciplinary action.

Abbott does not tolerate retaliation against anyone who makes a good-faith report regarding a violation or potential violation of our Code, policies or procedures. These guidelines are well publicized and enforced throughout the company.

### ASSESSMENT

The OEC uses results from internal investigations, internal audits and internal monitoring programs to assess the effectiveness of the compliance program and relevant business practices, and to identify areas for improvement. In addition, we consider the external environment, including government investigations, settlements, industry codes and government guidance in order to identify new opportunities to enhance the compliance program.

### REMEDIATION

Results of investigations, audits and monitoring are communicated to the appropriate OEC staff and business leaders. When an area for improvement is identified, the OEC partners with business leaders to implement corrective actions.

### RESPONSIBLE SALES AND MARKETING PRACTICES

An important part of our commitment to supporting patients and consumers is an obligation to communicate responsibly with them and their healthcare professionals about our products and services, and the alternatives that exist.

We comply with all relevant laws, regulations and promotional standards around the world. This includes adhering to principles of the World Health Organization's (WHO) International Code of Marketing of Breast Milk Substitutes where it has been implemented by governments. Abbott has been a leader in researching and developing nutritional solutions for infants for 50 years and is committed to helping all babies receive the right nutrition to help them achieve a great start on a healthy life. Abbott agrees with medical and health organizations throughout the world that breastfeeding is the best form of infant nutrition and should be the first choice for babies. When an alternative to breastfeeding is necessary or chosen, we offer high-quality infant formulas and nutrition products. We also conduct audits of our marketing and sales practices in each market



where our infant formula is sold to ensure compliance with the provisions of the WHO International Code mentioned above.

### PUBLIC POLICY ENGAGEMENT

Abbott's public policy engagement is guided by the following principles:

- Abbott is committed to transparency and is guided by our [Code of Business Conduct](#) in all public policy engagement.
- All activities shape policies to benefit patients, with a focus on improving patient access to new medical advances.

We are committed to participating in public policy discussions that have the potential to impact our patients, our employees and our ability to continue to produce new medical advances. We engage with governments, think tanks, trade associations, patient groups and other organizations around the world to find policy solutions to the complex issues that challenge healthcare systems. It is our responsibility to help governments and regulatory bodies understand Abbott's viewpoints on major healthcare issues and to learn from them about the needs of their communities, so that we can work together to better the lives of patients. We believe our role in accomplishing this includes meeting with and briefing policymakers, convening forums and discussions and contributing information and expertise.

We strive to align with organizations whose overall advocacy platform demonstrates values that mirror our own. For example, we support trade associations and other membership organizations that understand how government actions can affect patients' access to medical advances and that will work to promote an environment that fosters continued medical progress. When we work with other constituencies, we are better able to advance policies that are both consistent with Abbott's values and good for society. Even though we cannot control the outcomes of discussions, we work to have a strong voice at the table.

Abbott also participates in the political process by contributing to state and local candidates and political organizations. Our Government Affairs team reviews and approves all corporate political contributions to ensure they are consistent with the company's guidelines and are in compliance with applicable laws. More information can be found in our most recent [disclosure report](#).

The Public Policy Committee of Abbott's Board of Directors is responsible for the review and evaluation of Abbott's policies and practices with respect to social responsibility.





# TRANSPARENCY

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## Transparency on Policies

The following information represents Abbott's policies and standards that guide our business decisions, ethical conduct and commitment to the environment. We strive for transparency by providing information on policies and standards applicable to each priority area. Copies of all documents listed below are available on our Web site.

### PROMISE FOR LIFE

[Abbott's Promise for Life](#) is a statement that describes – for our customers, our communities, our shareholders and all of our stakeholders – what we believe in, what we value, and what we strive to deliver in our day-to-day work.

### CODE OF BUSINESS CONDUCT

Abbott's basic guidelines and requirements for ethical behavior are set forth in the [Abbott Code of Business Conduct](#).

### SUPPLIER GUIDELINES

Abbott suppliers are required to read and agree to our [Supplier Guidelines](#), which set forth our expectations in a wide variety of areas.

### ANIMAL WELFARE POLICY

Abbott animal research efforts are guided by our Global Animal Welfare Policy. Animals shall be treated humanely, minimizing pain and distress. Before beginning work with Abbott, contract and collaborating laboratories must be accredited by the Association of Assessment and Accreditation of Laboratory Animal Care (AAALAC), and/or their laboratory animal care and use programs must be assessed by Abbott veterinary staff or animal welfare officers and approved by the Corporate Animal Welfare Committee. After the work begins, Abbott monitors suppliers for compliance with our Global Animal Welfare Policy on a periodic basis.

### ENVIRONMENTAL POLICY

Abbott's [environmental policy](#) sets and achieves targeted objectives, including requiring contractors working on behalf of Abbott to conform to regulatory requirements and meet applicable internal Environment, Health and Safety standards.

### ENERGY POLICY

Abbott's [energy policy](#) sets aggressive goals to further reduce our environmental footprint, including our commitments to dramatically reducing CO<sub>2</sub> emissions.





### WATER POLICY

Abbott's [water policy details](#) our commitments to improving access to clean water in communities around the world and to reducing and efficiently managing our company's own use of water.

### GREEN PROCUREMENT POLICY

Abbott's [green procurement policy](#) formalizes our approach and provides guidance on incorporating sustainable sourcing principles into the purchasing process.

### EHS TECHNICAL STANDARDS

Abbott's EHS [technical standards](#) allow Abbott to have consistent technical expectations at all of its sites around the world.

### GLOBAL ENVIRONMENT HEALTH AND SAFETY POLICY

Abbott's EHS policy requires that we operate in a manner that promotes employee health while also protecting the environment.

### ENVIRONMENTAL AND SAFETY ASSURANCE STATEMENT

Abbott engaged an independent assurance provider, [ERM Certification and Verification Services \(ERM CVS\)](#) to conduct assurance of selected 2013 environmental and safety data, including greenhouse gas emissions, waste generated, waste to landfill, water intake and wastewater discharge. A copy of ERM CVS' Assurance Statement is available on our [Web site](#).

### ANTI-CORRUPTION TRAINING GUIDE FOR COMPANIES DOING BUSINESS WITH ABBOTT

Abbott is committed to conducting business in an ethical and legally compliant manner and adheres to the U.S. Foreign Corrupt Practices Act (FCPA), the U.K. Bribery Act and other applicable anti-corruption and anti-bribery laws. Abbott requires that all companies with which it does business or which may act on Abbott's behalf ("third parties") act in accordance with these laws.

### CLINICAL TRIALS REGISTRATION AND RESULTS DISCLOSURES

Abbott understands that a critical component of medical product development is the conduct of clinical trials (also referred to as clinical studies) in humans to evaluate the safety and effectiveness of medical products for the diagnosis, treatment and prevention of disease.

We are committed to being [transparent](#) about the clinical trials we sponsor, as we recognize that there are important public health benefits to making clinical trial information available to healthcare providers, patients and the public. To facilitate this, Abbott has adopted the following principles regarding the disclosure of information relating to the clinical studies we sponsor.

- Our [registrations and results disclosures](#) will adhere to Public Law 110-85, Section 801, Clinical Trial Databases, of the Food and Drug Administration Amendments Act of 2007 (FDAAA), and any other applicable national law
  - Abbott respects the influence of the following organizations regarding registrations and results disclosures:
    - WHO Technical Consultation
    - Joint Position on the Disclosure of Clinical Trial Information via Clinical Trial Registries and Databases
    - International Council of Medical Journal Editors (ICMJE), Uniform Requirements for Manuscripts
- However, where policies of these organizations conflict with the above laws, Abbott will defer to the laws.



### GLOBAL INITIATIVES

In an evolving international regulatory environment around clinical trial disclosure, Abbott engages with our stakeholders to stay abreast of new requirements for registrations and results disclosures, and we also engage in continuing efforts to ensure compliance with global initiatives for clinical trial transparency. We continue to work with industry partners, trade associations, regulators, international health organizations, academics and patient groups to develop a global framework for registrations and results disclosures. Abbott also actively participates in trade association activities aimed at increasing clinical trial transparency.

As a member of the [International Federation of Pharmaceutical Manufacturers & Associations \(IFPMA\)](#), Abbott supports the IFPMA Clinical Trials Portal. This portal helps users access information about ongoing pharmaceutical clinical trials and the outcomes of completed trials through custom searches. The portal is provided by IFPMA on behalf of its member companies and associations. The portal offers a single entry point for the public to access comprehensive information regarding pharmaceutical clinical trials and results of completed trials.

In addition to our industry-leading global policies and procedures, in the United States our Operating Procedures for Program Funding Policy incorporates the AdvaMed code of conduct, which represents industry standards for the medical device industry.

More information on the Code is available at [www.advamed.com](http://www.advamed.com).

### FINANCIAL REPORTS FOR HEALTHCARE-RELATED ORGANIZATIONS

#### GRANTS AND DONATIONS – U.S.

Abbott has a long-standing commitment to supporting programs aimed at increasing the understanding of scientific, clinical and healthcare issues that improve patient care. We partner with a broad range of organizations to help address today's healthcare challenges. We want to do our part to ensure that patients, and the healthcare providers who treat them, receive the information and support they need.

In the interest of transparency, we began voluntarily disclosing grants and donations to U.S. medical organizations beginning with the third quarter of 2008. Abbott will continue to report these payments on a quarterly basis.

This report discloses charitable donations, patient support, educational grants and fellowships and scholarships. Recipients include medical and other healthcare professional organizations, patient organizations, academic institutions, hospitals, medical education companies and other scientific associations.

In addition, support from the nonprofit, philanthropic Abbott Fund is aggregated and reported in an annual Internal Revenue Service 990-PF filing. This information is available on the Web site [www.foundationcenter.org](http://www.foundationcenter.org). Abbott continues to evaluate other ways to enhance transparency. Reports detailing direct payments of more than \$200 from Abbott's U.S. and Puerto Rico businesses are available on our Web site.

#### SUPPORT FOR EUROPEAN PATIENT ORGANIZATIONS

Abbott has a proud history of working with patient organizations around the world.

Patient organizations provide valuable information and support to patients and to the people who care for them, such as family and friends. We believe that we can support these organizations in their efforts to help patients understand and manage their disease.

Abbott's relationships with patient organizations are based on trust, respect and mutual benefit. We aim for transparency and high ethical standards in all of our relationships.

We learn about issues of concern to patients and seek to address them in the best possible ways. By building sustainable relationships, we also work toward advancing dialogue around healthcare issues so that, together, we can work to ensure optimal delivery of healthcare.



Our support to patient organizations takes the forms of event support, organizational support, patient education and caregiver education. A list of the patient organizations that Abbott has supported in Europe from January 1 to December 31, 2013, is provided on our [Web site](#).

#### **SPONSORSHIP OF PROFESSIONAL CONFERENCES**

Abbott has a long-standing commitment to supporting programs aimed at increasing the understanding of scientific, clinical and healthcare issues that improve patient care. In the interest of transparency, we are disclosing a list of [professional conferences](#) sponsored by Abbott in 2013, which is available on our Web site.

#### **OTHER DISCLOSURES**

##### **CALIFORNIA COMPLIANCE PROGRAM**

A growing number of laws in the United States require greater transparency in the relationships between our industry and individuals and entities involved in providing healthcare. These laws impose various combinations of code of conduct restrictions on activities involving healthcare professionals and healthcare organizations and tracking and reporting of payments and transfers of value provided. Abbott complies with all such laws, which currently exist in California, the District of Columbia, Massachusetts, Minnesota, Nevada, Vermont and West Virginia. Information on our Ethics and Compliance Program is available on our [Web site](#).

##### **ABBOTT AND THE U.S.-EU AND U.S.-SWISS SAFE HARBOR PRIVACY STATEMENT**

Abbott Laboratories complies with the U.S.-EU Safe Harbor Framework and the U.S.-Swiss Safe Harbor Framework, as set forth by the U.S. Department of Commerce regarding the collection, use and retention of personal information of employees of Abbott and its affiliates and subsidiaries in European Economic Area/ European Union member countries and Switzerland. Abbott has certified that it adheres to the Safe Harbor Privacy Principles of notice, choice, onward transfer, security, data integrity, access and enforcement with respect to this information.

##### **CALIFORNIA TRANSPARENCY IN SUPPLY CHAINS ACT**

Abbott believes in being a socially responsible company and doing what is right, not just by our customers, but by the world in which we live. Abbott is committed to safe and fair working conditions, beyond our employees and the stores in which our products are sold, but also extending to the partners in our supply chain. Abbott always has had, and will continue to have, a zero-tolerance policy regarding human trafficking and slavery. Abbott has a global policy against trafficking and slavery in supply chains. Abbott engages in verification of product supply chains to evaluate and address risks of human trafficking and slavery. Specifically, Abbott utilizes a supplier classification model to determine appropriate activity level to assess risk. A supplier may receive a letter, a survey or an on-site audit (usually announced ahead

of time) based on this model. Information received from the supplier is then assessed to determine whether to take further steps. Currently, this verification is conducted by Abbott employees in its Global Purchasing Services Compliance department.

Abbott's Supplier Guidelines state our expectations to suppliers conducting business with Abbott – that they are prohibited from engaging in illegal behavior, including human trafficking and slavery. Abbott's internal Code of Business Conduct also incorporates standards prohibiting slavery/trafficking or engaging in illegal behavior. Abbott requires direct suppliers to certify that materials incorporated into Abbott's products comply with local and national laws of the country or countries in which they are doing business. Certifications are also obtained from suppliers that they comply with standards, as outlined in our Supplier Guidelines. Abbott maintains internal accountability standards and procedures for both employees and contractors failing to meet company standards regarding slavery and trafficking. In particular, Abbott employees worldwide train annually on Abbott's Code of Business Conduct. Likewise, all contractors assigned to Abbott are required to review and abide by Abbott's Code of Business Conduct.

Employees and contractors assigned to Abbott who fail to abide by Abbott's Code of Business Conduct may be subject to reprimand or other adverse consequences, up to and including termination of employment or assignment.



Abbott provides training to its employees and management who have direct responsibility for supply chain management regarding human trafficking and slavery, particularly with respect to mitigating risks within the supply chains of products.

#### U.S. POST-MARKETING COMMITMENTS

Following approval of a pharmaceutical, nutritional product or medical device, the U.S. Food and Drug Administration (FDA) may request and/or require the sponsoring company to conduct further studies that are designed to gather additional information about a product's safety, effectiveness and/or optimal use. These post-marketing commitment (PMC) studies build upon the data that was submitted for approval.

Our PMC Summary Table (available on our [Web site](#)) includes all active post-marketing commitments and provides the following information, organized alphabetically by product name:

- Name of product
- NDA/BLA number
- Description of commitment
- Date commitment given
- FDA projected completion date
- Commitment status

Please note that the status and/or number of Abbott's post-marketing commitments shown on the [FDA Web site](#) may differ from the information displayed on this site, based on the timing of content review and Web site updates. The status categories used in the PMC Summary Table are consistent with categories used by the FDA.

Information about Abbott's PMCs will be updated twice a year, to reflect new commitments as well as the progress we have made in fulfilling our existing post-marketing commitments. Once the FDA determines that a PMC is fulfilled, or they release Abbott from a commitment, or if Abbott terminates a study before completion date, those PMCs will be removed from our PMC Summary Table.

The PMCs listed in the PMC Summary Table include pre-clinical (nonhuman), clinical (medical) and epidemiological studies that Abbott has agreed to conduct to gather additional information about the safe and effective use of our approved products. The summary table does not contain technical chemistry, manufacturing and controls (CMC) PMCs, or PMCs issued by the FDA for products where Abbott does not hold the U.S. regulatory approval.





# REPORTING

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## Citizenship Reporting

At Abbott, we have reported on our citizenship activities for nearly 16 years and have produced annual Global Citizenship Reports since 2000. Our reporting focuses on our most material impacts and speaks to a range of stakeholders, including customers, patients, employees, government and regulatory bodies, investors, special interest groups, non-governmental organizations and opinion leaders in the areas of responsible, sustainable and inclusive business.

In 2013, our affiliates in Russia and Vietnam also produced citizenship reports. This approach enables us to target our citizenship communications to local markets and provide greater coverage on issues relevant to those areas. Copies of our local reports are available on our Web site for the following countries:

- Brazil
- China
- India
- Ireland
- Italy
- Russia
- Vietnam



### 16 YEARS OF REPORTING

Abbott has reported on our citizenship activities for 16 years.

### SCOPE OF REPORTING

Neither this report nor our Web site contains performance information about our joint ventures unless otherwise noted. The Abbott Fund is an Illinois not-for-profit philanthropic corporation established by Abbott in 1951. All financial information is stated in U.S. dollars. All data in this report reflects Abbott's activities, with a focus on activities and results for 2013. Select information and data calculations from prior years have been adjusted to reflect the company's separation from AbbVie in January 2013. Our Global Citizenship Report for 2014 will be published in the second quarter of 2015.

### FEEDBACK ON OUR REPORTING

We draw upon many external resources in refining our citizenship strategy, facilitating our engagements with key stakeholders, developing this Web site and producing our annual report. These resources include Corporate Citizenship, Business for Social Responsibility, the Corporate Social Responsibility Initiative at the Harvard Kennedy School, the Conference Board, Agenda and the Clinton Global Initiative. We gratefully acknowledge their input. Our engagement with these groups better informs our approach to reporting while also keeping us abreast of stakeholder expectations and





### IN HEALTHCARE

Abbott was ranked as the Global Industry Group Leader on the prestigious Dow Jones Sustainability World Index and North America Index for the first time in 2013.



### MOST COMMUNITY MINDED

Abbott was named one of America's most community-minded companies in the 2013 Civic 50 survey.



### BEST CORPORATE CITIZEN

Abbott has been included in the global 100 Best Corporate Citizens list compiled by *Corporate Responsibility* magazine for five consecutive years, 2009 to 2013.

helping us identify areas of opportunity for strengthened citizenship activities.

We also refer to external standards on reporting such as the Global Reporting Initiative's (GRI) G3 Sustainability Reporting Guidelines. We produce an index against the GRI reporting requirements.

### EXTERNAL ASSURANCE

Abbott engaged an independent assurance provider, [ERM Certification and Verification Services \(ERM CVS\)](#) to conduct assurance of selected 2013 environmental and safety data. A copy of ERM CVS' Assurance Statement is available on our [Web site](#).

### AWARDS AND RECOGNITION

Abbott has been [recognized around the world](#) for its comprehensive approach to responsible corporate citizenship.

### GLOBAL HONORS

- Abbott was ranked as the Global Industry Group Leader on the prestigious Dow Jones Sustainability World Index and North America Index for the first time in 2013. This is the ninth consecutive year that Abbott has been included in both the North America Index and the World Index – recognition of our continued global leadership in economic, environmental and social performance.
- Abbott was ranked the No. 1 company overall and No. 1 for Social Responsibility in our industry sector (Medical Products and

Equipment) on the *Fortune* Most Admired Companies 2014 list.

- Abbott was selected by leading investment and analysis firm MSCI for inclusion on three of its sustainability indices in 2012: the MSCI World ESG Index, the MSCI World Socially Responsible Index and the MSCI KLD 400 Social Index.
- Abbott was named as one of the world's most innovative companies, securing a spot on the Thomson Reuters 2013 Top 100 Global Innovators list.
- Abbott has been included in the global 100 Best Corporate Citizens list compiled by *Corporate Responsibility* magazine for five consecutive years, 2009 to 2013.
- Abbott has been included on the Ethical Excellence Investment Register since 2005 in recognition of the company's economic, social and environmental performance.
- Abbott received the Asian CSR Award for Educational Improvement in 2011 for advancing science education in the region.
- Abbott was named a top 20 employer by *Science* magazine in 2013, marking the tenth time Abbott has appeared on the list. Abbott received particularly high marks for social responsibility and employee loyalty.
- Abbott was named one of the 100 Best Adoption Friendly Workplaces for seven straight years (2007 to 2013) by the Dave Thomas Foundation.
- Abbott was listed, for the fourth year in a row, by the National Association for Female Executives as one of the Top Companies for Executive Women.



### CLIMATE LEADERSHIP AWARD

Abbott received the 2013 Climate Leadership Award from the U.S. Environmental Protection Agency (EPA) for its programs and results in reducing carbon pollution and addressing climate change.



### OUTSTANDING SUSTAINABILITY

Abbott was selected by leading investment and analysis firm MSCI for inclusion on three of its sustainability indices in 2012: the MSCI World ESG Index, the MSCI World Socially Responsible Index and the MSCI KLD 400 Social Index.

- Abbott has been named as one of *DiversityInc's* Top 50 companies for diversity for 10 straight years (2004 to 2013), while *Working Mother* magazine has selected Abbott as one of the Top Family-Friendly Workplaces in the U.S. for 13 consecutive years.

#### BRAZIL

- Abbott was named one of the Best Companies for Corporate Citizenship in Brazil for three straight years by *Gestão & RH Editora* magazine (2008 to 2010).
- Abbott was named one of the top three companies for Ethics and Stakeholder Engagement by *Gestão & RH Editora* magazine in 2010.

#### CHINA

- Abbott received the prestigious China Best Corporate Citizenship Award in 2011 and 2012 for its overall responsible approach from the Corporate Citizenship Committee of the China Association of Social Works (CASW).
- Abbott was named one of the Top 100 Good Enterprises Fulfilling CSR 2012 by CAEFI and CFCP in recognition of its commitment to corporate responsibility.
- Abbott was honored with the Chinese Teenage ScienceEd Contribution Award 2012 by the Chinese Youth Science Center of China Association for Science and Technology (CAST) for its extensive programs to advance science education.

- Abbott was honored as one of the top global companies for social responsibility in China for three consecutive years (2009 to 2011) by *Southern China Weekly*, in partnership with Beijing and Nankai Universities.
- Abbott received a Top 10 CSR Case Award in 2011 from the School of Social Development and Public Policy at Beijing Normal University.

#### DENMARK

- Abbott received the STAR Award for top patient education program in 2011, sponsored by the international patient organizations PTO, IFPA, EPCCA, ASIF and HIV.

#### INDIA

- Abbott received the 2013 Golden Peacock Global Business Excellence Award in recognition of the company's stakeholder engagement, commitment to transparency, leading workplace programs, high standards of ethics and compliance and the quality of its involvement with communities.
- Abbott's patient care initiatives were named Best Corporate Social Responsibility Initiative 2013 by the Rural Marketing Association of India.
- Abbott was recognized as the Best Company for Academic Engagement 2013 by the Indian Psychiatric Society for its knowledge-based programs for healthcare providers.



#### INDONESIA

- Abbott received a Green ranking from Indonesia's Ministry of the Environment for its environmentally responsible business practices at the company's manufacturing facility in Cimanggis.

#### IRELAND

- Abbott received a European Employee Volunteering Award, supported by the European Commission, to mark the European Year of Volunteering (2011).
- Abbott was named the Overall Winner and Best Newcomer at the Irish Employee Volunteering Awards 2011, sponsored by Business in the Community Ireland.
- Abbott received the Good Neighbour Award at the Corporate Social Responsibility Awards 2010 by Chambers Ireland.
- Abbott was named the Marketplace Category Winner at the Corporate Social Responsibility Awards 2011 by Chambers Ireland.
- Abbott was honored for the Best International CSR Program at the Corporate Social Responsibility Awards 2011 by Chambers Ireland.
- Abbott received the Irish Business and Employers Confederation's Environmental Management Award 2010.

#### ITALY

- Abbott received the Premio Impresa Ambiente 2011, or Business Award for the Environment, a prestigious recognition for organizations engaged in sustainable environmental management and social

responsibility from UNIDO (United Nations Industrial Development Organization), the Italian Ministry of the Environment and the Italian Ministry of Economic Development.

- Abbott's facility in Campoverde obtained the European Commission's ECO-Management Audit Scheme (EMAS) registration for continuous improvement in environmental performance, compliance with environmental legislation, public information and employee involvement (2009 to 2011).

#### KOREA

- Abbott received the Best Company Giving and Volunteerism Award 2010, organized by the National Council of Non-Profit Organizations and Hankookilbo and sponsored by the Ministry of Health and Welfare.
- Abbott received the Asian CSR Award for Educational Improvement, for advancing science education in Korea and other countries, at the tenth Asian Forum on Corporate Responsibility in 2011.

#### MEXICO

- Abbott received one of the most prestigious awards in Mexico for corporate citizenship, the Corporate Social Responsibility Distinction 2014 award from the Mexican Center for Philanthropy (Centro Mexicano para la Filantropía), in recognition of the company's economic, social and environmental performance.

**PAKISTAN**

- Abbott was recognized with a CSR Excellence Award 2013 by the National Forum for Environment for its commitment to corporate responsibility.

**RUSSIA**

- Abbott received the 2013 Platinum Ounce – Project of the Year Award for its Starbrush cystic fibrosis educational program.

**SINGAPORE**

- Abbott received the Asian CSR Award for Educational Improvement, for advancing science education in Singapore and other countries, at the tenth Asian Forum on Corporate Responsibility in 2011.

**TAIWAN**

- Abbott was ranked number four on the list of Best Foreign Companies, part of the 2010 Taiwan Top 50 CSR Awards, by *Common Wealth* magazine.

**TANZANIA**

- Abbott and the Abbott Fund were honored with the 2011 Scrip Award for Corporate Social Responsibility in recognition of the significant results seen through a decade-long, \$90 million partnership with the Government of Tanzania to strengthen the country's healthcare system and train health workers.

**UNITED STATES**

- Abbott was named one of America's most community-minded companies in the 2013 Civic 50 survey, for the second consecutive year. This initiative identifies and recognizes companies for their commitment to improving the quality of life in the communities where they do business. The survey was conducted by the National Conference on Citizenship (NCoC) and Points of Light, and published by Bloomberg News.
- Abbott received the 2013 Climate Leadership Award from the U.S. Environmental Protection Agency (EPA) for its programs and results in reducing carbon pollution and addressing climate change.



## GRI Index

### THE GLOBAL REPORTING INITIATIVE'S SUSTAINABILITY REPORTING GUIDELINES

The Global Reporting Initiative (GRI) is a large, multi-stakeholder network of experts in dozens of countries. GRI publishes the G3 Sustainability Reporting Guidelines, which are now the global standard for non-financial reporting. Abbott uses the G3 Guidelines to inform its reporting and align itself with best practices. Since GRI does not currently provide guidance on sector-specific reporting in the healthcare field, we have tried to identify and report upon those issues that have the greatest relevance to our business and to our stakeholders.

### ABBOTT'S GRI G3 INDEX

The GRI G3 Index provides an overview of our reporting, compared to the GRI G3 Sustainability Reporting Guidelines. It helps users locate relevant information and view our company's performance within the context of the topics and requirements covered by the Global Reporting Initiative's Sustainability Reporting Guidelines.

### CITIZENSHIP REPORTING DISCLOSURES ABOUT THE COMPANY PROFILE

#### STRATEGY AND ANALYSIS

- 1.1 Statement from the most senior decision maker of the organization about the relevance of sustainability to the organization and its strategy  
[Letter from our Chairman and CEO](#)
- 1.2 Description of key risks and opportunities  
[Business, Approach, Priorities](#)

#### ORGANIZATIONAL PROFILE

- 2.1 Name of the organization  
[Business](#)
- 2.2 Primary brands products and/or services  
[Business, Priorities, Our Products](#)
- 2.3 Operational structure of the organization  
[Business, Approach, Transparency](#)
- 2.4 Location of organization's headquarters  
[Business](#)
- 2.5 Number and name of countries where the organization operates  
[Business, Abbott Global](#)
- 2.6 Nature of ownership and legal form  
[SEC Filing](#)
- 2.7 Markets served  
[Business, Note 14 in Consolidated Financial Statements](#)
- 2.8 Scale of reporting organization  
[Business](#)

- 2.9 Significant changes during the reporting period regarding size, structure or ownership  
[Note 2 – Separation of AbbVie, Note 3 – Supplemental Financial Information](#)
- 2.10 Awards received in the reporting period  
[Reporting](#)

#### REPORT PARAMETERS

- 3.1 Reporting period for information provided  
2013
- 3.2 Date of most recent report  
[Global Citizenship Report 2012](#)
- 3.3 Reporting cycle  
Annual
- 3.4 Contact point for questions regarding the report or its contents  
[globalcitizenship@abbott.com](mailto:globalcitizenship@abbott.com)
- 3.5 Process for defining report content  
[Citizenship Reporting](#)
- 3.6 Boundary of the report  
[Citizenship Reporting](#)
- 3.7 State any specific limitations on the scope of the report  
[Citizenship Reporting](#)
- 3.8 Basis for reporting  
[Citizenship Reporting](#)



- 3.9 Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols  
[Citizenship Reporting, Metrics](#)
- 3.10 Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement  
[Metrics](#)
- 3.11 Significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report  
[Citizenship Reporting, Business, Metrics](#)
- 3.12 Table identifying the location of the Standard Disclosures in the report  
This index provides the location of the Standard Disclosures of the report
- 3.13 Policy and current practice with regard to seeking external assurance  
[Safeguarding the Environment, Transparency, ERM Assurance Statement](#)
- GOVERNANCE, COMMITMENTS AND ENGAGEMENT**
- 4.1 Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or oversight for the organization  
[Citizenship Management and Governance, Transparency](#)
- 4.2 Indicate if the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement)  
Chair of highest governance body is an executive officer.
- 4.3 For organizations that have a unitary board structure state the number of members of the highest governance body that are independent and/or non-executive directors.  
[Citizenship Management and Governance](#)
- 4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.  
[2014 Proxy Statement](#)
- 4.5 Linkage between compensation for members of the highest governance body, senior managers and executives (including departure arrangements) and the organization's performance (including social and environmental performance)  
[2014 Proxy Statement, Valuing Our People](#)
- 4.6 Processes of the highest governance body to ensure conflicts of interest are avoided  
[2014 Proxy Statement, Transparency, Citizenship Management and Governance](#)
- 4.7 Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental and social topics  
[2014 Proxy Statement](#)
- 4.8 Internally developed mission and values statements, codes of conduct, and principles relevant to economic, environmental and social performance and the status of their implementation  
[Approach, Transparency, Responsible Business](#)
- 4.9 Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental and social performance, including the identification and management of relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct and principles  
[Business, Approach, Responsible Business, Transparency](#)





- 4.10 Processes for evaluating the performance of the highest governance body, particularly with respect to economic, environmental and social performance  
[Citizenship Management and Governance](#), [Transparency](#), [Governance](#)
- 4.12 Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or endorses  
[Approach](#), [Priorities](#), [Responsible Business](#)
- 4.13 Membership in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: \*Has positions in governance bodies; \*Participates in projects or committees; \*Provides substantive funding beyond routine membership dues; or \*Views membership as strategic  
[Approach](#), [Transparency](#)
- 4.14 List of stakeholder groups engaged by organizations  
[Citizenship Management and Governance](#)
- 4.15 Basis for identification and selection of stakeholders to engage  
[Citizenship Management and Governance](#)
- 4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group  
[Citizenship Management and Governance](#), [Community Engagement](#)

- 4.17 Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key issues and concerns, including through its reporting  
[Approach](#), [Priorities](#), [Community Engagement](#)

#### DISCLOSURES ON ECONOMIC PERFORMANCE

- Management approach disclosures  
[Business](#), [Approach](#), [Delivering Product Excellence](#), [Transparency](#)

#### ECONOMIC PERFORMANCE

- EC1 Direct economic value generated (core)  
[Business](#)
- EC2 Financial implications and other risks and opportunities for the organization's activities due to climate change (core)  
[Climate Responsible Energy Policy](#)
- EC3 Coverage of organization's defined benefit plan obligations (core)  
[Note 12 Post-Employment Benefits](#)

#### MARKET PRESENCE

- EC6 Policy, practices and proportion of spending on locally based suppliers at significant locations of operation (core)  
[Supply Chain Excellence](#)

#### INDIRECT ECONOMIC IMPACTS

- EC8 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro-bono engagement (core)  
[Priorities](#), [Community Engagement](#)

#### DISCLOSURES ON ENVIRONMENTAL PERFORMANCE

- Management approach disclosures  
[Citizenship Management and Governance](#), [Safeguarding the Environment](#)

#### MATERIALS

- EN1 Materials used by weight or volume  
[Safeguarding the Environment](#), [Key Metrics – Environment](#)
- EN2 Percentage of materials used that are not recycled input materials  
[Safeguarding the Environment](#), [Key Metrics – Environment](#)

#### ENERGY

- EN3 Direct energy consumption by primary energy source (core)  
[Key Metrics – Environment](#)
- EN4 Indirect energy consumption by primary source (core)  
[Key Metrics – Environment](#)
- EN5 Energy saved due to conservation and efficiency improvements (additional)  
[Safeguarding the Environment](#), [Key Metrics – Environment](#)
- EN6 Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives  
[Safeguarding the Environment](#), [Key Metrics – Environment](#)
- EN7 Initiatives to reduce indirect energy consumption and reductions achieved (additional)  
[Safeguarding the Environment](#), [Key Metrics – Environment](#)

**WATER**

- EN8 Total water withdrawn by source (core)  
[Key Metrics – Environment](#)
- EN9 Water sources significantly affected by withdrawal of water  
[Key Metrics – Environment, Safeguarding the Environment](#)

**EMISSIONS, EFFLUENTS AND WASTE**

- EN16 Total direct and indirect greenhouse gas emissions by weight (core)  
[Key Metrics – Environment](#)
- EN17 Other relevant indirect greenhouse gas emissions by weight (core)  
[Key Metrics – Environment](#)
- EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved (additional)  
[Safeguarding the Environment](#)
- EN19 Emissions of ozone-depleting substances by weight  
[Key Metrics – Environment](#)
- EN20 NO, SO and other significant air emissions by type and weight (core)  
[Key Metrics – Environment](#)
- EN21 Total water discharge by quality and destination (core)  
[Key Metrics – Environment](#)
- EN22 Total amount of waste by type and disposal method (core)  
[Key Metrics – Environment](#)
- EN23 Total number and volume of significant spills (core)  
[Note 11 – Litigation and Environmental Matters](#)

- EN24 Weight of transported, imported, exported or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III and VIII, and percentage of transported waste shipped internationally  
[Key Metrics – Environment](#)

**PRODUCTS AND SERVICES**

- EN26 Initiatives to mitigate environmental impacts of products and services and extent of impact mitigation (core)  
[Safeguarding the Environment](#)
- EN27 Percentage of products sold and their packaging materials that are reclaimed by category  
[Safeguarding the Environment](#)
- EN28 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations (additional)  
[Note 11 – Litigation and Environmental Matters](#)

**TRANSPORT**

- EN29 Significant environmental impacts of transporting goods and materials used for organization's operations, and transporting members of the workforce (additional)  
[Key Metrics – Environment](#)

**DISCLOSURES ON LABOR PRACTICES AND DECENT WORK**

- Management approach disclosures  
[Valuing Our People](#)

**EMPLOYMENT**

- LA1 Total workforce by employment type, employment contract and region (core)  
[Business, Valuing Our People](#)
- LA3 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations  
[Valuing Our People](#)

**OCCUPATIONAL HEALTH AND SAFETY**

- LA7 Rates of injury, occupational diseases, lost days and absenteeism and number of work related fatalities by region (core)  
[Key Metrics – Social](#)
- LA8 Education, training, counseling, prevention and risk-control programs in place to assist workforce members, their families or community members regarding serious diseases (core)  
[Valuing Our People](#)

**TRAINING AND EDUCATION**

- LA11 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings (additional)  
[Valuing Our People](#)
- LA12 Percentage of employees receiving regular performance and career development review (additional)  
[Valuing Our People](#)



#### DIVERSITY AND EQUAL OPPORTUNITY

LA13 Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity (core)  
[Valuing Our People, Key Metrics – Social](#)

#### DISCLOSURES ON HUMAN RIGHTS

Management approach disclosures  
[Valuing Our People, Transparency](#)

#### DIVERSITY AND EQUAL OPPORTUNITY

HR1 Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening  
[Valuing Our People, Promoting Ethics and Integrity](#)

HR2 Percentage of significant suppliers and contractors that have undergone screening on human rights and action taken (core)  
[Supply Chain Excellence](#)

HR3 Total hours of employee training policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained (additional)  
[Promoting Ethics and Integrity](#)

#### DISCLOSURES ON SOCIETY IMPACTS

Management approach disclosures  
[Transparency, Promoting Ethics and Integrity, Abbott Fund](#)

#### CORRUPTION

S02 Percentage and total number of business units analyzed for risks related to corruption (core)

[Promoting Ethics and Integrity](#)

S03 Percentage of employees trained in organization's anti-corruption policies and procedures (core)

[Promoting Ethics and Integrity](#)

S04 Actions taken in response to incidents of corruption (core)

[Promoting Ethics and Integrity](#)

#### PUBLIC POLICY

S05 Public policy positions and participation in public policy development and lobbying (core)

[Public Policy Engagement](#)

S06 Total value of financial and in-kind contributions to political parties, politicians and related institutions by country (additional)

[Abbott 2013 Corporate Political Contributions](#)

S07 Total number of legal actions for anti-competitive behavior, anti-trust and monopoly practices and their outcomes (additional)

[Note 11 Litigation and Environmental Matters](#)

#### COMPLIANCE

S08 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations (core)

[Note 11 Litigation and Environmental Matters](#)

#### DISCLOSURES ON PRODUCT RESPONSIBILITY

Management approach disclosures  
[Delivering Product Excellence, Supply Chain Excellence](#)

#### CUSTOMER HEALTH AND SAFETY

PR1 Life cycle stages in which the health and safety impacts of products and services are assessed for improvement (core)

[Delivering Product Excellence, Supply Chain Excellence](#)

#### PRODUCT AND SERVICE LABELING

PR3 Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements (core)

[Promoting Ethics and Integrity, Transparency](#)

#### MARKETING AND COMMUNICATIONS

PR6 Programs for adherence to laws, standards and voluntary codes related to marketing communications including advertising, promotion and sponsorship (core)

[Promoting Ethics and Integrity, Transparency](#)

#### COMPLIANCE

PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services



# METRICS

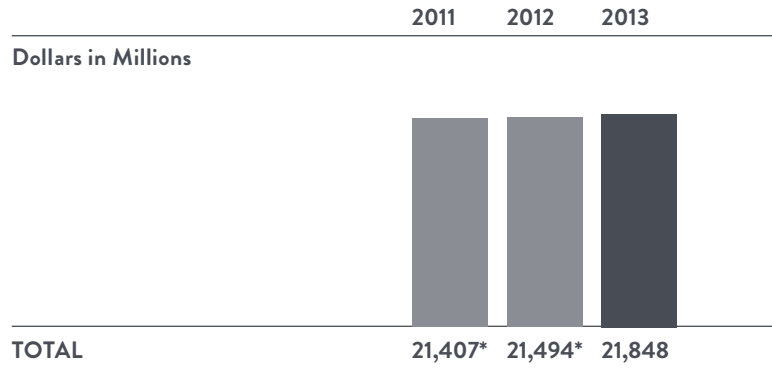
## IN THIS SECTION

|                                    |     |
|------------------------------------|-----|
| Key Metrics – Financial            | 97  |
| Key Metrics – Social               | 98  |
| Key Metrics – Environmental        | 100 |
| Detailed Environmental Performance | 102 |

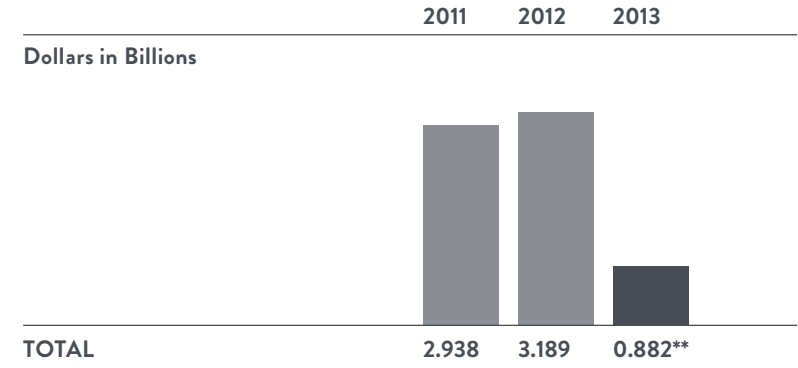


## Key Metrics – Financial

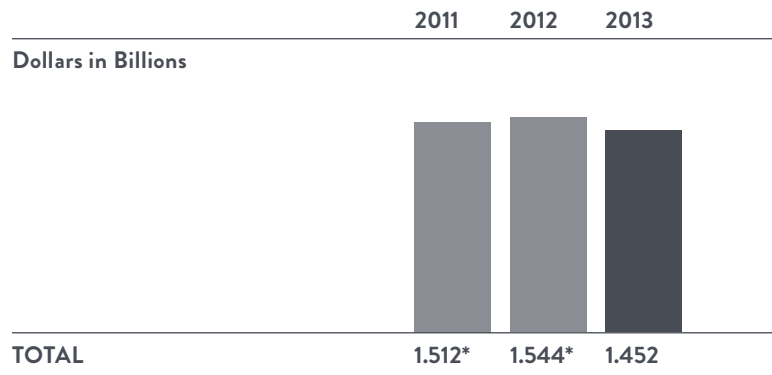
### SALES WORLDWIDE



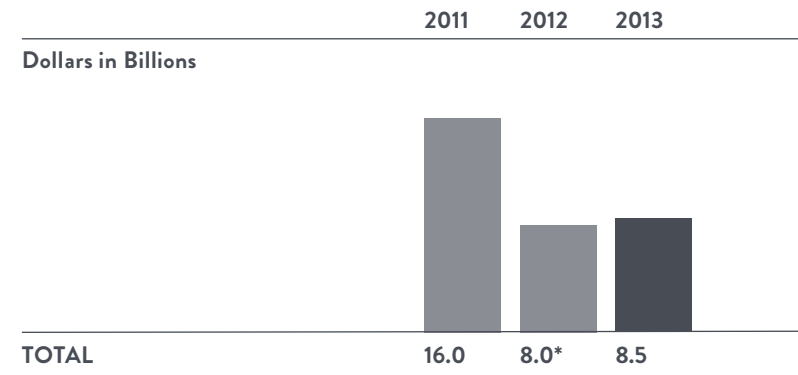
### DIVIDENDS PAID



### R&D INVESTMENT



### SPEND ON DIRECT SUPPLIERS



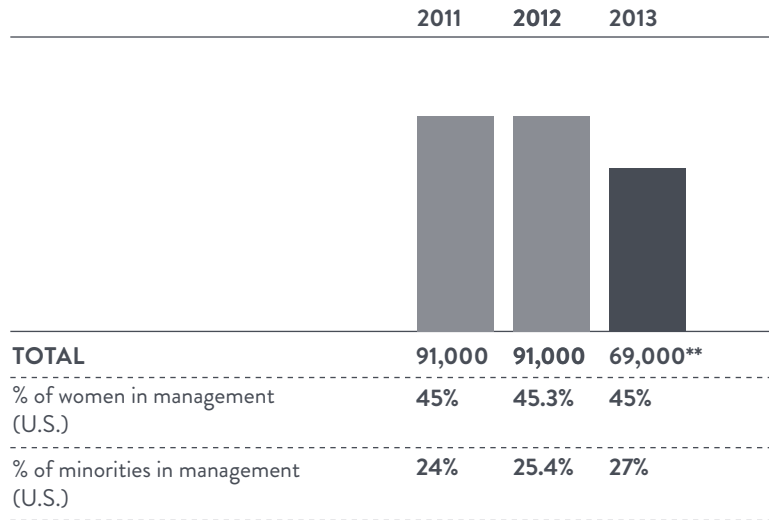
\*Adjusted to remove data specific to AbbVie, which became a separate company Jan. 1, 2013.

\*\* 2013 data reflect Abbott's new business profile following our separation from AbbVie, which became an independent company Jan. 1, 2013.



## Key Metrics – Social

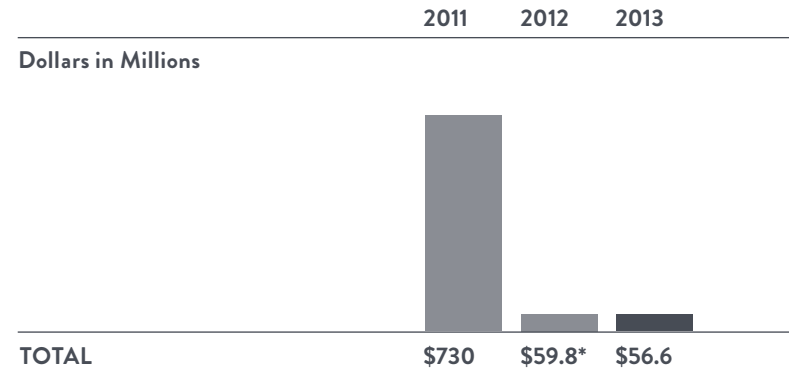
### EMPLOYEES



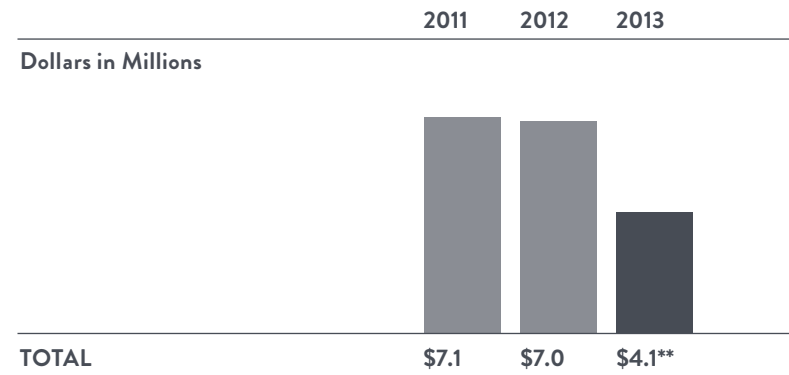
\*Adjusted to remove data specific to AbbVie, which became a separate company Jan. 1, 2013.

\*\*2013 data reflect Abbott's new business profile following our separation from AbbVie, which became an independent company Jan. 1, 2013.

### SOCIAL INVESTING



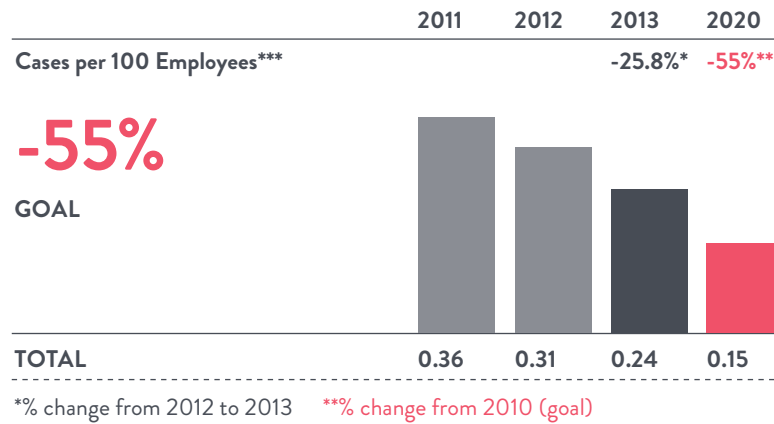
### U.S. EMPLOYEE GIVING CAMPAIGN RESULTS



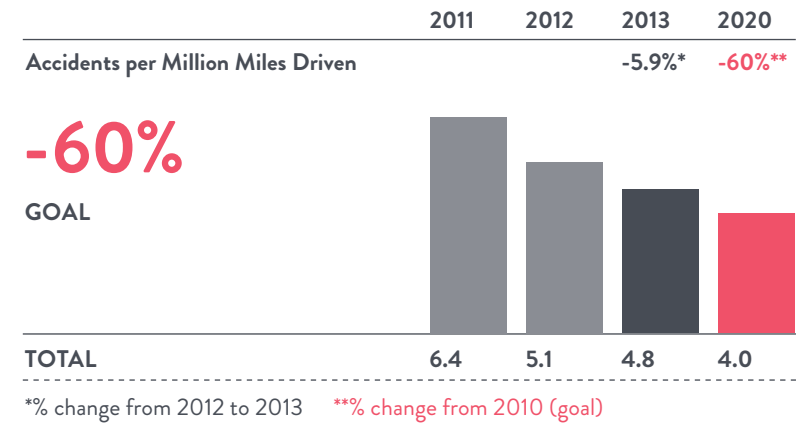




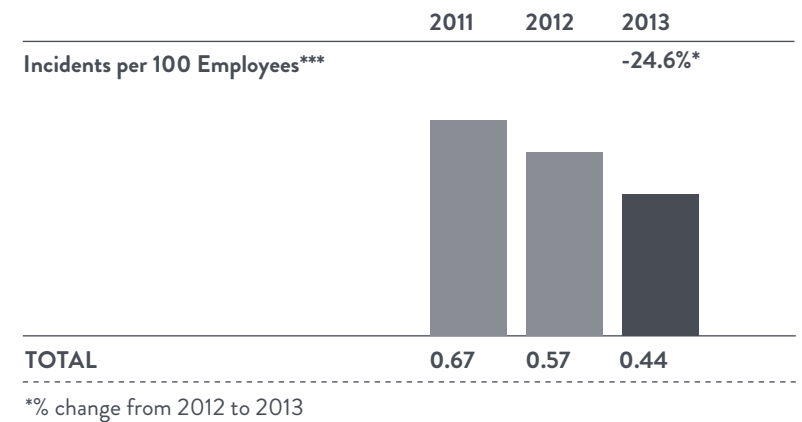
## LOST TIME CASE RATE



## GLOBAL VEHICLE ACCIDENT RATE



## RECORDABLE INJURY OR ILLNESS INCIDENT RATE

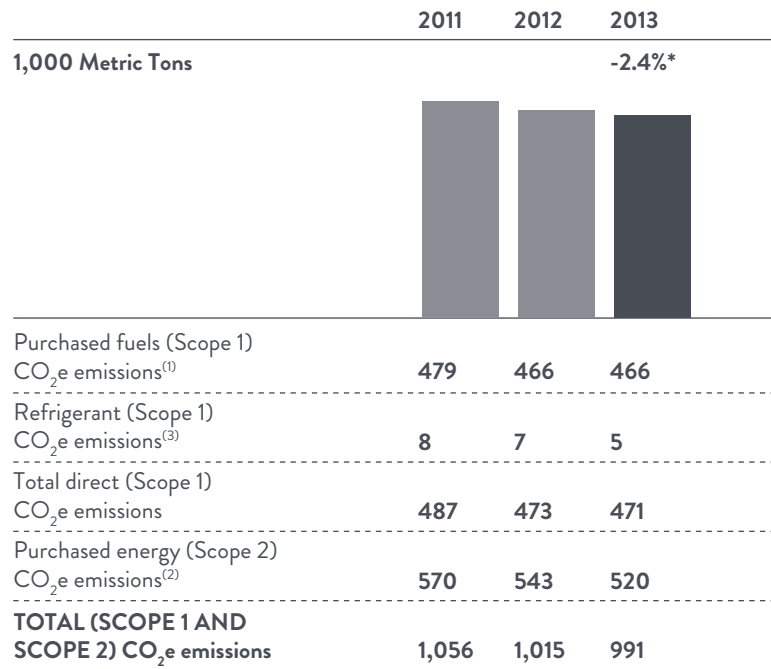


\*\*\*Annual incident rates are calculated per 100 employees assuming the average employee works 40 hours per week and 50 weeks per year. This is equivalent to 200,000 hours worked.

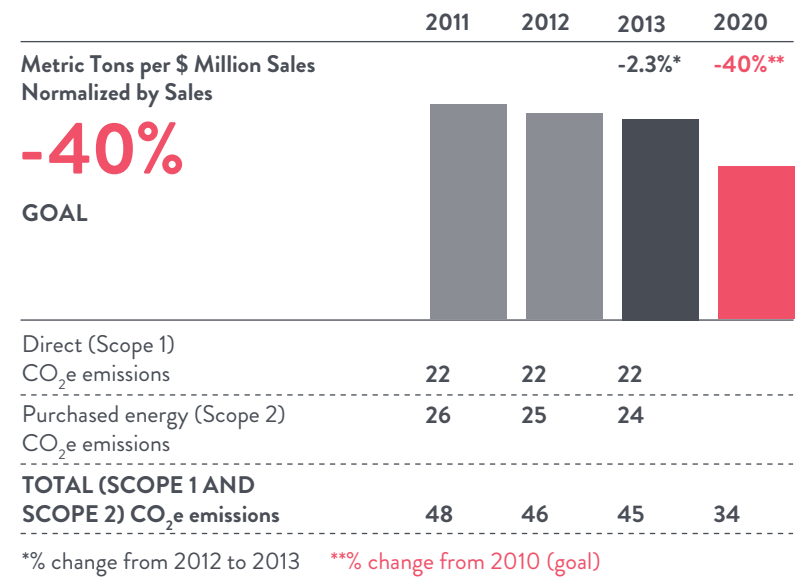


## Key Metrics – Environmental

### CO<sub>2</sub>e EMISSIONS

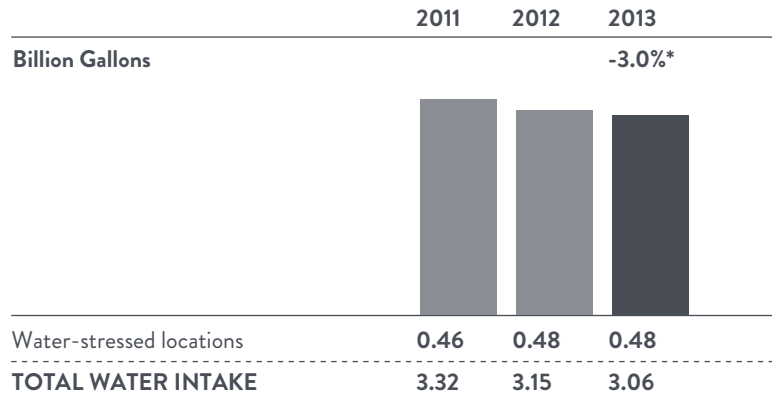


### CO<sub>2</sub>e EMISSIONS



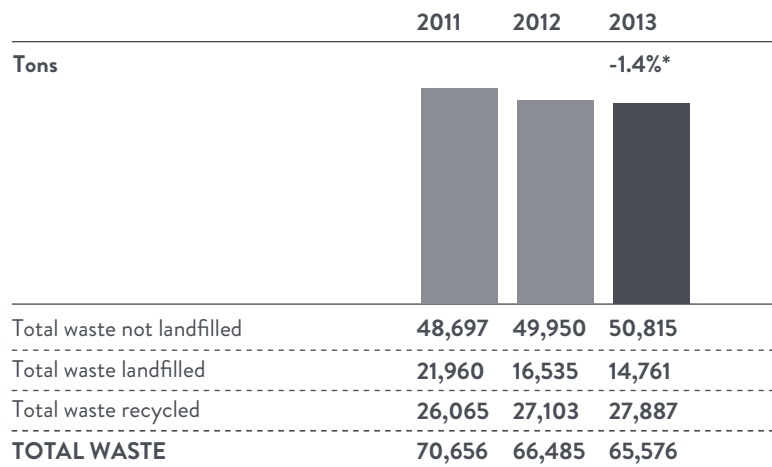


## WATER INTAKE



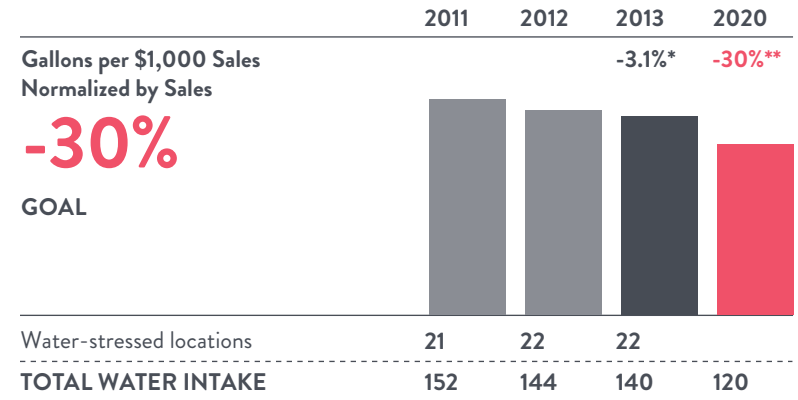
\*% change from 2012 to 2013

## TOTAL WASTE



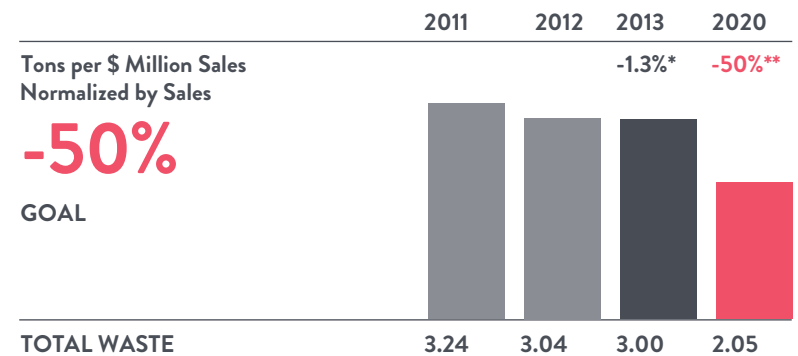
\*% change from 2012 to 2013

## WATER INTAKE



\*% change from 2012 to 2013    \*\*% change from 2010 (goal)

## TOTAL WASTE



\*% change from 2012 to 2013    \*\*% change from 2010 (goal)



## Detailed Environmental Performance

### CO<sub>2</sub>e EMISSIONS

#### TOTAL SCOPE 1 AND 2 CO<sub>2</sub>e EMISSIONS BY REGION

| 1,000 METRIC TONS                    | 2011 | 2012 | 2013 |
|--------------------------------------|------|------|------|
| <b>NORTH AMERICA</b>                 |      |      |      |
| Canada                               | 23   | 26   | 24   |
| USA                                  | 546  | 497  | 495  |
| Region Total                         | 570  | 523  | 519  |
| <b>CARIBBEAN &amp; LATIN AMERICA</b> |      |      |      |
| Argentina                            | 4    | 5    | 5    |
| Brazil                               | 3    | 4    | 2    |
| Costa Rica                           | 0    | 1    | 1    |
| Mexico                               | 14   | 14   | 14   |
| Puerto Rico                          | 46   | 41   | 26   |
| Regional – not available by country  | 12   | 14   | 16   |
| Region Total                         | 79   | 78   | 64   |
| <b>EUROPE</b>                        |      |      |      |
| France                               | 4    | 4    | 3    |
| Germany                              | 28   | 25   | 25   |
| Ireland                              | 60   | 60   | 51   |
| Netherlands                          | 65   | 60   | 61   |
| Spain                                | 15   | 13   | 13   |
| Sweden                               | 2    | 2    | 2    |
| Switzerland                          | 0    | 0    | 0    |
| United Kingdom                       | 14   | 14   | 14   |
| Regional – not available by country  | 46   | 47   | 55   |
| Region Total                         | 233  | 226  | 225  |



TOTAL SCOPE 1 AND 2 CO<sub>2</sub>e EMISSIONS BY REGION (CONTINUED)

ASIA PACIFIC

|                                     |     |     |     |
|-------------------------------------|-----|-----|-----|
| China                               | 15  | 15  | 17  |
| India                               | 18  | 16  | 15  |
| Indonesia                           | 2   | 2   | 2   |
| Japan                               | 6   | 6   | 6   |
| Pakistan                            | 18  | 17  | 18  |
| Singapore                           | 45  | 46  | 42  |
| Regional – not available by country | 70  | 87  | 81  |
| Region Total                        | 174 | 190 | 182 |



## CO<sub>2</sub>e EMISSIONS – DIRECT EMISSIONS (SCOPE 1) BY REGION

| 1,000 METRIC TONS                    | 2011 | 2012 | 2013 |
|--------------------------------------|------|------|------|
| <b>NORTH AMERICA</b>                 |      |      |      |
| Canada                               | 14   | 16   | 15   |
| USA                                  | 239  | 214  | 225  |
| Region Total                         | 253  | 230  | 240  |
| <b>CARIBBEAN &amp; LATIN AMERICA</b> |      |      |      |
| Argentina                            | 2    | 2    | 2    |
| Brazil                               | 2    | 2    | 1    |
| Costa Rica                           | 0    | 0    | 0    |
| Mexico                               | 14   | 13   | 13   |
| Puerto Rico                          | 2    | 2    | 0    |
| Regional – not available by country  | 11   | 13   | 15   |
| Region Total                         | 31   | 32   | 33   |
| <b>EUROPE</b>                        |      |      |      |
| France                               | 3    | 3    | 3    |
| Germany                              | 10   | 9    | 10   |
| Ireland                              | 32   | 32   | 27   |
| Netherlands                          | 37   | 34   | 34   |
| Spain                                | 5    | 5    | 4    |
| Sweden                               | 0    | 0    | 0    |
| Switzerland                          | 0    | 0    | 0    |
| United Kingdom                       | 4    | 4    | 4    |
| Regional – not available by country  | 38   | 39   | 46   |
| Region Total                         | 130  | 127  | 129  |





### CO<sub>2</sub>e EMISSIONS – DIRECT EMISSIONS (SCOPE 1) BY REGION (CONTINUED)

#### ASIA PACIFIC

|                                     |    |    |    |
|-------------------------------------|----|----|----|
| China                               | 1  | 1  | 1  |
| India                               | 2  | 1  | 0  |
| Indonesia                           | 0  | 0  | 0  |
| Japan                               | 1  | 1  | 1  |
| Pakistan                            | 15 | 14 | 16 |
| Singapore                           | 19 | 19 | 16 |
| Regional – not available by country | 36 | 47 | 36 |
| Region Total                        | 74 | 84 | 70 |

### CO<sub>2</sub>e EMISSIONS – PURCHASED ENERGY (SCOPE 2) BY REGION

| 1,000 METRIC TONS                    | 2011 | 2012 | 2013 |
|--------------------------------------|------|------|------|
| <b>NORTH AMERICA</b>                 |      |      |      |
| Canada                               | 10   | 10   | 9    |
| USA                                  | 308  | 283  | 270  |
| Region Total                         | 317  | 293  | 280  |
| <b>CARIBBEAN &amp; LATIN AMERICA</b> |      |      |      |
| Argentina                            | 2    | 3    | 3    |
| Brazil                               | 1    | 2    | 1    |
| Costa Rica                           | 0    | 1    | 1    |
| Mexico                               | 0    | 0    | 1    |
| Puerto Rico                          | 44   | 39   | 26   |
| Regional – not available by country  | 1    | 1    | 1    |
| Region Total                         | 49   | 46   | 32   |


**CO<sub>2</sub>e EMISSIONS – PURCHASED ENERGY (SCOPE 2) BY REGION (CONTINUED)**
**EUROPE**

|                                     |     |    |    |
|-------------------------------------|-----|----|----|
| France                              | 1   | 1  | 1  |
| Germany                             | 18  | 16 | 16 |
| Ireland                             | 28  | 28 | 24 |
| Netherlands                         | 28  | 26 | 27 |
| Spain                               | 10  | 8  | 8  |
| Sweden                              | 2   | 2  | 2  |
| Switzerland                         | 0   | 0  | 0  |
| United Kingdom                      | 10  | 10 | 10 |
| Regional – not available by country | 8   | 8  | 9  |
| Region Total                        | 104 | 99 | 96 |

**ASIA PACIFIC**

|                                     |     |     |     |
|-------------------------------------|-----|-----|-----|
| China                               | 14  | 14  | 16  |
| India                               | 16  | 15  | 15  |
| Indonesia                           | 2   | 2   | 2   |
| Japan                               | 5   | 5   | 5   |
| Pakistan                            | 2   | 3   | 3   |
| Singapore                           | 26  | 27  | 27  |
| Regional – not available by country | 35  | 40  | 45  |
| Region Total                        | 100 | 105 | 112 |



## WATER INTAKE

### WATER INTAKE BY REGION

| BILLION GALLONS                      | 2011 | 2012 | 2013 |
|--------------------------------------|------|------|------|
| <b>NORTH AMERICA</b>                 |      |      |      |
| Canada                               | 0.18 | 0.20 | 0.17 |
| USA                                  | 1.80 | 1.65 | 1.64 |
| Region Total                         | 1.98 | 1.85 | 1.81 |
| <b>CARIBBEAN &amp; LATIN AMERICA</b> |      |      |      |
| Argentina                            | 0.02 | 0.03 | 0.03 |
| Brazil                               | 0.02 | 0.02 | 0.01 |
| Costa Rica                           | 0.00 | 0.01 | 0.01 |
| Mexico                               | 0.04 | 0.03 | 0.03 |
| Puerto Rico                          | 0.12 | 0.12 | 0.09 |
| Region Total                         | 0.21 | 0.21 | 0.17 |
| <b>EUROPE</b>                        |      |      |      |
| France                               | 0.02 | 0.01 | 0.01 |
| Germany                              | 0.04 | 0.04 | 0.04 |
| Ireland                              | 0.17 | 0.17 | 0.16 |
| Netherlands                          | 0.37 | 0.33 | 0.32 |
| Spain                                | 0.09 | 0.09 | 0.10 |
| Sweden                               | 0.03 | 0.03 | 0.03 |
| Switzerland                          | 0.00 | 0.00 | 0.00 |
| United Kingdom                       | 0.01 | 0.01 | 0.01 |
| Region Total                         | 0.73 | 0.68 | 0.67 |



### WATER INTAKE BY REGION (CONTINUED)

#### ASIA PACIFIC

|              |      |      |      |
|--------------|------|------|------|
| China        | 0.04 | 0.04 | 0.04 |
| India        | 0.06 | 0.05 | 0.05 |
| Indonesia    | 0.01 | 0.01 | 0.01 |
| Japan        | 0.03 | 0.03 | 0.02 |
| Pakistan     | 0.09 | 0.08 | 0.09 |
| Singapore    | 0.17 | 0.20 | 0.19 |
| Region Total | 0.40 | 0.41 | 0.41 |

### WATER CONSUMED (IN PROCESS)

#### TOTAL

| BILLION GALLONS      | 2011 | 2012 | 2013 | % CHANGE<br>FROM 2012<br>TO 2013 |
|----------------------|------|------|------|----------------------------------|
| Total water consumed | 0.68 | 0.65 | 0.65 | 0.3                              |

#### NORMALIZED BY SALES

| GALLONS PER \$1,000 SALES | 2011 | 2012 | 2013 | % CHANGE<br>FROM 2012<br>TO 2013 |
|---------------------------|------|------|------|----------------------------------|
| Total water consumed      | 31   | 30   | 30   | 0.2                              |



## WATER DISCHARGED (IMPAIRED)

### TOTAL

| BILLION GALLONS                   | 2011 | 2012 | 2013 | % CHANGE<br>FROM 2012<br>TO 2013 |
|-----------------------------------|------|------|------|----------------------------------|
| Total water discharged (impaired) | 2.02 | 1.90 | 1.84 | -3.4                             |

### NORMALIZED BY SALES

| GALLONS PER \$1,000 SALES         | 2011 | 2012 | 2013 | % CHANGE<br>FROM 2012<br>TO 2013 |
|-----------------------------------|------|------|------|----------------------------------|
| Total water discharged (impaired) | 92   | 87   | 84   | -3.6                             |

## WATER DISCHARGED (NON-IMPAIRED)

### TOTAL

| BILLION GALLONS                       | 2011 | 2012 | 2013 | % CHANGE<br>FROM 2012<br>TO 2013 |
|---------------------------------------|------|------|------|----------------------------------|
| Total water discharged (non-impaired) | 0.63 | 0.60 | 0.57 | -5.2                             |

### NORMALIZED BY SALES

| GALLONS PER \$1,000 SALES             | 2011 | 2012 | 2013 | % CHANGE<br>FROM 2012<br>TO 2013 |
|---------------------------------------|------|------|------|----------------------------------|
| Total water discharged (non-impaired) | 29   | 27   | 26   | -5.3                             |



## BOD CONCENTRATION IN WASTEWATER

| MILLIGRAMS PER LITER  | 2011 | 2012 | 2013 | % CHANGE<br>FROM 2012<br>TO 2013 |
|---|------|------|------|----------------------------------|
| Impaired water discharges subject to further treatment <sup>(5)</sup> | 500  | 460  | 420  | -8.7                             |
| Non-impaired water discharges direct to environment <sup>(6)</sup>    | NA   | NA   | 8    | NA                               |

## TOTAL WASTE

### TOTAL WASTE BY REGION

| TONS                                 | 2011   | 2012   | 2013   |
|--------------------------------------|--------|--------|--------|
| <b>NORTH AMERICA</b>                 |        |        |        |
| Canada                               | 1,186  | 1,257  | 1,089  |
| USA                                  | 28,183 | 23,530 | 22,684 |
| Region Total                         | 29,369 | 24,787 | 23,773 |
| <b>CARIBBEAN &amp; LATIN AMERICA</b> |        |        |        |
| Argentina                            | 273    | 289    | 472    |
| Brazil                               | 1,138  | 1,007  | 826    |
| Costa Rica                           | 261    | 605    | 179    |
| Mexico                               | 205    | 373    | 537    |
| Puerto Rico                          | 4,874  | 4,888  | 3,484  |
| Regional – not available by country  | 671    | 671    | 671    |
| Region Total                         | 7,421  | 7,832  | 6,168  |





### TOTAL WASTE BY REGION (CONTINUED)

#### EUROPE

|                                     |        |        |        |
|-------------------------------------|--------|--------|--------|
| France                              | 1,224  | 1,178  | 2,039  |
| Germany                             | 2,032  | 1,963  | 2,118  |
| Ireland                             | 4,427  | 4,751  | 4,707  |
| Netherlands                         | 7,544  | 7,923  | 8,635  |
| Spain                               | 969    | 1,420  | 1,285  |
| Sweden                              | 456    | 351    | 417    |
| Switzerland                         | 100    | 115    | 146    |
| United Kingdom                      | 1,223  | 1,204  | 1,133  |
| Regional – not available by country | 1,992  | 1,992  | 1,992  |
| Region Total                        | 19,966 | 20,897 | 22,472 |

#### ASIA PACIFIC

|                                     |        |        |        |
|-------------------------------------|--------|--------|--------|
| China                               | 438    | 419    | 380    |
| India                               | 1,772  | 1,348  | 1,430  |
| Indonesia                           | 172    | 61     | 19     |
| Japan                               | 583    | 702    | 1,223  |
| Pakistan                            | 1,017  | 1,188  | 1,204  |
| Singapore                           | 3,385  | 2,718  | 2,374  |
| Regional – not available by country | 6,533  | 6,533  | 6,533  |
| Region Total                        | 13,900 | 12,969 | 13,163 |



## HAZARDOUS WASTE

### TOTAL

| TONS                           | 2011  | 2012  | 2013   | % CHANGE<br>FROM 2012<br>TO 2013 |
|--------------------------------|-------|-------|--------|----------------------------------|
| Hazardous waste not landfilled | 7,657 | 9,289 | 9,955  | 7.2                              |
| Hazardous waste landfilled     | 1,303 | 233   | 336    | 44.2                             |
| Hazardous waste                | 8,961 | 9,522 | 10,292 | 8.1                              |

### NORMALIZED BY SALES

| TONS PER \$ MILLION SALES | 2011 | 2012 | 2013 | % CHANGE<br>FROM 2012<br>TO 2013 |
|---------------------------|------|------|------|----------------------------------|
| Hazardous waste           | 0.41 | 0.44 | 0.47 | 8.1                              |

### HAZARDOUS WASTE BY REGION

| TONS                                 | 2011  | 2012  | 2013  |
|--------------------------------------|-------|-------|-------|
| <b>NORTH AMERICA</b>                 |       |       |       |
| Canada                               | 116   | 140   | 200   |
| USA                                  | 963   | 967   | 1,096 |
| Region Total                         | 1,080 | 1,107 | 1,296 |
| <b>CARIBBEAN &amp; LATIN AMERICA</b> |       |       |       |
| Argentina                            | 50    | 67    | 131   |
| Brazil                               | 171   | 193   | 172   |
| Costa Rica                           | 2     | 12    | 24    |
| Mexico                               | 56    | 75    | 65    |
| Puerto Rico                          | 2,295 | 2,316 | 1,564 |
| Regional – not available by country  | 0     | 0     | 0     |
| Region Total                         | 2,573 | 2,663 | 1,956 |




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**HAZARDOUS WASTE BY REGION (CONTINUED)**


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**EUROPE**


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|                                     |       |       |       |
|-------------------------------------|-------|-------|-------|
| France                              | 50    | 625   | 1,557 |
| Germany                             | 258   | 267   | 316   |
| Ireland                             | 462   | 412   | 361   |
| Netherlands                         | 3,508 | 3,595 | 3,944 |
| Spain                               | 24    | 23    | 10    |
| Sweden                              | 352   | 271   | 333   |
| Switzerland                         | 2     | 3     | 3     |
| United Kingdom                      | 276   | 343   | 262   |
| Regional – not available by country | 0     | 0     | 0     |
| Region Total                        | 4,931 | 5,539 | 6,785 |

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**ASIA PACIFIC**


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|                                     |     |     |     |
|-------------------------------------|-----|-----|-----|
| China                               | 16  | 12  | 12  |
| India                               | 105 | 101 | 123 |
| Indonesia                           | 6   | 7   | 5   |
| Japan                               | 37  | 52  | 65  |
| Pakistan                            | 179 | 9   | 22  |
| Singapore                           | 34  | 33  | 27  |
| Regional – not available by country | 0   | 0   | 0   |
| Region Total                        | 377 | 213 | 255 |

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## NON-HAZARDOUS WASTE

### TOTAL

| TONS                               | 2011   | 2012   | 2013   | % CHANGE<br>FROM 2012<br>TO 2013 |
|------------------------------------|--------|--------|--------|----------------------------------|
| Non-hazardous waste not landfilled | 41,039 | 40,661 | 40,860 | 0.5                              |
| Non-hazardous waste landfilled     | 20,657 | 16,302 | 14,425 | -11.5                            |
| Non-hazardous waste                | 61,696 | 56,963 | 55,285 | -2.9                             |

### NORMALIZED BY SALES

| TONS PER \$ MILLION SALES | 2011 | 2012 | 2013 | % CHANGE<br>FROM 2012<br>TO 2013 |
|---------------------------|------|------|------|----------------------------------|
| Non-hazardous waste       | 2.83 | 2.61 | 2.53 | -2.9                             |

### NON-HAZARDOUS WASTE BY REGION

| TONS                                 | 2011   | 2012   | 2013   |
|--------------------------------------|--------|--------|--------|
| <b>NORTH AMERICA</b>                 |        |        |        |
| Canada                               | 1,070  | 1,117  | 889    |
| USA                                  | 27,220 | 22,563 | 21,588 |
| Region Total                         | 28,290 | 23,680 | 22,477 |
| <b>CARIBBEAN &amp; LATIN AMERICA</b> |        |        |        |
| Argentina                            | 223    | 222    | 341    |
| Brazil                               | 968    | 814    | 654    |
| Costa Rica                           | 259    | 593    | 155    |
| Mexico                               | 149    | 298    | 472    |
| Puerto Rico                          | 2,578  | 2,572  | 1,920  |
| Regional – not available by country  | 671    | 671    | 671    |
| Region Total                         | 4,848  | 5,170  | 4,213  |



#### NON-HAZARDOUS WASTE BY REGION (CONTINUED)

##### EUROPE

|                                     |        |        |        |
|-------------------------------------|--------|--------|--------|
| France                              | 1,174  | 553    | 482    |
| Germany                             | 1,774  | 1,696  | 1,802  |
| Ireland                             | 3,965  | 4,339  | 4,346  |
| Netherlands                         | 4,036  | 4,328  | 4,692  |
| Spain                               | 945    | 1,397  | 1,275  |
| Sweden                              | 104    | 80     | 85     |
| Switzerland                         | 98     | 112    | 143    |
| United Kingdom                      | 947    | 861    | 871    |
| Regional – not available by country | 1,992  | 1,992  | 1,992  |
| Region Total                        | 15,035 | 15,358 | 15,687 |

#### NON-HAZARDOUS WASTE BY REGION

##### ASIA PACIFIC

| TONS                                | 2011   | 2012   | 2013   |
|-------------------------------------|--------|--------|--------|
| China                               | 423    | 407    | 368    |
| India                               | 1,667  | 1,246  | 1,307  |
| Indonesia                           | 166    | 54     | 14     |
| Japan                               | 546    | 650    | 1,158  |
| Pakistan                            | 837    | 1,180  | 1,182  |
| Singapore                           | 3,351  | 2,686  | 2,347  |
| Regional – not available by country | 6,533  | 6,533  | 6,533  |
| Region Total                        | 13,523 | 12,756 | 12,908 |



## ENERGY CONSUMPTION

| 1,000 GIGAJOULES                               | 2011   | 2012   | 2013   | % CHANGE<br>FROM 2012<br>TO 2013 |
|--|--------|--------|--------|----------------------------------|
| Purchased fuels (Scope 1) <sup>(1)</sup>       | 8,279  | 8,153  | 8,175  | 0.3                              |
| Purchased energy (Scope 2) <sup>(2)</sup>      | 4,254  | 4,153  | 3,918  | -5.7                             |
| Total (Scope 1 and Scope 2) energy consumption | 12,533 | 12,306 | 12,092 | -1.7                             |

## NORMALIZED BY SALES

| GIGAJOULES PER \$ MILLION SALES                | 2011 | 2012 | 2013 | % CHANGE<br>FROM 2012<br>TO 2013 |
|--|------|------|------|----------------------------------|
| Purchased fuels (Scope 1)                      | 379  | 373  | 374  | 0.3                              |
| Purchased energy (Scope 2)                     | 195  | 190  | 179  | -5.6                             |
| Total (Scope 1 and Scope 2) energy consumption | 574  | 563  | 553  | -1.7                             |

## ELECTRICITY GENERATED ONSITE

| MILLION KILOWATT HOURS | 2011  | 2012  | 2013  | % CHANGE<br>FROM 2012<br>TO 2013 |
|------------------------|-------|-------|-------|----------------------------------|
| From cogeneration      | 36.3  | 33.5  | 34.7  | 3.5                              |
| From renewables        | 0.050 | 0.108 | 0.109 | 0.8                              |





### TOTAL SCOPE 1 AND 2 ENERGY CONSUMPTION BY REGION

| 1,000 GIGAJOULES                     | 2011  | 2012  | 2013  |
|--------------------------------------|-------|-------|-------|
| <b>NORTH AMERICA</b>                 |       |       |       |
| Canada                               | 427   | 460   | 440   |
| USA                                  | 6,174 | 5,784 | 5,859 |
| Region Total                         | 6,602 | 6,244 | 6,299 |
| <b>CARIBBEAN &amp; LATIN AMERICA</b> |       |       |       |
| Argentina                            | 53    | 62    | 62    |
| Brazil                               | 91    | 92    | 70    |
| Costa Rica                           | 4     | 57    | 52    |
| Mexico                               | 243   | 238   | 242   |
| Puerto Rico                          | 535   | 457   | 302   |
| Regional – not available by country  | 190   | 211   | 246   |
| Region Total                         | 1,115 | 1,116 | 973   |
| <b>EUROPE</b>                        |       |       |       |
| France                               | 98    | 104   | 94    |
| Germany                              | 305   | 278   | 273   |
| Ireland                              | 668   | 667   | 594   |
| Netherlands                          | 892   | 821   | 843   |
| Spain                                | 188   | 189   | 177   |
| Sweden                               | 35    | 38    | 34    |
| Switzerland                          | 5     | 6     | 6     |
| United Kingdom                       | 157   | 155   | 156   |
| Regional – not available by country  | 644   | 665   | 782   |
| Region Total                         | 2,992 | 2,923 | 2,960 |


**TOTAL SCOPE 1 AND 2 ENERGY CONSUMPTION BY REGION (CONTINUED)**
**ASIA PACIFIC**

|                                     |       |       |       |
|-------------------------------------|-------|-------|-------|
| China                               | 87    | 91    | 108   |
| India                               | 130   | 115   | 116   |
| Indonesia                           | 16    | 15    | 16    |
| Japan                               | 57    | 57    | 54    |
| Pakistan                            | 275   | 262   | 295   |
| Singapore                           | 525   | 534   | 471   |
| Regional – not available by country | 736   | 948   | 800   |
| Region Total                        | 1,825 | 2,022 | 1,860 |

**ENERGY CONSUMPTION – PURCHASED FUELS (SCOPE 1) BY REGION**

| 1,000 GIGAJOULES | 2011 | 2012 | 2013 |
|------------------|------|------|------|
|------------------|------|------|------|

**NORTH AMERICA**

|              |       |       |       |
|--------------|-------|-------|-------|
| Canada       | 243   | 269   | 258   |
| USA          | 4,302 | 4,008 | 4,159 |
| Region Total | 4,545 | 4,278 | 4,417 |

**CARIBBEAN & LATIN AMERICA**

|                                     |     |     |     |
|-------------------------------------|-----|-----|-----|
| Argentina                           | 30  | 37  | 37  |
| Brazil                              | 27  | 23  | 19  |
| Costa Rica                          | 0   | 0   | 1   |
| Mexico                              | 241 | 235 | 237 |
| Puerto Rico                         | 19  | 20  | 6   |
| Regional – not available by country | 172 | 190 | 228 |
| Region Total                        | 488 | 505 | 527 |


**ENERGY CONSUMPTION – PURCHASED FUELS (SCOPE 1) BY REGION (CONTINUED)**
**EUROPE**

|                                     |       |       |       |
|-------------------------------------|-------|-------|-------|
| France                              | 45    | 51    | 45    |
| Germany                             | 147   | 138   | 146   |
| Ireland                             | 447   | 448   | 394   |
| Netherlands                         | 655   | 593   | 601   |
| Spain                               | 74    | 84    | 75    |
| Sweden                              | 0     | 0     | 0     |
| Switzerland                         | 0     | 0     | 0     |
| United Kingdom                      | 78    | 77    | 79    |
| Regional – not available by country | 559   | 583   | 687   |
| Region Total                        | 2,004 | 1,973 | 2,026 |

**ASIA PACIFIC**

|                                     |       |       |       |
|-------------------------------------|-------|-------|-------|
| China                               | 7     | 7     | 17    |
| India                               | 67    | 56    | 54    |
| Indonesia                           | 6     | 7     | 7     |
| Japan                               | 17    | 18    | 15    |
| Pakistan                            | 257   | 240   | 272   |
| Singapore                           | 333   | 338   | 280   |
| Regional – not available by country | 553   | 732   | 559   |
| Region Total                        | 1,241 | 1,398 | 1,205 |



### ENERGY CONSUMPTION – PURCHASED ENERGY (SCOPE 2) BY REGION

| 1,000 GIGAJOULES                     | 2011  | 2012  | 2013  |
|--------------------------------------|-------|-------|-------|
| <b>NORTH AMERICA</b>                 |       |       |       |
| Canada                               | 184   | 191   | 183   |
| USA                                  | 1,872 | 1,776 | 1,700 |
| Region Total                         | 2,056 | 1,967 | 1,882 |
| <b>CARIBBEAN &amp; LATIN AMERICA</b> |       |       |       |
| Argentina                            | 23    | 25    | 26    |
| Brazil                               | 64    | 68    | 50    |
| Costa Rica                           | 4     | 56    | 51    |
| Mexico                               | 2     | 3     | 5     |
| Puerto Rico                          | 516   | 437   | 296   |
| Regional – not available by country  | 18    | 21    | 19    |
| Region Total                         | 627   | 611   | 446   |
| <b>EUROPE</b>                        |       |       |       |
| France                               | 53    | 54    | 49    |
| Germany                              | 158   | 140   | 128   |
| Ireland                              | 221   | 219   | 200   |
| Netherlands                          | 237   | 228   | 243   |
| Spain                                | 114   | 106   | 103   |
| Sweden                               | 35    | 38    | 34    |
| Switzerland                          | 5     | 6     | 6     |
| United Kingdom                       | 80    | 78    | 78    |
| Regional – not available by country  | 85    | 82    | 94    |
| Region Total                         | 987   | 951   | 934   |




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**ENERGY CONSUMPTION – PURCHASED ENERGY (SCOPE 2) BY REGION (CONTINUED)**


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**ASIA PACIFIC**


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|                                     |     |     |     |
|-------------------------------------|-----|-----|-----|
| China                               | 80  | 84  | 91  |
| India                               | 62  | 59  | 62  |
| Indonesia                           | 10  | 9   | 9   |
| Japan                               | 40  | 39  | 39  |
| Pakistan                            | 18  | 23  | 23  |
| Singapore                           | 191 | 196 | 192 |
| Regional – not available by country | 183 | 216 | 241 |
| Region Total                        | 583 | 625 | 655 |

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## ENERGY AND CO<sub>2</sub>-EQUIVALENT BY ENERGY SOURCE

### ENERGY CONSUMED

(UNIT BELOW)

|  | 2011  | 2012  | 2013  | UNITS              |
|--|-------|-------|-------|--------------------|
| <b>STATIONARY SOURCES</b>                            |       |       |       |                    |
| Electricity (Purchased)                              | 952   | 936   | 893   | million kwh        |
| Natural Gas  | 5,409 | 5,347 | 5,485 | million cubic feet |
| Fuel Oils  | 4     | 3     | 2     | million gallons    |
| Coal   | 10    | 1     | 5     | thousand tons      |
| Misc. Fuels (Propane, Kerosene, LPG, LNG)            | N/A   | N/A   | N/A   | n/a                |
| Purchased Steam, Hot Water, and Chilled Water        | 134   | 113   | 82    | million kwh        |
| Biofuels   | N/A   | N/A   | N/A   | n/a                |
| Generated Electricity (Cogeneration & Renewables)    | 36    | 34    | 35    | million kwh        |
| Leased Building Electricity                          | 96    | 105   | 114   | million kwh        |
| Leased Building Natural Gas                          | 164   | 178   | 194   | million cubic feet |
| Stationary Total                                     | N/A   | N/A   | N/A   |                    |
| <b>MOBILE SOURCES</b>                                |       |       |       |                    |
| Sales Fleet Gasoline                                 | 9.1   | 10.5  | 9.2   | million gallons    |
| Sales Fleet Diesel                                   | 2.7   | 2.9   | 3.5   | million gallons    |
| Sales Fleet E85                                      | 0.0   | 0.0   | 0.0   | million gallons    |
| Aviation Fuel  | 0.7   | 0.7   | 0.4   | million gallons    |
| Plant/Shuttle Fleet (Diesel, Gasoline, E85, Propane) | 0.2   | 0.2   | 0.2   | million gallons    |
| Mobile Total   | N/A   | N/A   | N/A   |                    |





## ENERGY AND CO<sub>2</sub>-EQUIVALENT BY ENERGY SOURCE (CONTINUED)

|  | ENERGY CONSUMED<br>(1,000 GIGAJOULES) |        |        |
|--|---------------------------------------|--------|--------|
|  | 2011                                  | 2012   | 2013   |
| <b>STATIONARY SOURCES</b>                            |                                       |        |        |
| Electricity (Purchased)                              | 3,425                                 | 3,371  | 3,213  |
| Natural Gas  | 5,569                                 | 5,504  | 5,643  |
| Fuel Oils  | 501                                   | 419    | 240    |
| Coal   | 275                                   | 30     | 152    |
| Misc. Fuels (Propane, Kerosene, LPG, LNG)            | 22                                    | 63     | 55     |
| Purchased Steam, Hot Water, and Chilled Water        | 482                                   | 406    | 294    |
| Biofuels   | 52                                    | 41     | 50     |
| Generated Electricity (Cogeneration & Renewables)    | 0                                     | 0      | 0      |
| Leased Building Electricity                          | 346                                   | 376    | 410    |
| Leased Building Natural Gas                          | 178                                   | 194    | 211    |
| Stationary Total                                     | 10,852                                | 10,404 | 10,268 |
| <b>MOBILE SOURCES</b>                                |                                       |        |        |
| Sales Fleet Gasoline                                 | 1,190                                 | 1,373  | 1,205  |
| Sales Fleet Diesel                                   | 396                                   | 428    | 519    |
| Sales Fleet E85                                      | 0                                     | 0      | 0      |
| Aviation Fuel  | 66                                    | 72     | 77     |
| Plant/Shuttle Fleet (Diesel, Gasoline, E85, Propane) | 29                                    | 29     | 24     |
| Mobile Total   | 1,681                                 | 1,902  | 1,824  |



## ENERGY AND CO<sub>2</sub>-EQUIVALENT BY ENERGY SOURCE (CONTINUED)

### GREENHOUSE GAS EMISSIONS<sup>(2)</sup>

(1,000 METRIC TON CO<sub>2</sub>-EQUIVALENT)

2011 2012 2013

### STATIONARY SOURCES

|   |     |     |     |
|---|-----|-----|-----|
| Electricity (Purchased)                           | 493 | 465 | 442 |
| Natural Gas                                       | 292 | 289 | 296 |
| Fuel Oils   | 37  | 31  | 18  |
| Coal  | 25  | 3   | 14  |
| Misc. Fuels (Propane, Kerosene, LPG, LNG)         | 1   | 4   | 3   |
| Purchased Steam, Hot Water, and Chilled Water     | 25  | 22  | 17  |
| Biofuels  | 0.1 | 0.1 | 0.1 |
| Generated Electricity (Cogeneration & Renewables) | 0   | 0   | 0   |
| Leased Building Electricity                       | 51  | 55  | 61  |
| Leased Building Natural Gas                       | 9   | 10  | 10  |
| Stationary Total                                  | 934 | 879 | 862 |

### MOBILE SOURCES

|  |     |     |     |
|--|-----|-----|-----|
| Sales Fleet Gasoline                                 | 80  | 93  | 81  |
| Sales Fleet Diesel                                   | 27  | 30  | 36  |
| Sales Fleet E85                                      | 0   | 0   | 0   |
| Aviation Fuel  | 4   | 5   | 5   |
| Plant/Shuttle Fleet (Diesel, Gasoline, E85, Propane) | 2   | 2   | 2   |
| Mobile Total   | 114 | 129 | 124 |



## ENVIRONMENTAL FINES

| U.S. DOLLARS | 2011  | 2012  | 2013   | % CHANGE<br>FROM 2012<br>TO 2013 |
|--------------|-------|-------|--------|----------------------------------|
| Total        | 4,400 | 2,055 | 96,060 | 4,574                            |

## NOTICE OF VIOLATION (NOVS)

|       | 2011 | 2012 | 2013 | % CHANGE<br>FROM 2012<br>TO 2013 |
|-------|------|------|------|----------------------------------|
| Total | 8    | 5    | 2    | -60                              |

## INSPECTIONS BY GOVERNMENT AGENCIES

|       | 2011 | 2012 | 2013 | % CHANGE<br>FROM 2012<br>TO 2013 |
|-------|------|------|------|----------------------------------|
| Total | 50   | 55   | 41   | -25.5                            |

## VOC EMISSIONS

### TOTAL

| 1,000 METRIC TONS | 2011 | 2012 | 2013 | % CHANGE<br>FROM 2012<br>TO 2013 |
|-------------------|------|------|------|----------------------------------|
| Total             | 1.02 | 1.03 | 1.14 | 10.5                             |

### NORMALIZED BY SALES

| METRIC TONS PER \$ MILLION SALES | 2011  | 2012  | 2013  | % CHANGE<br>FROM 2012<br>TO 2013 |
|----------------------------------|-------|-------|-------|----------------------------------|
| Total                            | 0.047 | 0.047 | 0.052 | 10.6                             |



## SO<sub>x</sub> FROM COMBUSTION<sup>(4)</sup>

| 1,000 METRIC TONS | 2011 | 2012 | 2013 | % CHANGE<br>FROM 2012<br>TO 2013 |
|-------------------|------|------|------|----------------------------------|
| Total             | 0.22 | 0.08 | 0.11 | 41.8                             |

### NORMALIZED BY SALES

| METRIC TONS PER \$ MILLION SALES | 2011  | 2012  | 2013  | % CHANGE<br>FROM 2012<br>TO 2013 |
|----------------------------------|-------|-------|-------|----------------------------------|
| Total                            | 0.010 | 0.004 | 0.005 | 41.9                             |

## NO<sub>x</sub> FROM COMBUSTION<sup>(4)</sup>

| 1,000 METRIC TONS | 2011  | 2012  | 2013  | % CHANGE<br>FROM 2012<br>TO 2013 |
|-------------------|-------|-------|-------|----------------------------------|
| Total             | 0.316 | 0.277 | 0.287 | 3.5                              |

### NORMALIZED BY SALES

| METRIC TONS PER \$ MILLION SALES | 2011  | 2012  | 2013  | % CHANGE<br>FROM 2012<br>TO 2013 |
|----------------------------------|-------|-------|-------|----------------------------------|
| Total                            | 0.014 | 0.013 | 0.013 | 3.6                              |

All energy and greenhouse gas data has been adjusted to account for acquisitions and divestitures, in accordance with the methodology prescribed in the WRI/WBCSD Greenhouse Gas Protocol.

(1) Reported Scope 1 sources consist of fuel consumed by manufacturing facilities, sales fleet, Abbott-owned aviation and non-manufacturing locations.

(2) Reported Scope 2 sources consist of energy directly purchased by Abbott, such as electricity and steam.

(3) Per WRI GHG protocol, Scope 1 refrigerant CO<sub>2</sub>e emissions include only those covered in the Kyoto Protocol.

(4) Reflects emissions from fuel combusted at manufacturing facilities only.

(5) 2010-2012 data reflects BOD emissions from over 93 percent of Nutrition Business Unit (by discharged water volume). The Nutrition Business Unit is considered to be Abbott's major contributor to BOD emissions. 2013 BOD data reflects 90 percent of Abbott total impaired water discharges that are subject to further treatment off-site.

(6) Non-impaired water discharge BOD data reflects 47 percent of total non-impaired water discharge.

(7) Abbott's non-energy-consumption greenhouse gas emissions, such as refrigerant releases and process air emissions, are omitted from the Energy and CO<sub>2</sub>e by Energy Source table. The total CO<sub>2</sub>-equivalent from non-energy sources are 8, 7 and 5 thousand metric tons in 2011, 2012 and 2013, respectively.

Totals may not add up to 100 percent due to rounding.

Environmental data reflects Abbott-only activities.