



Abbott



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## FROM OUR CHAIRMAN AND CEO



Dear Fellow Stakeholder,

When I'm asked what we do at Abbott, my answer is that we help people live the best and fullest lives they can. The primary way we do that is by bringing high-quality healthcare products to people around the world. But we apply that same fundamental purpose to all we do as a company. As a global leader, we recognize the impact of both the actions we take and the example we provide, so we're mindful and purposeful in our policies and the decisions they drive.

Your business affects your worldview. Our business, healthcare, gives us a sense of what's truly important in life and a commitment to making things better. We endeavor to do so in three primary ways:

### DELIVERING PRODUCT EXCELLENCE

We believe firmly that health is the foundation of everything else we can do in life; consequently, there is no more important business than healthcare. The products that we develop and supply affect people's lives in the most essential and personal ways. To ensure that we live up to the trust implicit in this work:

- **We conduct groundbreaking research** to help us advance health for all people, in all cultures and circumstances.
- **We emphasize innovative product design** that addresses all aspects of how people can live longer, more fulfilling lives.
- **And we maintain the highest standards** in research, manufacturing and business practices to ensure that our products deliver the best health outcomes.

### IMPROVING ACCESS

Creating new healthcare technologies is the critical first step, but those products are only useful when they actually get to the people who need them.

Abbott is dedicated to developing products that meet local needs around the world and providing them at prices that expand access to care, in keeping with the healthcare-related challenges set out in the United Nations' Sustainable Development Goals.

We take a partnership-based approach, working with healthcare professionals, governments and NGOs and, above all, with consumers themselves to improve healthcare access on four levels:

- **Geographic breadth:** By increasing the physical availability of healthcare solutions and nutrition for hard-to-reach communities.
- **Knowledge:** By training and educating healthcare practitioners to advance understanding of emerging products and treatments.
- **Infrastructure and technology:** By using new tools to revolutionize the delivery of healthcare services in developing regions.

- **Consumer empowerment:** By informing people about better health and nutrition choices while working to overcome social barriers.

### SAFEGUARDING THE ENVIRONMENT

Of course, the ultimate determinant of our health as individuals is the health of our planet. Healthy people and communities can only thrive in a healthy environment. Abbott is deeply committed to environmental stewardship initiatives that 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 by national and international legislation and feedback from our stakeholders.

As a result of our efforts, Abbott was named to the Dow Jones Sustainability World Index and North America Index for the eleventh consecutive year and ranked the Global Industry Group Leader for the third year in a row. At the same time, *Corporate Responsibility* magazine named Abbott to its global 100 Best Corporate Citizens list for the seventh consecutive time. We consider these honors to be recognition of our commitment to doing business right, as well as motivation to do better still.

In keeping with our positive mission as a business, our goal is to make every place that Abbott works better as a result of our being there. Thank you for your interest in our company and in our efforts to continually improve in every dimension of our operations.

Sincerely,



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

# OUR BUSINESS

## IN THIS SECTION

### 5 NUTRITION ▶

From infants to the elderly, we offer science-based nutrition products to make every stage of life a healthy one.

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### 5 MEDICAL DEVICES ▶

Our advanced medical devices enable people to live their everyday lives better and healthier.

### 5 DIAGNOSTICS ▶

Our innovative technologies provide healthcare professionals the information they need to make the best treatment decisions, faster.

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### 5 ESTABLISHED PHARMACEUTICALS ▶

We offer high-quality, affordable and trusted branded-generic medicines that treat some of the world's most pervasive health conditions.

Abbott is a globally diversified healthcare company, devoted to improving life through the development of products and technologies that span the breadth of healthcare. Approximately 74,000 Abbott people carry out our mission, reaching more than 150 countries.

Abbott has four core businesses of roughly equal size – each focused on advancing innovations that provide better options and outcomes for people in pursuit of healthier lives.

**\$8.3 BILLION**

Spent with direct suppliers.

**\$1.4 BILLION**

Returned in dividends to shareholders.

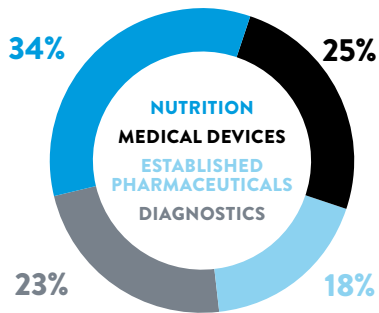
**\$1.4 BILLION**

Invested in R&D.

**\$20.4 BILLION**

Net sales worldwide.

**A GLOBAL AND BALANCED PORTFOLIO**



**2015 REVENUE**

The breadth and balance of our product portfolio lets Abbott help more people in more places, and gives us increased stability in an ever-changing world.

Abbott is a globally diversified healthcare company committed to helping people around the world live their best possible lives through the power of health. Headquartered in north suburban Chicago for more than 125 years, we've brought new products and technologies, creating more possibilities for more people at all stages of life. Today, 74,000 of us are working to help people live not just longer, but better, in the more than 150 countries we serve.

We have four major businesses – each focused on advancing innovations that provide better options and outcomes for people in pursuit of healthier lives. The breadth and balance of our product portfolio lets Abbott help more people, in more places, and gives us increased stability in an ever-changing world.

We deliver results for patients and consumers, healthcare professionals, employees and shareholders, and we work to continually invest, innovate and introduce new products that are changing the practice of healthcare. In 2015, we invested \$1.4 billion in research and development. Additionally, Abbott and our philanthropic foundation, the Abbott Fund, contributed more than \$37 million in philanthropic grants, product donations and patient assistance.

**NUTRITION**

We understand that proper nutrition is the foundation for living the best and fullest life possible. That's why we develop science-based nutrition products for people of all ages. With a focus on consumers and healthcare professionals, Abbott develops products that help babies and children grow, keep bodies strong and active and support the unique nutrition needs of individuals with chronic illnesses. We work to make every stage of life a healthy one.

**MEDICAL DEVICES**

More advanced medical devices mean faster, more effective and less invasive solutions. Our advanced vascular, diabetes care and vision technologies are designed to improve outcomes, helping people to recover more quickly, monitor more accurately and see more clearly. As the global population ages and the incidence of chronic diseases increases, we're able to help more people, in more places, than ever before.

**DIAGNOSTICS**

Our innovative instruments and tests help diagnose and monitor a range of health conditions with speed, accuracy and efficiency. From automated immunodiagnostics systems and blood analyzers to sophisticated molecular diagnostics and point-of-care devices, our diagnostics solutions are designed to deliver information that helps improve decision-making and patient care across the entire healthcare system.

**ESTABLISHED PHARMACEUTICALS**

We offer high-quality, affordable and trusted branded generic medicines that help millions of people around the world lead healthier lives. Through such product enhancements as new formulations, delivery methods, and packaging, we tailor our offerings to address the specific needs of the regions we serve.

# APPROACH

## IN THIS SECTION

### 7 GLOBAL CITIZENSHIP AT ABBOTT ▶

Our Global Citizenship strategy focuses on the areas where opportunities for our business intersect with positive social impact: we aim to achieve sustainable growth, deliver innovative solutions and build stronger communities to help more people live their best lives.

### 8 OUR PRIORITIES ▶

We work to deliver positive results in our three priority areas: Delivering Product Excellence, Improving Access and Safeguarding the Environment.

### 9 CITIZENSHIP MANAGEMENT AND GOVERNANCE ▶

Our approach to citizenship management and governance is focused on integrating sustainability with our core business strategy.

### 10 ENGAGING OUR STAKEHOLDERS ▶

Listening to our stakeholders is vital to our success as a business and to our progress as a global citizen.

Abbott is in the business of life, believing that good health is the starting point for all of life's possibilities. We look at health from all sides, working to create solutions that make life better for people of all ages, in all aspects and stages of life, wherever they are in the world. And this belief in the power of health informs our approach to Global Citizenship.



Abbott exists to help people live the best lives they can through the power of health. We believe that good health is the starting point for everything people can accomplish, and our business is built around delivering innovative solutions and opening up possibilities that can push healthcare further, empowering more people to achieve their potential.

For Abbott, this begins with being responsible, sustainable and inclusive. Our approach to Global Citizenship focuses on doing the right things, for the long term, for the benefit of everyone who relies on our products and services. At the same time, we work hard to maximize the impact of our business in creating fuller lives and stronger communities around the world.

### GLOBAL CITIZENSHIP AT ABBOTT

The goal of our Global Citizenship strategy is to achieve sustainable growth, deliver innovative solutions and build stronger communities around the world to help more people live their best lives. In order to focus our efforts in the areas where we can have the greatest possible impact, we must understand people’s changing healthcare needs, but also our most important environmental, social and governance issues.



Half of Abbott’s business now involves selling products directly to the people who need them.

### MATERIALITY ANALYSIS

We partnered with the external agency Corporate Citizenship to undertake a materiality assessment that identifies and prioritizes our most important environmental, social and governance (ESG) topics.

This involved rigorously assessing what matters to our stakeholders and what is relevant for commercial success in our markets. The issues that emerged from the process are those that can most significantly impact the long-term viability of our business, and that will inform our Global Citizenship priorities over the coming months and years. They are also a valuable guidepost to our opportunities and challenges as a business.

## THE PROCESS

We undertook a three-step process:

1. We conducted extensive research to identify the economic, governance, environmental and societal topics relevant to Abbott, our stakeholders and the broader healthcare industry.
2. We interviewed external experts in sustainability, environmental management, healthcare and public policy and invited them to prioritize these topics based on their significance and potential impact relative to our business. We also used the expertise of our Global Citizenship Advisory Council, a core group of independent, expert advisors with a broad knowledge of corporate responsibility, to guide the process.
3. We interviewed senior leaders across Abbott to identify which of the topics would have the greatest potential impact on the long-term viability of our business.

Through this process, we identified a preliminary list of 20 ESG topics that are of material importance to Abbott, our industry and our priority stakeholders. We will now work on building these into a materiality matrix that identifies the importance of each issue, its potential impact on our business and our degree of influence over the topic. This matrix will play a key role in developing an actionable sustainability plan in 2016.

The 20 areas identified for inclusion in the materiality matrix are:

- Affordability
- Climate change
- Corruption and bribery
- Demographic shifts
- Disruptive technologies
- Diversity
- Healthcare infrastructure
- Malnutrition
- Occupational health and safety
- Patient and consumer empowerment
- Political instability
- Product quality and safety
- R&D and product pipeline
- Resource scarcity
- Responsible marketing
- Rise of NCDs
- Supply chain resilience
- Talent management
- Transparency
- Water management

## OUR PRIORITIES

We have focused our Global Citizenship efforts around three areas that are fundamental to our sustainability as a business – and support us in helping more people live full, healthy lives:

**Delivering Product Excellence** – Everywhere we operate and in everything we do, we are committed to innovation consistent with the highest standards of quality and safety. This innovation will ensure we deliver leading products that help people get healthy and stay healthy, at all stages of life.

**Improving Access** – Our products and services play a vital role in improving health around the world. We

work with a range of partners to increase access and empower people to make well-informed choices about their health. We do this through a combination of educational and infrastructure development programs, supporting healthcare professionals, governments, patients and consumers.

**Safeguarding the Environment** – We work to reduce our global environmental impacts, protecting the planet and ensuring a healthy living environment while improving manufacturing efficiency, reducing costs and preserving our ability to do business in the future.

To achieve positive results against our priorities, we aim to conduct our business responsibly while identifying opportunities to create shared value by growing our business through solving social problems. We also aim to build on the positive impacts of our business through strategic philanthropy.

## RESPONSIBLE BUSINESS PRACTICES

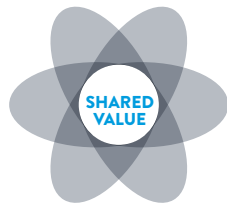
The future success of our business depends on consistently applying responsible business practices, in particular in the following areas:

**Supply Chain Excellence** – We work closely with our suppliers to help ensure the highest levels of quality, environmental excellence, compliance and social responsibility.

**Valuing Our People** – We operate award-winning workplace and employee programs to empower our people to fulfill their potential and build rewarding careers.

**Ethics and Integrity** – We maintain the highest standards of ethics and integrity in everything we do.





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

## CREATING SHARED VALUE

We believe in the concept of shared value, whereby a business is able to achieve growth and deliver measurable business value through the process of solving social problems. For details of how we are applying this principle when growing Abbott's business, see our Shared Value chapter.

## STRATEGIC PHILANTHROPY

Abbott and our philanthropic foundation, the Abbott Fund, invested \$37 million in community initiatives during 2015. We focus investments on engaging in areas that align with our business and our core skills, on leveraging opportunities to share our employees' time and skills with local communities and on building partnerships with stakeholders that enable us to achieve sustainable change. For more details of our approach, see our Strategic Philanthropy chapter.

## CITIZENSHIP MANAGEMENT AND GOVERNANCE

Our commitment to good citizenship begins at the top. Our Global Citizenship efforts are led by our Board of Directors and senior management. The Public Policy Committee of our Board of Directors is responsible for the review and evaluation of Abbott's policies and practices with respect to social responsibility.

The Global Citizenship and Policy (GCP) team has lead responsibility for implementing our Global Citizenship strategy. This department works with our four major businesses, key functional areas and affiliates around the world to ensure that we consistently deliver on our citizenship ambitions. The GCP team reports to our Senior Vice President, Chief Marketing and External Affairs Officer, who in turn reports directly to the Chairman and CEO.

We are committed to embedding our citizenship strategy ever more closely within our core business strategy. Our cross-functional Global Citizenship Working Group leads these integration efforts, while also overseeing the reporting of our financial, social and environmental performance. The team includes representatives from Corporate Purchasing; Global Environment, Health and Safety; Office of Ethics and Compliance, Quality and Regulatory Affairs; Human Resources; Supply Chain; Research and Development; Investor Relations; Global Marketing Organization; Government Affairs; and Commercial Operations. The team also includes representatives from our affiliate operations in different countries.

Several of our country operations, including China, India, Ireland and Russia, have formed their own local, cross-functional Citizenship Working Groups, which are responsible for embedding responsible business practices throughout the organization and driving

specific stakeholder engagement initiatives appropriate to local needs.

In addition, the following committees and working groups play an important role in our citizenship governance process.

- **Global Operations Council** – Chaired by our Senior Vice President, Quality Assurance, Regulatory and Engineering Services, who reports directly to our CEO, the council comprises our heads of Operations, Quality, Engineering, Purchasing and Information Technology. It sets priorities for Abbott manufacturing operations around the world and drives initiatives to meet our environmental, product excellence and health and safety performance goals.
- **Public Policy Committee of the Board of Directors** – Comprised solely of independent directors, this committee's charter includes reviewing and evaluating Abbott's policies and practices with respect to social responsibility.
- **Business Conduct Committee of the Board of Directors** – Comprised of business heads, 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.

We also work externally with our Global Citizenship Advisory Council (GCAC), a core group of independent, expert advisors with a broad knowledge of corporate responsibility. Members of the GCAC provide guidance on strategic issues, identifying opportunities and advising on risks across our value chain. They include:

- Margaret Flaherty, Senior Advisor, FSG and Professor at the Business School Lausanne
- David Logan, Co-Founding Director, Corporate Citizenship

- Jane Nelson, Senior Fellow and Director of CSR Initiatives, Harvard Kennedy School
- David Vidal, Emeritus Fellow, The Conference Board

## ENGAGING OUR STAKEHOLDERS

Abbott is an active participant in the global dialogue on health, believing that good health opens up life's possibilities. We know that listening to our stakeholders and responding with relevant, local solutions that meet people's changing needs and tackle the world's most important health challenges are vital to our success as a business.

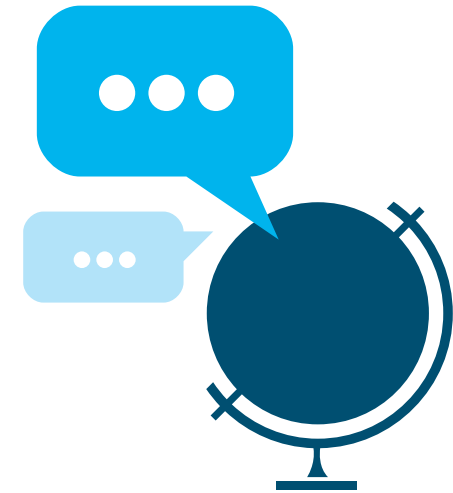
We look at health from all sides and work to develop solutions that are meaningful to people, wherever they are in the world, so we can have the most impact. Stakeholder insights help us understand, anticipate and stay ahead of global health and economic trends, so that we can adapt our business to help people around the world.

At Abbott, we value the trusted partnerships we have built over the years with government officials, healthcare professionals, educational institutions and non-governmental organizations. We have a defined process of stakeholder engagement that guides Abbott leaders to ensure that we gather insights from all relevant people across the different countries in which we operate. In this way, we are able to engage and offer solutions that create real and lasting change in people's lives. These partnerships lead to healthier communities, while at the same time helping create new economic opportunities for people in developed and emerging countries.

## SUPPORTING OUR CUSTOMERS

Providing our customers with clear channels of communication is an important element in our ability to support them and help meet their healthcare needs. We offer customers a number of different ways to connect with us around the clock, whether online, through social media, over the phone or through the mail. For our *Similac* and *PediaSure* nutrition products, for example, we operate dedicated social channels and a toll-free hotline that provides customer support and answers their questions.

Our Net Promoter score (NPS) is an externally recognized metric for customer satisfaction – and we see it as an important measure of our success in meeting our customers' needs. Our NPS has increased from 32.1 in 2010 to 52.1 in 2015.



## STARTING A GLOBAL CONVERSATION

Does living fully look the same to an accountant in Shanghai as it does to an architect in New Delhi or a street artist in São Paulo? What about a factory worker in Detroit or a new mother in Berlin? We've been exploring and collecting such insights through our [LIFE. TO THE FULLEST. digital hub](#) and our global social media channels.

Asking consumers what living a full life means to them, both as individuals and communities, has enabled us to create a global conversation and understand what people around the world value the most, in order to serve them better. So far, more than 1 million people across the globe have shared their thoughts with us.

# PRIORITIES

## IN THIS SECTION

### 12 DELIVERING PRODUCT EXCELLENCE ▶

We help people lead healthier lives and reach their potential with innovative products that meet the highest standards of quality.

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### 20 IMPROVING ACCESS ▶

To expand access to our products to people who need them, we partner with others to address key barriers, including building healthcare capacity.

### 27 SAFEGUARDING THE ENVIRONMENT ▶

We work to help protect the planet while improving efficiency, reducing costs and preserving our ability to do business in the future.

We focus our efforts on three strategic priorities: Delivering Product Excellence, Improving Access and Safeguarding the Environment. These areas reflect both our key opportunities for long-term business growth, and where we can have the greatest positive impact on people and communities. By applying our science, products and expertise in these three areas, we're working to maximize the promise of human potential, around the world.

# DELIVERING PRODUCT EXCELLENCE

## IN THIS SECTION

13 DEVELOPING THE INNOVATIONS PEOPLE NEED ▶

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14 TAILORING OUR APPROACH TO LOCAL TASTES ▶

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15 PROTECTING AUTHENTICITY ▶

16 BRINGING PRODUCTION CLOSER TO PEOPLE ▶

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16 ENSURING QUALITY AND SAFETY ▶

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19 MAINTAINING BUSINESS CONTINUITY ▶

## ✔ 2015 Highlights

- *Supera* stent tackles the effects of peripheral artery disease while still enabling active lifestyles through flexibility of movement.
- Innovative *LiDoCon* device makes it easier for patients in India to take the right dose of liquid medicines, while avoiding bottle contamination.

Abbott products have been helping people live the best life they can for more than 125 years. For us, this starts with an understanding of what a full life means for different people in different circumstances. We pursue advancements in science, technology, medicine and nutrition that make fuller lives possible, and we are committed to the quality, safety and authenticity of our products. We have robust systems in place to ensure that the design, development, manufacturing, delivery and labeling of our products always meet the highest safety and quality standards.



**\$1.4 BILLION**  
INVESTED IN R&D IN 2015

## DEVELOPING THE INNOVATIONS PEOPLE NEED

We aim always to deliver innovation that makes life better and has a lasting impact on human health. We conduct ongoing research and development around the world so that we can leverage our scientific and technology resources to anticipate health challenges, meet local needs and deliver solutions to fit different cultures, tastes and circumstances.

We believe that all people, everywhere on earth, deserve to live the best possible life through the power of good health. As the world's population grows, and as people live longer, we need constant innovation to enable full lives for all. Fortunately, the human drive to explore new possibilities and discover new solutions has succeeded in raising living standards dramatically around the globe. We are committed to continuing this process

and to linking innovation ever more closely with the different healthcare needs that people have.

We do this by focusing on delivering the highest possible standards at every stage of the research and development process.

**Groundbreaking research** to help us better understand the body's requirements, and help us deliver the right solutions.

**Innovative product design** that explores all aspects of helping people to live longer, more fulfilling lives.

**The highest standards** in healthcare solutions and practices that ensure our products deliver the best health outcomes.

### OUR INNOVATIONS IN 2015

Innovation at Abbott takes place on several levels. We strive to make better health available by designing specific products to meet emerging needs and addressing the challenges our patients face every day and by making new products available in new markets. The following are just some of the solutions that our company works to create every day.

- Most people with diabetes dread the routine finger pricks needed to monitor blood glucose levels. Now, consumers across Europe, can avoid the pain and discomfort of routine finger pricks<sup>1</sup> with Abbott's innovative *FreeStyle® Libre* Flash Glucose Monitoring System. This system monitors glucose levels continually for up to 14 days and provides physicians with insights to drive better-informed treatment decisions. We are expanding this product to many

<sup>1</sup> A finger prick test using a blood glucose meter is required during times of rapidly changing glucose levels when interstitial fluid glucose levels may not accurately reflect blood glucose levels or if hypoglycemia or impending hypoglycemia is reported by the system or when symptoms do not match the system readings.

more markets around the world; in India, we have launched the professional version, *Free-Style Libre Pro* Flash Glucose Monitoring System.

- China welcomes 17 million new babies each year, creating a huge demand for safe, high-quality nutrition products to support growing children. In order to meet the increasing demand for a world-class infant formula product, we are now offering two new product lines in China that elevate baby's senses to explore the world: *Eleva Blue* and *Eleva Organic*. Manufactured in Ireland and recognized as high quality by the Irish Government, *Eleva Blue* offers a high-quality premium product designed for child development. *Eleva Organic* formula is imported from Denmark, produced from pasture-raised cows and has received organic certifications from authorities in both the European Union and China by the China Organic Food Certification Center (COFCC).
- As people around the world live longer lives, a growing number find their later years impacted by peripheral artery disease (PAD). Caused by the buildup of fat and cholesterol, often in the arteries of the legs, PAD causes pain and increases the risk of heart attack or stroke. Abbott's new *Supera* stent system features a unique interwoven-wire technology that mimics the natural movement of arteries and is able to restore blood flow to areas of the body affected by PAD, while still enabling strength and flexible movement – helping sufferers to feel better and stay active.
- For patients who are prescribed liquid medicines, taking the right dose each time is extremely important, as is preventing contamination that could reduce the medicine's effectiveness. The team at our pharmaceuticals development center in Mumbai, India, developed *LiDoCon*, an innovative device that can be added to medicine bottles so that patients get the exact amount of liquid medicine they need. This addresses several problems associated with dosing, such as possible spillage and contamination due to multiple opening/closing of bottles.

- An estimated 94 million people globally are visually impaired as a result of cataracts. Abbott is focused on developing innovative products, such as our *TECNIS*® Symphony Extended Range of Vision Intraocular Lens (IOL). These lenses can provide patients in Europe and other parts of the world such as Brazil, Australia and Canada with clear vision after cataract surgery to help them maintain active, healthy lifestyles. This lens is pending FDA approval and not available for sale in the United States.

## TAILORING OUR APPROACH TO LOCAL TASTES

Tastes vary from country to country and culture to culture. While these differences are fairly common when it comes to food, the importance of taste preferences is often forgotten when it comes to medicines and nutrition. Many companies assume that flavors enjoyed by consumers in one market are equally accepted worldwide. Abbott takes a different approach in order to make products that are better suited to people's lives.

Abbott food scientists travel the world, conducting in-person experiments that help determine how taste preferences differ based on location. Local participants in the tests rate product samples on factors such as sweetness, flavor intensity and aftertaste, generating up to 250,000 data points. This data is then used to build a custom sensory profile for each region, which acts as a model for new product formulations.

This approach allows Abbott to create large numbers of market-specific products that ensure our products meet local taste preferences. For example, in China Abbott has created a line extension for *Ensure Complete* – professional complete nutrition for adults – with the new flavor of red date and wheat, a good match with local taste preferences.

## PROTECTING AUTHENTICITY

People around the world depend on Abbott products and trust in the reliability and quality that our brands represent. Protecting the authenticity of our products is an important part of earning that trust. We take a proactive approach, taking forceful action to keep counterfeit, illegally diverted and stolen Abbott products out of the marketplace. We have a dedicated Global Product Security team, which focuses on reducing incidents of counterfeit, diversion and theft of Abbott products.

### GLOBAL PRODUCT SECURITY HAS FOUR KEY STRATEGIES

#### Securing the Supply Chain

By analyzing the global supply chain for weak points, utilizing specific supply chain risk mitigation tools to identify suspicious activities 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. Where allowed, we include clauses in our contractual agreements requiring exclusive sourcing, regular audits and enforcement of territory restrictions. We also apply “Intended for sale in” stickers to certain products intended for specific regions.

#### Ensuring Ability to Authenticate

We include overt and covert security features on select packaging to hinder counterfeiters and to make it easier to identify authentic Abbott products. Our overt security features are easily recognizable by our customers, but very difficult to duplicate. This improves the security of our products and deters counterfeiting. In addition, several Abbott packaging sites and authorized distributors are adding security features to our cartons for select products in select markets to reduce the risk of counterfeiting and of our products being diverted.

#### Disrupting Criminal Organizations

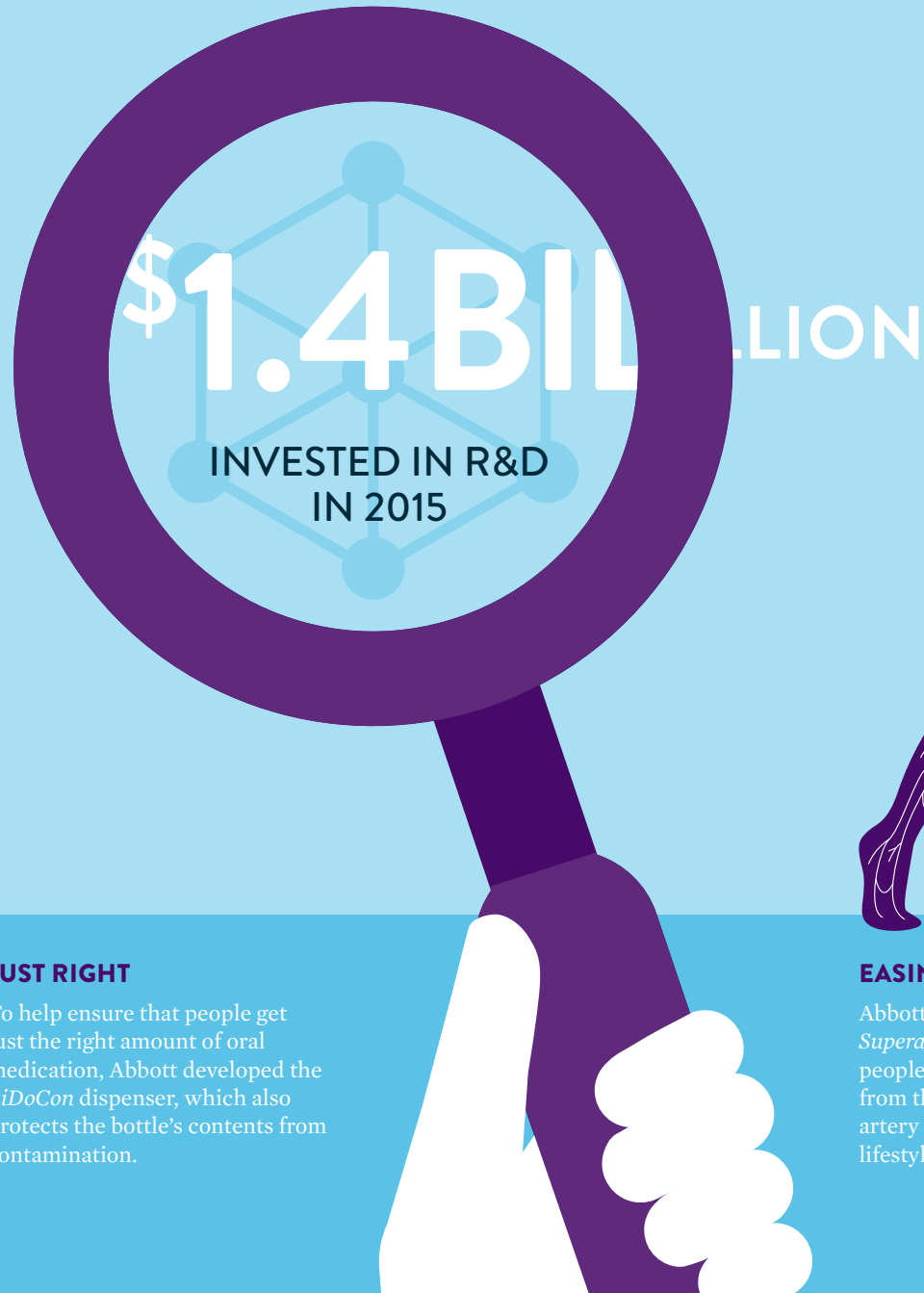
We use investigative tools and strategies to identify suspect Abbott products. We then work with local law enforcement and regulatory organizations to identify and dismantle criminal enterprises involved in counterfeiting, diversion and theft. In December 2015, Abbott's outside investigators in Colombia participated in one of the largest government raids in the nation's history, targeting criminal networks manufacturing and selling counterfeit and diverted pharmaceuticals. There were numerous arrests, and the government seized property and assets with a value exceeding \$7 million.

#### Building Global Momentum

Working with government, industry and not-for-profit organizations, Abbott pursues stricter penalties for individuals and organizations involved in counterfeiting, diversion or theft. Abbott also works closely with the industry group Pharmaceutical Security Institute (PSI) to learn of industry-wide trends and problem areas, to share strategies and to formulate joint action plans where appropriate.

## INVESTING IN INNOVATION

Our commitment to making the world a healthier place for all of us is backed by our relentless pursuit of innovative breakthroughs in new products designed to the highest standards of quality – to help people live not just longer, but better, at every stage of life.



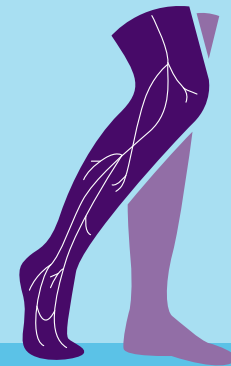
### ORGANIC FORMULA

To meet the nutritional needs of 17 million babies born each year in China, Abbott became one of the first to offer parents in China the choice of organic infant formula – *Eleva Organic*.



### JUST RIGHT

To help ensure that people get just the right amount of oral medication, Abbott developed the *LiDoCon* dispenser, which also protects the bottle's contents from contamination.



### EASING LEG PAIN

Abbott's unique wire-technology *Supera* stent is helping aging people in 43 countries suffering from the leg pain of peripheral artery disease return to an active lifestyle by easing their pain.

## BRINGING PRODUCTION CLOSER TO PEOPLE

Part of our effort to increase access to healthcare and nutrition in emerging and rapid-growth markets involves investing in local R&D and manufacturing sites. This helps us to deliver products and solutions that are attuned to local needs and tastes. It also creates more effective distribution, increases product accessibility, supports jobs for local communities and ensures that more of the value created by our products stays within these markets.

In 2015, we opened a new nutrition research-and-development pilot plant in Singapore that allows us to more rapidly pair nutrition science innovation with local tastes and texture preferences. The plant includes both manufacturing and quality control functions and enables Abbott scientists to prototype or pilot new products and formulations tailored to the needs of Asian consumers. Similar efforts have begun in Brazil, where we are building a new pharmaceutical development center in Rio de Janeiro to develop pharmaceutical products that meet local needs.

In many cases, establishing new supply chains enables us to leverage our knowledge and expertise to solve wider social problems and create positive impacts at scale. For example, introducing modern dairy farming techniques to rural farmers in India, we are helping to build local economies and a sustainable, high-quality supply chain. For more information about this initiative, see the Shared Value chapter of this report.

## ENSURING QUALITY AND SAFETY

Consumers trust Abbott products to help them live their best possible lives through better health. We do not take this responsibility lightly. We are fully committed to delivering products with the highest

standards of quality, safety and performance. Our quality culture is embedded in everything we do.

Our commitment to quality begins with our quality policy, which ensures compliance across the business and commits us to improving healthcare by providing high-quality, safe and effective products. The quality policy is supported by our quality management system, designed to deliver a culture of continuous improvement. Our efforts are fully focused on meeting consumer needs by maintaining product safety, efficacy and availability.

### Quality Management

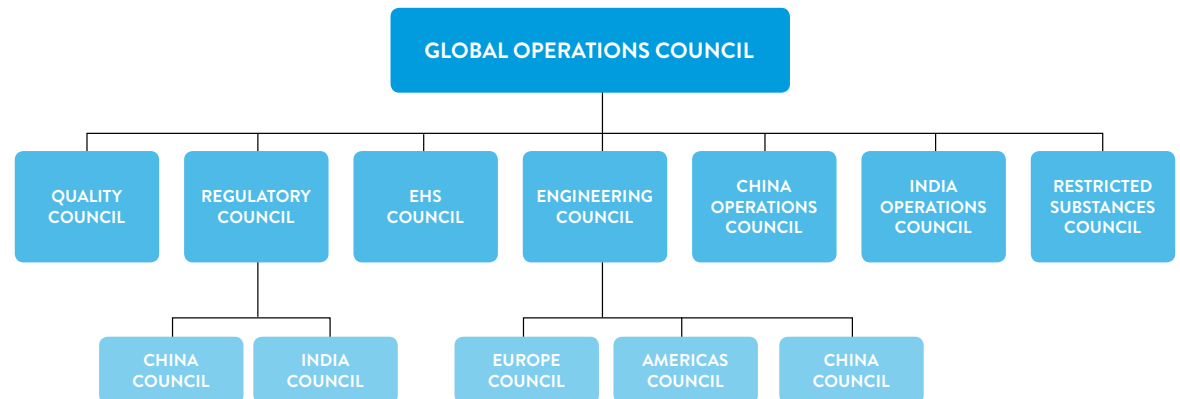
Our ability to maintain consistent quality standards across our organization is rooted in the commitment to quality and safety at the highest levels of the organization. Our Senior Vice President, Quality Assurance, Regulatory and Engineering Services has responsibility for quality and regulatory matters across the company, is a corporate officer and reports directly to our Chairman and CEO. Each operational division of Abbott also has a dedicated quality and regulatory leader. These leaders report to the SVP of Abbott Quality, Regulatory and Engineering Services, in addition to the heads of the businesses they support.

Cross-divisional councils representing quality, regulatory and operations work routinely to address the changing regulatory landscape, plan initiatives, develop talent and share best practices. In addition, senior quality, regulatory and operations leaders representing each operational division meet on a quarterly basis to review and analyze quality trends and take appropriate actions.

### Managing Quality Systems at Abbott

Our quality management team establishes the global quality system. The system includes all quality activities, from developing quality policy and specifications to conducting quality audits and implementing continuous improvement plans. We maintain leading quality management systems and standards through a variety of elements, including:

- Continuous improvement programs
- Employee training and development
- Compliance
- Certifications
- Industry partnerships
- Awards and recognition





### Continuous Improvement Programs

We continuously strive to maintain leading quality management systems. For us, this means staying on top of emerging trends and changes in the regulatory landscape. We use an integrated intelligence process that builds emerging requirements into the development of quality management systems. This approach enables our quality and regulatory teams to align their activities with emerging expectations.

In addition, we have numerous programs in place to drive continuous improvement across our operational divisions. For example:

- Each of our operating businesses conducts quarterly executive management reviews involving key leaders in their division. These reviews are structured to support continuous improvement by reviewing quality systems in each division to ensure their suitability, adequacy and effectiveness.
- We have a corporate-wide program for auditing compliance to quality and regulatory standards. In 2015, 44 percent of our manufacturing, quality and R&D operations were evaluated by this program. Our corporate and division compliance audits are focused on quality systems, including CAPA, Complaints, Design Controls, Production and Process Controls, Purchasing Controls/Supply Chain and Data Integrity. We develop corrective plans to address all relevant observations made during the audit. In addition, each operating division fulfills local regulatory requirements for performing internal quality audits at their facilities in defined timeframes.
- We continue to use proprietary metrics to drive continuous improvement. We use a multi-component model to monitor the overall performance of a site compared with industry norms. When a site registers changes in performance, we analyze potential drivers to address any concerns and capture best practices.

### Employee Training and Development

We believe that everyone in our organization is responsible for ensuring we provide high-quality, safe and effective products. Abbott provides employees with both formal and informal quality training. Employees with the potential to impact the quality system are required to be trained with sufficient frequency on good manufacturing, laboratory, clinical and distribution practices based on the latest industry standards. Additional trainings cover health, hygiene, safety and job-specific training, also based on the latest industry standards.

Abbott delivers education, training and professional certification programs through various channels based on the learning objective. Examples include:

- ASQ and RAPS certification programs
- Abbott instructor-led and computer-based training
- EduNeering/Kaplan computer-based training
- Monthly communication meetings presenting the latest information on quality and regulatory industry trends, regulation changes and best practices
- Educational webinars on key topics, from various industry sources
- An annual event focusing attention on quality and regulatory awareness and education programs throughout the month of November
- A cross-functional leadership meeting providing updates on industry trends and key topics, with educational hands-on workshops and expansion of business knowledge.

In addition to Abbott-led training activities, we encourage our employees to remain up-to-date with product quality, safety and regulatory developments. Abbott personnel participate in a variety of industry conferences. In 2015, Abbott participated in more than 25 external events, including global and regional conferences. For example, we participated in events

hosted by the Regulatory Affairs Professionals Society, China International Food Safety and Quality and the European Medical Technology Industry Association. For a representative list of our external engagement, see [our list of external quality memberships, partnerships, and events](#).

### Product Quality and Compliance

We have established written procedures for product actions and recalls, which require completion of a health hazard assessment, an action plan development and a notification to regulatory agencies as applicable. The action plan includes customer notification, product replacement strategy, notification effectiveness checks and quantity reconciliation.

During 2015, Abbott experienced a combined total of 286 external quality/regulatory inspections in 35 countries, with an average number of 0.7 findings per inspection, representing a 28 percent decrease from 2014, when we had 309 inspections in 33 countries. Through ongoing inspection readiness activities, we strive to continue to decrease the number of findings per inspection even further. No Food and Drug Administration (FDA) warning letters were received in 2015, extending the period since Abbott last received a warning letter to five years.

### Certifications

External certification is an effective tool for our quality team to remain current in quality standards and customer needs. Abbott maintains certification to global industry standards and has achieved independent quality certifications across our global manufacturing, R&D and commercial operations. Our standards include:

- ISO 13485, Medical devices quality management systems, with 100 percent of device facilities certified
- ISO 14001: 2004, Environmental Management Systems

- ISO 17025, General requirements for the competence of testing and calibration laboratories
- ISO 22000, Food Safety Management
- ISO 90013, Quality management systems
- NSF International
- Gluten Free Certification Organization (GFCO)
- GMP + FSA, Good Manufacturing Practices + Feed Certification Scheme
- HACCP, Hazard Analysis and Critical Control Point
- Class A certification is a standard practice across many Abbott facilities in nutrition, devices, diagnostics and pharmaceuticals

### Industry Partnerships

Given the complexity of issues that challenge healthcare systems, we are committed to working with governments and regulatory bodies to promote understanding of healthcare issues for communities around the world. We work with these groups to achieve rigorous quality standards that result in products of the highest quality and reliability for consumers. Abbott monitors evolving regulatory requirements and industry

practices through our involvement in trade associations, patient groups and other organizations.

Abbott holds leadership roles in several industry organizations, including the Advanced Medical Technology Association, United States Agency for International Development Regulatory Training Planning Committee and the Conference of Indian Industries. Additionally, Abbott quality and regulatory professionals routinely engage with academic institutes and centers of excellence, such as the European Federation of Good Clinical Practices and National Institute of Pharmaceutical Education & Research at Ahmedabad and Mohali, India. For a representative list of our industry partnerships, see the external quality memberships, partnerships and events list.

### Awards and Recognition

As a result of our quality and regulatory team's efforts, we have been recognized for our commitment to quality and safety by several independent organizations. Our vascular manufacturing plant in Clonmel, Ireland,

received the prestigious Shingo Prize®. This award is given to organizations whose operational excellence is deeply embedded in the thinking and behavior of all leaders, managers and associates. Adopting the Shingo model enabled our Clonmel plant to achieve a triple-digit increase in productivity without compromising our high quality standards.

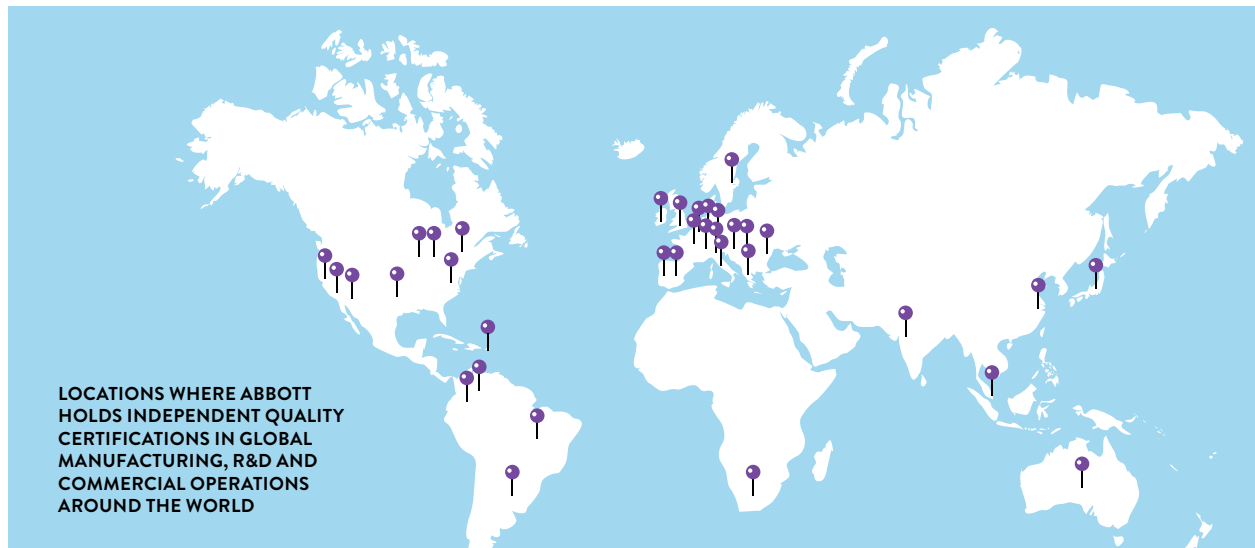
Additionally, our Abbott Diagnostics manufacturing plant in Longford, Ireland, was named Med-Tech Company of the Year by Enterprise Ireland, IDA Ireland and the Irish Medical Devices Association. This award recognizes innovations in product and service development. The Longford manufacturing site has developed an organization focused on customer needs and a culture of continuous improvement that enables operational and product quality excellence.

We recognize our individuals, teams, manufacturing plants and commercial affiliates' contributions to quality and regulatory performance throughout the year through Abbott's Annual Quality and Regulatory awards. In 2015, we established an award to recognize successful implementations of best practice learned through internal or external benchmarking.

### Managing Quality and Safety in the Supply Chain

We take our responsibility to embed the highest product quality and safety standards across our supply chain very seriously. We maintain an evaluation and approval system that requires evidence that a supplier can consistently provide material or services meeting specified quality and safety requirements. Potential suppliers are selected based on a documented evaluation of:

- Their ability to meet the predefined requirements
- The adequacy of their quality systems and facilities
- Their business capabilities



- Conformance to applicable regulatory and additional Abbott requirements

Suppliers are reevaluated on a periodic basis to ensure capability of providing the material or service to our organization. The performance of all active suppliers is monitored against a set of minimum performance criteria designed to determine the need for adjustments to the audit/assessment criteria, frequency, incoming inspection criteria, sampling plan and other mitigating actions. Performance criteria is defined by the:

- Nonconformance rate (lot acceptance and/or unit acceptance)
- Recalls/field alerts/field actions (only as they occur)
- Audit history
- Corrective and Preventive Action (CAPA) closeout timeliness for critical observations
- Complaints attributed to a supplier
- Internally obtained CAPA history

Resources are available to coach and train our suppliers on quality and safety, including third-party manufacturing (TPM) partners when appropriate. For example, in our nutrition business, supplier and ingredient quality assurance teams work with suppliers and TPMs by qualifying, monitoring and discussing maintenance and improvement initiatives. In our engagement with these suppliers and TPMs, we focus on the areas that benefit both Abbott and our partners. These may include:

- Preventive maintenance best practices
- Compliance audits
- Root cause investigation
- Statistical process control training
- Environmental monitoring

## MAINTAINING BUSINESS CONTINUITY

According to Aon Benfield, global catastrophe losses remained below average in 2015 despite an uptick in disaster events. In 2015, natural disasters resulted in economic losses of \$123 billion globally. Such events create increased demand for critical food and medicines, while also complicating the delivery of these life-saving products.

To ensure our 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

Led by our Senior Vice President, Quality Assurance, Regulatory and Engineering Services, who is a corporate officer and reports to the Chairman and CEO, the ECMT comprises two senior leadership teams with cross-divisional, multifunctional representation. The skills captured within the teams enable us to address the wide range of potential crises that Abbott might face across the globe. Having two teams also ensures full-shift coverage of a crisis with round-the-clock management, when necessary. Once the team has gathered sufficient information about a crisis and devises an action plan, the ECMT transitions into business continuity/recovery mode.

Abbott has a network of country Crisis Action Teams (CATs) that also help manage our crisis response. There are currently 32 country-specific CATs that manage events locally and support the ECMT as necessary. Our crisis management team and business continuity coordinators spend a significant amount

of time practicing crisis scenarios with the ECMT, CATs and site business continuity management teams, working to develop and test crisis management and business continuity plans.

While Abbott has been recognized for our strong risk management capabilities, the most important measure of our success is our ability to keep our supply lines intact and to give consumers, our customers and our employees the support they need to overcome unexpected challenges.

# IMPROVING ACCESS

## IN THIS SECTION

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23 **EDUCATING AND SUPPORTING HEALTHCARE PRACTITIONERS ▶**

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25 **EMPOWERING OUR CONSUMERS AND COMMUNITIES ▶**

## ✔ 2015 Highlights

- We worked with the Centers for Disease Control to develop faster and safer diagnostic techniques to help those tackling the outbreak of Ebola in West Africa.
- We launched a four-year screening program, in cooperation with the Egyptian government, aimed at tackling one of the world's highest prevalences of hepatitis C.
- Our WomenFirst campaign empowered women in Russia to take a confident, active role in managing their health.
- We trained 180 Indian doctors in advanced cataract surgery techniques, giving them the skills to save the sight of 36,000 people per year.

Abbott exists to help people live better, longer and healthier lives. Improving access to healthcare worldwide is central to this mission. Bringing improved healthcare to global markets is a fundamental driver of growth for our business.

Abbott's scientific resources enable us to develop new and more effective solutions in nutrition, medical devices and diagnostics. Our established pharmaceuticals business also focuses on making high-quality medicines available at affordable prices. All of these efforts help people live fuller lives. They also help our business make a positive contribution to the healthcare-related challenges set out in the United Nations' Sustainable Development Goals.

The task of improving healthcare access must take place on four levels:

- **Geographic** – Increasing the physical availability of healthcare solutions and nutrition for hard-to-reach communities.
- **Knowledge** – Training and educating healthcare practitioners to advance understanding of emerging products and treatments.
- **Infrastructure and technology** – Using advances in IT and digital connectivity to revolutionize the delivery of healthcare services in developing regions.
- **Consumer empowerment** – Informing people about better health and nutrition choices, while working to overcome social barriers.

In each of these areas, we take a partnership-based approach to improving education and access, working with healthcare professionals, governments and NGOs and, above all, with consumers themselves.

## EXTENDING THE REACH OF HEALTHCARE

Emerging and developing economies face a rapidly evolving set of healthcare challenges. Many regions lack access to nutrition, medical knowledge and healthcare facilities, and are particularly vulnerable to crises such as the recent Ebola outbreak in West Africa. At the same time, urbanization and sudden shifts in lifestyle are triggering a rapid rise in non-communicable diseases (NCDs) such as diabetes and cardiovascular disease. Extending the benefits of nutrition and healthcare involves addressing all of these different issues.

### HEPATITIS C IN EGYPT

Egypt has one of the highest burdens of hepatitis C in the world,<sup>2</sup> with more than 400 people estimated to be infected each day.<sup>3</sup> More than 10 percent of those between 15 and 59 years is infected with hepatitis C. A challenge in fighting the virus is that many of those infected do not realize it. This may lead to spreading of the disease through shared needles, a needle-stick injury in a healthcare setting or exposure to infected blood. Proper screening at blood transfusion centers is an essential starting point for informing people about their hepatitis C status, directing them toward the treatment they need and helping to turn the tide of infection.

<sup>2</sup> World Health Organization, WHO Calls for Urgent Action to Curb Hepatitis, 2015.

<sup>3</sup> Plan of Action for the Prevention, Care and Treatment of Viral Hepatitis, Egypt 2014–2018.

In 2014, Abbott launched a four-year program, in cooperation with the Centers for Disease Control (CDC) and the Egyptian Ministry of Health, to work toward the prevention and treatment of the hepatitis C virus. To date, the program has established 26 centers where patients are routinely screened before and after treatment. The goal is to continue to expand these centers to be able to screen and treat 300,000 people each year.

### RESPONDING TO THE EBOLA CRISIS

Following the 2014 Ebola outbreak in West Africa, Abbott was approached by the Centers for Disease Control (CDC) to help develop diagnostic tools that could respond to the pandemic. We sent our *i-STAT* to the region—handheld blood analyzer, a portable device that provides real-time, lab-quality results within minutes. The *i-STAT* system features a full range of tests using blood in the areas of chemistry, electrolytes, hematology, blood gas, coagulation, cardiac markers and pregnancy testing.

We are currently developing a new handheld device that uses molecular analysis to detect the presence of Ebola in blood. With this technology, we will aim to map occurrences of Ebola more reliably and distinguish the virus from other diseases more quickly.

### BETTER NUTRITION FOR BETTER HEALTH

Better nutrition is an essential ingredient for fuller, healthier lives, and the work we do in this area has some of the most dramatic impacts in enabling people to fulfill their potential. We focus our efforts on establishing robust guidelines and standards, which empower people to make better choices in getting the nutrition they need.

## DIAGNOSTICS TO THE RESCUE IN CURBING HEPATITIS C

More than 6 million Egyptians are estimated to be infected with the hepatitis C virus. Yet many don't know it, due to lack of access to screening. Abbott is lending its expertise to provide IT solutions, training and best practices to screen people during and after treatment.

**10%**



An estimated 10 percent of the population of Egypt – more than 6 million people ages 15 to 59 – are infected with hepatitis C.<sup>1</sup>

**26**



Egypt's people are now able to be diagnosed and treated for the hepatitis C virus in 26 designated government centers.

**150K**

An estimated 150,000 new people in Egypt are being infected with hepatitis C each year.<sup>1</sup>

**300K**

Egypt's Ministry of Health reached approximately 150,000 patients in 2014 and 2015, with the ultimate goal of treating 300,000 people annually.<sup>1</sup>

### Nutrition and Maternal Health Guidelines

Working with the International Federation of Gynecology and Obstetrics, Abbott supported the development of new nutrition guidelines to improve maternal health, protect mothers and babies and reduce the burden of non-communicable diseases globally. The guidelines address adolescent, pre-conception and maternal nutrition. By improving nutrition in adolescent girls and helping them develop healthy dietary habits, the guidelines can reduce the incidence of nutrient deficiencies, obesity, diabetes and cardiovascular disease for both mom and baby later in life. The guidelines support a number of the UN's Sustainable Development Goals (SDGs), including reducing premature mortality and ending all forms of malnutrition by 2030.

### Modernizing Nutritional Standards for Mothers and Babies

We know that breastfeeding provides the best nutrition for babies, and we are committed to supporting and educating mothers on how to breastfeed exclusively for the first six months of their babies' lives. We also believe that mothers have the right to make decisions about the most appropriate ways to feed their babies, and that clear, ethical, responsible and scientific communication is an essential part of helping them to make the right choices. This is why Abbott is committed to developing modern, universal standards on nutrition, safety and quality, for all nutrition products for mothers and their children. As a member of the Stakeholder Panel for Infant Formula and Adult Nutritionals (SPIFAN), we work collaboratively through the Infant Formula Council of America (INCA), with other infant formula manufacturers, to establish standard method performance requirements (SMPRs) for all label claim nutrients in infant formula. The goal is to publish globally recognized CODEX standard methods that ensure accurate levels of key nutrients, including vitamins A, E, B12, inositol, nucleotides, fatty acids, iodine, pantothenic acid and ultra-trace minerals

(chromium, molybdenum, selenium). We are now working with stakeholders to develop SMPRs and methods for vitamins C, K and the B vitamins (B1, B2, B3 and B6), as well as folate major minerals, biotin, GOS, FOS, carotenoids, amino acids, chloride, fluoride, choline and carnitine.



Our work on nutrition and maternal health guidelines supports the United Nations Sustainable Development Goals (SDGs), including reducing premature mortality and ending all forms of malnutrition by 2030.

### EDUCATING AND SUPPORTING HEALTHCARE PRACTITIONERS

Training and educating local healthcare providers have a key role to play in addressing gaps in healthcare services. We work directly with local governments, providing a wide range of training, conferences and educational programs. We also advance understanding of new and emerging treatments by collecting and sharing the data from patients' use of our products.

### TACKLING GESTATIONAL DIABETES IN INDIA

One in five pregnant women in India are estimated to have gestational diabetes mellitus (GDM), a condition that risks the health and well-being of both mothers and their children. Yet despite the growing prevalence of GDM and its serious consequences, these women often lack support from healthcare practitioners familiar with the condition. Inconsistent diagnostic criteria and lack of awareness among healthcare providers make identifying and treating GDM challenging, leading to poor outcomes for mother and child.

Abbott launched the WINGS (Women in India with Gestational Diabetes Mellitus Strategy) project to define a model of care approach for women with GDM to establish guidelines for GDM management in developing countries. We implemented the pilot program in partnership with the International Diabetes Federation (IDF), the Madras Diabetes Research Foundation (the president and director, V. Mohan, MD, is a world-renowned diabetologist working throughout India) and diabetes expert Sonak Pastakia, PharmD, MPH, BCPS, and with financial support from the Abbott Fund. The program was deployed across seven clinics and trained 60 healthcare workers in the new guidelines. Since the roll-out of the WINGS program, we have helped 250 women with GDM to manage their condition, supporting more than 177 healthy deliveries of babies. We have also developed a training manual for healthcare workers and an educational handbook for mothers that can be used across India and in other emerging markets.

### EXCHANGING EXPERTISE ACROSS BORDERS

Israel is a recognized leader in neonatal care, and in overcoming feeding difficulties and failure-to-thrive during the early years of life. For the past three years, Abbott has been helping Russian physicians, medical influencers and healthcare professionals to tap into this knowledge and to spread understanding of the latest techniques in neonatal care throughout the Russian healthcare system, where there is currently a knowledge gap on diagnosis and treatment of feeding disorders.

Since 2012, approximately 75 Russian neonatologists have visited the Sourasky Tel Aviv Medical Center as part of our experience-based learning exchange program. The doctors have visited intensive care units and other neonatal departments, participated in training and attended lectures and workshops on preterm nutrition. An additional 25 Russian pediatricians have visited the Failure to Thrive and Feeding Difficulties

Clinic at the Edith Wolfson Medical Center in Holon, Israel. There they have been able to advance their knowledge and learn the latest diagnosis and treatment techniques for feeding disorders in young children.

### ADVANCING UNDERSTANDING OF NUTRITIONAL NEEDS

People's nutritional needs change as they move from infancy through to adulthood. Abbott has conducted more than 500 clinical studies since 1995 to map these changing needs, as part of our commitment to developing science-based nutrition that can help people live a fuller life at all ages. Since 1951 we have hosted more than 100 research conferences.

Through a partnership with the University of Illinois, we fund the Center for Nutrition, Learning, and Memory, which focuses on increasing our understanding of how nutrition influences the brain. The center is governed by representatives from both the university and Abbott.

Additionally, the Abbott Nutrition Health Institute is a global nutrition knowledge center that collates our knowledge on nutrition and makes it accessible to healthcare practitioners worldwide. The institute's Web site, [anhi.org](http://anhi.org), provides free 24/7 access to nutrition education resources, along with dozens of conference videos.

### BUILDING INFRASTRUCTURE AND TECHNOLOGY

New healthcare technologies and digital information systems have the potential to revolutionize the delivery of healthcare services in developing regions. Abbott is partnering with a range of stakeholders to help upgrade healthcare systems, improving capacity and unlocking solutions through digital innovation.



47,000

Graduates of the Abbott Fund-supported Emergency Medicine Residency Program in Tanzania provided critically needed care to more than 47,000 people in 2015.



23

Twenty-three regional laboratories have been modernized and connected via Tanzania's first national IT network.



130,000

Abbott employee volunteers and our partners have contributed more than 130,000 hours to our efforts in Tanzania.

### BUILDING A SUSTAINABLE FUTURE FOR HEALTHCARE IN TANZANIA

We continue to partner with the Government of Tanzania to strengthen the country's healthcare system. More than 600,000 patients have now registered with Tanzania's first nationwide laboratory network, the latest result of the \$120 million investment that Abbott and the Abbott Fund have made in the country's healthcare infrastructure.

Linking all 23 of the country's regional healthcare laboratories, the new IT network enables the immediate sharing of test results, disease surveillance reports and healthcare management practice across the country. It will help Tanzanian healthcare practitioners battle HIV/AIDS, the leading cause of death in the country, and will ensure that the treatment people receive reflects the latest medical advances.

In addition to leveraging the benefits of digital healthcare infrastructure for Tanzania, the partnership provides medical training for the healthcare providers of the future. During 2015, the third class of residents graduated from the Abbott Fund-supported Emergency Medicine Residency Program, the first such program in East Africa. These graduates have already provided critically needed care to more than 47,000 people.

In 14 years of partnership, Abbott has enabled more than 130,000 hours of training in patient testing, laboratory equipment operation and IT management, as well as emergency medicine. During 2015, Abbott lab technicians spent 3,000 hours providing on-the-ground training and mentoring for local teams.

The Muhimbili National Hospital has been modernized under the Abbott and Abbott Fund program, 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. This IT infrastructure is also helping the national hospital take important steps toward sustainability for Tanzania's public healthcare system, capturing more revenue from patients who can afford to pay for quality services.



## RESTORING VISION IN EMERGING MARKETS

An estimated 94 million people globally are visually impaired as a result of cataracts.<sup>4</sup> As people around the world live longer on average, more find themselves dealing with these cloudy patches that develop in the lens of the eye and reduce the ability to see clearly. But cataracts do not have to cause blindness. In fact, the true problem is that too few people in developing countries have access to the treatment and surgery that can restore their sight.

Abbott's advanced vision technologies and solutions can help millions of people live fuller lives by protecting their ability to see. We are committed to bringing these solutions closer to the places that need them most, increasing access to the equipment and expertise that can enable people to see better.

In India, this has changed cataract surgery. Abbott's Phacshaala program provides nearly one month of training for doctors, and we have supported the training of 180 surgeons since the program began in 2013. Abbott provides doctors with expertise in the phacoemulsification techniques used in cataract surgery. Each Indian surgeon who receives training is able to perform about 200 cataract surgeries each year.

We also built a new manufacturing plant in Malaysia that will enable us to meet the increasing demand for intraocular lenses around the world. The site was selected for its high-tech manufacturing capabilities and strong local talent pool.

<sup>4</sup> Global Estimates of Visual Impairment, 2010.

## EMPOWERING OUR CONSUMERS AND COMMUNITIES

Across many of Abbott's markets, we find people taking a more empowered and active role in choosing the healthcare and nutrition that they need. We believe that providing knowledge and choice is hugely important for enabling all people and communities to take control of their health. Helping people to make informed healthcare choices is therefore an important part of our efforts to improve access to healthcare worldwide.

### EMPOWERING WOMEN

Of the estimated 3.5 billion women in the world, 2 billion are at an age where gynecological healthcare has an important role to play in enabling a full and healthy life. However, in many cases, these women do not know about the most relevant treatments for gynecological disorders or are worried about the social stigma attached to the disorders.

Launched in 2014, Abbott's WomenFirst program aims to empower women with knowledge and support to help manage their health at all stages of life. In Russia, one aspect of this program included the "Don't Wait to Know" campaign, which focuses in particular on educating women about hormone replacement therapy (HRT), used to treat the symptoms of menopause.

Only 1 percent of Russian women use this therapy, compared with 50 percent of women in Europe – largely due to "hormone phobia" that prevents women from using modern treatment options (such as hormone replacement therapy) to manage symptoms. The program aims to encourage women to take an active role in managing their health and includes a women's health Web site, WomenFirst.ru, plus a TV campaign, educational workshops and pH testing.

## EMPOWERING THOSE AT RISK FROM NON-COMMUNICABLE DISEASES (NCDs)

The UAE has one of the world's highest rates of non-communicable diseases (NCDs) such as cardiovascular diseases, cancers, chronic respiratory diseases and diabetes. Abbott has partnered with the Abu Dhabi National Insurance Company (ADNIC), the second-largest insurance company in the UAE, to improve awareness in the region, since early detection and timely treatment can be key to long-term survival and quality of life.

During 2015, we hosted five workshops in the country, with more than 1,000 people taking part in cardiovascular screenings, attending disease awareness lectures and completing risk assessment surveys. More than 80 percent of those attending reported that they were far more informed about cardiovascular disease as a result of the sessions. The UAE program provides a model with the potential for a wider roll-out across other states in the Gulf Cooperation Council region.

# HELPING MORE PEOPLE SEE CLEARLY

Cataracts are the world's leading cause of blindness, and around 94 million people in the world are visually impaired by cataracts. Abbott is bringing its manufacturing capacity closer to the places that need treatment, as well as providing surgeons with subsidized training for cataract surgery to help prevent blindness and restore clear vision as we age.



**180**

Abbott has provided highly subsidized cataract treatment training to 180 surgeons in India through 2015.



**23.8M**

Approximately 23.8 million cataract procedures were performed each year worldwide in 2015. The number of procedures is expected to reach 28.3 million by 2020.

**94M**

Around 94 million people in the world are visually impaired by cataracts.<sup>1</sup>

# SAFEGUARDING THE ENVIRONMENT

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34 WASTE MANAGEMENT ▶

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35 PRODUCT STEWARDSHIP ▶

## ✓ 2015 Highlights

- Across the organization, we have reduced absolute energy consumption by 9 percent and absolute greenhouse gas emissions by 15 percent from 2010.
- In Germany, investments in energy projects at our diagnostics facility will result in an emissions reduction of 3.2 million pounds of CO<sub>2</sub>e, or 14 percent of the site's total emissions.
- In China, our nutrition facility has decreased water usage by 12 percent compared to 2014, saving more than \$130,000.
- By the end of 2015, 20 of our manufacturing sites and four non-manufacturing sites had achieved zero-waste-to-landfill status.

A healthy environment is essential for better health, stronger communities and more fulfilling lives. We are committed to safeguarding healthy environments for all by reducing our global environmental impacts across our business. This shapes the way that we source our raw materials and manufacture and distribute our products.

In line with this commitment, we also seek to influence how patients, consumers and healthcare providers use and dispose of our products. 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.

Our environment health and safety strategy – Our People, Our Planet and Our Values – commits us to advancing Abbott Environment, Health and Safety (EHS) by:

- **Protecting our people:** Fostering a work environment that promotes employee health and productivity and strives to be injury-free.
- **Protecting our planet:** Respecting our natural resources by improving the efficiency and sustainability of our business and products, reducing greenhouse gas emissions and water use and minimizing waste.
- **Adding value:** Continuing to strengthen EHS practices across all aspects of the business, in addition to maintaining compliance with applicable requirements.

## 2020 GOALS AND PERFORMANCE DATA

We have identified three environmental priorities. In each one, we have set ambitious goals for reducing our impact by 2020, compared to 2010 levels and adjusted for sales.

- **Climate change:** A 40 percent reduction in carbon dioxide equivalent (CO<sub>2</sub>e) emissions (i.e., greenhouse gas [GHG] emissions) associated with our business operations and the electricity we purchase (i.e., Scope 1 and 2 emissions)
- **Water usage:** A 30 percent reduction in total water intake
- **Waste management:** A 50 percent reduction in total waste

Achieving these goals will involve everyone at Abbott working together. To this end, we launched a new collaborative process between our EHS and Corporate Engineering teams in 2015. Under this initiative, every Abbott division will be accountable for setting environmental targets and tracking progress toward them. Each has set a goal for 2016 and identified action plans to make progress toward that goal, including prioritizing actions at sites with higher emissions. We have also designed a process for calculating the environmental impact of new Abbott initiatives, so that we can better predict how these affect our environmental performance.

## ENVIRONMENT, HEALTH AND SAFETY MANAGEMENT OVERSIGHT

Our environmental impacts are closely interconnected – and our approach to managing them must be integrated as well. We have developed comprehensive management and governance systems that reflect our three priorities and ensure they are fully incorporated within our day-to-day planning and business processes.



### OUR 2020 ENVIRONMENTAL GOALS

**40%**  
REDUCTION IN  
CARBON EMISSIONS

**30%**  
REDUCTION IN  
TOTAL WATER INTAKE

**50%**  
REDUCTION IN  
TOTAL WASTE GENERATED

Improving our performance requires clear lines of accountability and senior-level leadership and support. A key role is taken by our Senior Vice President, Quality Assurance, Regulatory and Engineering Services, a senior corporate officer who reports to the Chairman and CEO. The responsibilities for this role include reviewing our environmental metrics, key programs and progress regularly, and reporting key developments to the CEO and senior staff on a quarterly basis. In addition, the following groups implement our Environment, Health and Safety (EHS) programs and initiatives.

**Global Operations Council** – This body oversees the strategy for all Abbott Operations (Manufacturing, Supply Chain, Engineering and Environment, Health and Safety) and deploys resources to where they are needed based on internal assessment, risk profiles and industry best practices. The council is chaired by our Senior Vice President, Quality Assurance, Regulatory and Engineering Services and comprises the heads of Operations, Quality, Global Procurement and Business and Technology Services. For more information, please see the Citizenship Management and Governance section.

**Commercial Environment, Health and Safety 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 and reducing greenhouse gas emissions from fleet vehicles, as well as global community outreach initiatives related to vehicle and pedestrian safety in commercial emerging markets. The Executive Vice President (EVP) of Established Pharmaceuticals chairs this group and reports directly to the CEO.

**Environment, Health and Safety Leadership Council** – This group drives programs and targets with actions that are consistent with the priorities set by the Global Operations Council and the Commercial EHS Executive Council. It meets regularly to share best practices and discuss EHS issues with company-wide implications. The group also builds awareness of EHS performance, promotes our EHS Excellence Awards (Individual/Team EHS Awards, plus Plant of the Year for manufacturing operations and Affiliate of the Year for commercial organizations), supports EHS training and conferences and communicates our performance improvement initiatives. It consists of EHS heads from each of our operating businesses and Corporate EHS.

## MANAGEMENT, POLICIES AND STANDARDS

We need to ensure that we operate consistently in a manner that protects both human health and the environment. It is therefore important that we have clear policies, standards and management systems where environmental management is concerned. We evaluate our environmental management metrics and our auditing and reporting mechanisms regularly. We also hold our managers responsible for improving their performance against established goals as part of their annual performance appraisals.

We apply the principles of our EHS management system in all aspects of the business, with the aim of reducing greenhouse gas emissions, water use and waste through the following practices:

- **Environmental, Energy, and Water Policies** – Our policies express our commitment to addressing our environmental footprint, including reducing CO<sub>2</sub>e emissions, practicing good water management and measuring performance.
- **Global EHS Audits** – We carry out EHS assessments to identify potential risks to employees, the environment and the company and to ensure compliance with internal standards and regulatory requirements. Our system of audits aims to foster continuous improvement, develop staff expertise and promote the sharing of best practices. Our audit team includes external experts with knowledge of local standards, who provide an external perspective on compliance. 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.
- **EHS Reporting and Assurance** – Our key 2015 environmental and safety data was externally verified

by the independent company Bureau Veritas. A copy of the verification statement is provided on our Web site.

## RECOGNIZING SUCCESS

We believe in fostering a culture of continuous improvement and recognizing outstanding performance in EHS programs. The EHS Plant of the Year Award is Abbott's highest recognition for EHS performance, recognizing a commitment to superior performance and excellence in EHS programs.

The 2015 Large Plant of the Year award recognized our Established Pharmaceuticals facility in Weesp, Netherlands. Weesp was selected for its commitment to raising the bar in all facets of EHS. The site reduced waste by 28 percent and completed several infrastructure and site consolidation projects while maintaining high levels of productivity. It also achieved zero recordable injuries and went more than 800 workdays without a lost time accident.

The Small Plant of the Year award was given, for the second consecutive year, to our diagnostics site in Longford, Ireland. Longford has continually demonstrated exemplary EHS performance by embedding EHS into its business processes and culture. The site has continued to improve its performance in several areas, resulting in a 27 percent reduction in waste and reaching a milestone of more than 3,000 workdays without a lost time accident.

Our Global EHS Excellence Awards recognize teams or individuals that excel in specific aspects of environmental management, including air and energy, health and safety, product stewardship, waste and water. We awarded 10 individuals and teams with this distinction in 2015, recognizing achievements such as a 31 percent reduction in natural gas consumption at our medical optics facility in Alcobendas, Spain, and a 13 percent reduction in water consumption at our established pharmaceutical facility in Baddi, India, even as production increased by 32 percent.



**31%**

Our medical optics facility in Spain reduced natural gas used by 31 percent.



**13%**

Our EPD facility in India reduced water consumption by 13 percent, even as production rose 32 percent.

## ADDRESSING GLOBAL CLIMATE CHANGE

Climate change represents a serious threat to healthy living environments worldwide, through consequences such as severe weather, flood and drought. Extreme weather patterns and water scarcity could lead to significant changes in the nature of global diseases and their impact on people's opportunity to live healthy lives. They also pose challenges for our sourcing, operations and distribution. By 2030, it is estimated that climate change will contribute to an additional 250,000 deaths annually from malaria, diarrheal disease, heat stress and undernutrition.<sup>5</sup>

While society takes action to adapt to the effects of climate change, as a global healthcare company, we are committed to doing our part to address this issue. We support international commitments to reducing carbon emissions by taking actions to reduce our own emissions and encourage reductions in our supply chain.

Though Abbott's direct greenhouse gas (GHG) emissions are small in relative terms, we continue to take action to reduce them, and we work with international frameworks and standards to reduce emissions throughout our supply chain. As a business committed to enabling fuller lives through better health, we also take actions to address the predicted consequences of climate change on our ability to address global healthcare needs.

### ABBOTT'S CARBON FOOTPRINT

The nature of our business encompasses a wide range of potential sources of carbon emissions. These include our Scope 1 (direct) and Scope 2 (indirect) emissions from manufacturing, warehousing and office activities, as well as our vehicle fleets. Through our global value chain, we also indirectly contribute to carbon emissions also known as Scope 3 emissions. These arise from sourcing and distribution of our 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 Scope 1 and 2 emissions by 40 percent against 2010 levels, adjusted for sales – is evidence of our commitment to address and reduce emissions.

### SCOPE 1 AND 2 EMISSIONS

We have been measuring and managing our direct emissions since 2000 and participating in the CDP (formerly the Carbon Disclosure Project, now referred to as just CDP upon expanding scope beyond carbon) emissions reporting programs since 2004. This international initiative provides an important framework for us to measure and manage our key environmental impacts. Through the program, we share critical data on energy consumption and emissions. In 2015, our climate change disclosure score improved from 93 to 99.

In addition to fostering greater transparency, this work has enabled us to identify our three greatest sources of impact. These are our manufacturing fuel combustion, our electricity use and our global fleet, which together represent more than 90 percent of our Scope 1 and 2 greenhouse gas inventory. We have developed a comprehensive management program to address these impacts, including increasing energy efficiency across our operations and integrating green engineering technologies and concepts into our projects.

These actions have resulted in a 9 percent reduction in our absolute energy consumption since 2010, along with a 15 percent reduction in absolute greenhouse gas emissions. When the growth in our sales is taken into account, we have reduced energy consumption by 22 percent and greenhouse gas emissions by 27 percent, compared to 2010. In 2015, our absolute energy consumption and CO<sub>2</sub>e emissions decreased 2 percent and 4 percent, respectively, from 2014. This reduction was due in large part to focusing on energy efficiency and improved technologies, as well as the Utilities Excellence program, which is focused on improving energy efficiency in our nutrition business.

<sup>5</sup> World Health Organization, "WHO Director-General addresses event on climate change and health," 2015.

The above data represents our progress using the Greenhouse Gas Protocol Scope 2 location-based method. In order to align with the GHG Scope 2 dual reporting guidance released in January 2015, we have also calculated and verified our 2015 Scope 2 emissions using the market-based method. Our 2015 market-based Scope 2 emissions are 546,000 metric tons, which is 4 percent higher than our location-based method Scope 2 emissions.

We have not engaged in purchasing Renewable Energy Credits (RECs) or Guarantee of Origins (GOs) to date, but we do use energy providers that contract with Abbott for higher than standard renewable energy in certain locations, particularly in Europe. We anticipate that we will continue to contract electricity with renewable energy and aim to increase our renewable mix in the future.

### SCOPE 3 EMISSIONS

Abbott's carbon footprint reaches far beyond the emissions associated with our own direct operations. We estimate that the emissions indirectly resulting from our activities (known as Scope 3 emissions) are almost 10 times our Scope 1 and 2 emissions combined.

We are committed to working 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 Carbon Disclosure Project (CDP) Supply Chain Program in 2013 and has been an active member for the past three years. For more information on our involvement with the CDP Supply Chain program and our broader efforts to address supply chain emissions, please see the Supply Chain Excellence section of this report.

We have quantified greenhouse gas emissions from the applicable 15 Greenhouse Gas Protocol Scope 3 categories. We have also verified our 2015 Scope 3 greenhouse gas emissions related to business travel and operational waste through our third-party assurance process. Our business travel emissions are roughly 133 thousand metric tons CO<sub>2</sub>e, which is about 14 percent of our Scope 1 and 2 emissions. By implementing policies that focus on reducing travel, including using virtual meeting technology where possible, we have reduced emissions in this category over the past few years.

Emissions resulting from our 2015 operational waste are 11,000 metric tons CO<sub>2</sub>e. We are actively working to reduce these emissions by generating less waste and minimizing the amount of waste sent to landfill. Since 2010, we have reduced waste we sent to landfill by 47 percent. These landfill reductions, coupled with an overall waste reduction of 23 percent, have delivered a reduction of 11,000 metric tons of greenhouse gas

emissions compared to 2010 levels, effectively halving our impact in this area.

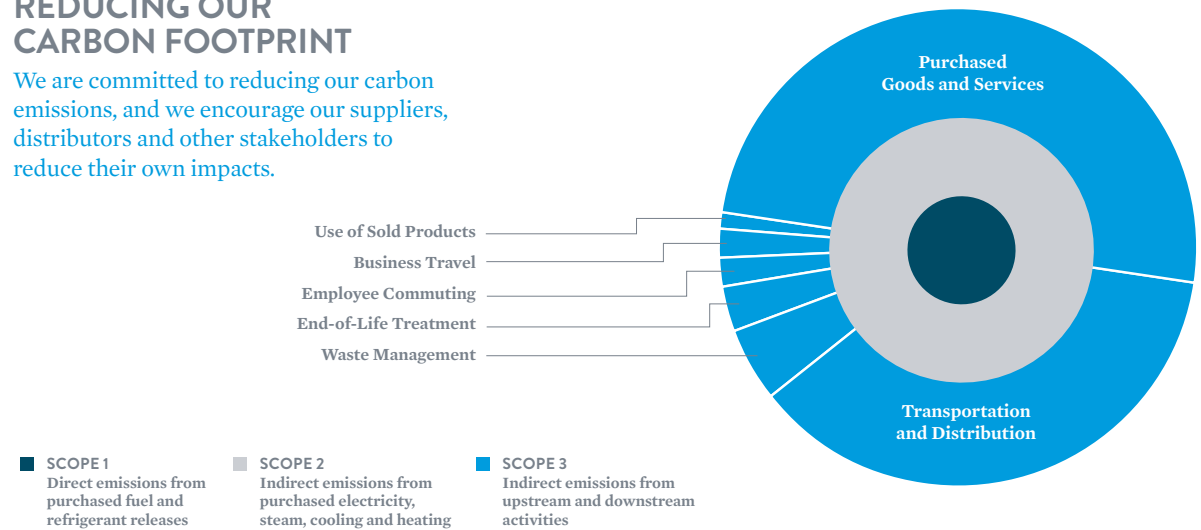
### REDUCING OUR FOOTPRINT: ENERGY CONSUMPTION

In order to meet our ambitious carbon emissions reduction target, we are switching to the use of low-carbon fuels, cogeneration and renewable energy in many of our operations.

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.

## 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.



Our Global Energy Council includes representatives 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

As of the end of 2015, five of our facilities operate cogeneration units, generating 38 million kilowatt hours of electricity over the course of the year. We also generated 320,000 kilowatt hours of renewable energy in 2015 at our on-site renewable energy installations, which are primarily solar installations. These efforts have increased our on-site renewable energy generation by more than six times compared to 2010.

Beyond our own energy production, we have engaged in purchasing electricity from utility providers that include a higher renewable energy mix. This has resulted in a reduction of 36 percent or 5,500 metric tons of CO<sub>2</sub>e emissions, when comparing our market-based method to a location-based method for these locations.

## CARBON REDUCTIONS IN MANUFACTURING

Abbott's nutrition manufacturing work is particularly energy- and water-intensive, accounting for around 48 percent of Abbott's manufacturing greenhouse gas emissions and 66 percent of our water consumption. This is why Abbott's nutrition business launched the Utility Excellence (UEX) program in February 2013. The goal of the program is to reduce our spend on utilities by 50 percent by 2017. To date, it has resulted in energy savings exceeding \$30 million, as well as significant reductions in greenhouse gas emissions.



### 50% REDUCTION IN UTILITY SPEND

With its Utility Excellence (UEX) program, Abbott's Nutrition business is working to reduce utility spending by 50 percent by 2017.

Abbott's nutrition team has established UEX teams at 14 sites, embarking on a journey to transform site culture through employee awareness and engagement. At our Jhagadia, India, location, UEX projects such as LED light installations and process optimization have resulted in savings of over a million cubic feet of natural gas, 3.7 million kwh of electricity and \$943,000 in utility costs.

In addition to the UEX program, Abbott is committed to obtaining ISO 50001 energy management certifications at all nutrition manufacturing locations by the end of 2016. Through 2015, four sites successfully completed audits to become fully certified. Three facilities in our diagnostics division and two in our established pharmaceuticals division have also obtained ISO 50001 certification.

Through 2015, four Abbott facilities had active ISO14001 (Environmental Management), ISO 50001 (Energy Management) and OHSAS 18001 (Occupational Health and Safety) certifications: our Longford diagnostics facility in Ireland and our nutrition facilities in Ireland, Spain and Singapore. This demonstrates commitment to Abbott's EHS programs at both the site and management level.

A key success factor in the emissions reduction initiative has been internal engagement – helping employees understand how they can contribute to energy saving and water reduction programs. Employees at our Netherlands facility have made pledges such as “I Drive Continuous Improvement” and “I Am Accountable.” This commitment at an individual level helped the site reach ISO 50001 certification without a single non-conformance and has helped to reduce energy consumption by 10 percent since 2010. The site continues to take steps to improve its environmental performance, piloting a new heating and cooling system and collaborating with local government to find opportunities to save energy by sharing excess hot water.

Our established pharmaceuticals plant in Rio de Janeiro has also developed an employee communication campaign about environmental footprint reduction called “Menos é Mais” (Less Is More). The team created a competition among site areas, inviting employees to submit ideas that could reduce environmental impact. As a result, the team installed more efficient restroom and shower fixtures in the plant, consolidated composting and installed a new natural gas boiler. These projects plus the employee engagement reduced absolute waste generation by 14 percent and water and natural gas consumption by 1 percent, offsetting an increase in production volume of 29 percent in 2015.



Additional examples of energy efficiency programs that have reduced carbon emissions in 2015 include:

- Our nutrition facility in Singapore reduced energy consumption by 8 percent and greenhouse gas emissions by 9 percent last year. The UEx program helped the site identify significant energy efficiency improvements through measuring energy-related KPIs such as hot water circulation durations and product changeovers. These efforts resulted in cost savings of more than \$1 million.
- In Germany, our diagnostics facility invested in new equipment to improve energy efficiency, including a cogeneration facility, an adsorption chiller and solar photovoltaic installation. Collectively, these actions will result in an emissions reduction of 3.2 million pounds of CO<sub>2</sub>e, or 14 percent of the site's total emissions.
- At our Sturgis, Michigan, nutrition facility, we upgraded processing equipment, HVAC programs and controls and increased warehouse efficiency through refrigerator consolidation and fork truck charger upgrades. These initiatives helped the site achieve a 6 percent reduction in energy consumption compared to 2014, resulting in a 5,000-metric-ton reduction in CO<sub>2</sub>e emissions.
- In Jiaxing, China, our nutrition facility reduced natural gas consumption by 620,000 cubic meters by installing a boiler economizer and heat recovery, among other UEx initiatives. The site has generated \$1 million in savings and reduced energy consumption by 7 percent compared to 2014.
- The Shanghai Cleaner Production Center (SCPC) awarded our Shanghai established pharmaceuticals manufacturing facility its Cleaner Production Certification in 2015, recognizing annual electricity, fuel and water savings, among other initiatives. Our facility is the only pharmaceuticals site in Shanghai to achieve this award.

## MINIMIZING THE IMPACT OF OUR FLEET

In the United States, through changes in our vehicle leasing program over the years, we have been able to improve the carbon profile of our 2,773-vehicle fleet. Nearly 16.5 percent of our fleet is now made up of hybrid vehicles. In addition, we have converted a small percentage of the vehicles used at our headquarters campus to run on electricity. We will continue to evaluate the use of charging stations and the feasibility of installing these at other domestic company locations.

We have developed plans that leverage the learnings from our U.S. vehicle leasing program to identify emissions reduction projects across our international vehicle fleet and commercial office locations in 2016.

## PARTNERING WITH OUR COMMUNITIES ON CLIMATE CHANGE

In addition to initiatives at a corporate level, several of our sites work within their communities to address climate change locally. During 2015, our employees held 13 Earth Day events in four different countries, cleaning local parks, planting trees and hosting recycling drives.

Our engagement with communities and nonprofit organizations includes support for a shoreline naturalization program along Stillwater Creek in Ontario, in partnership with the Rideau Valley Conservation Authority. Our Abbott Point of Care facility in Canada helped plant more than 500 trees and shrubs to help diversify fauna in the area. Similar efforts were undertaken in Pakistan, where a team of Abbott employees helped with planting in collaboration with the Sindh forestry department.

## A COMPREHENSIVE WATER STRATEGY

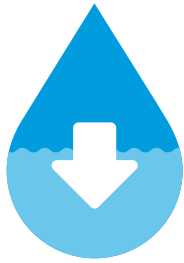
Clean water is a critical resource, essential for healthy living environments, healthy communities and the ability of people to achieve their potential. Access to water is also essential for our manufacturing operations and plays a critical role in the use of many of our products.

Abbott is committed to managing our water use in an efficient, sustainable manner and to improving access to clean water for communities. We work to make a difference by managing our own water use responsibly, as guided by our recently updated Water Position Statement, and then working externally where we have opportunities to improve access to clean water.

## REDUCING OUR WATER FOOTPRINT

We collect key water performance data across all operations, to facilitate performance improvements. We evaluate progress toward our target of reducing water intake by 30 percent and report back to our sites on a quarterly basis. This process allows us to monitor progress and make any adjustments needed to stay on track for achieving our goal.

During 2015, we succeeded in reducing our use of water by 100 million gallons compared to 2014, meaning that we have now lowered our total worldwide water intake by 5 percent on an absolute basis and 19 percent on a sales-adjusted basis since 2010. By 2020, we seek to reduce our company's total water intake by 30 percent, adjusted for sales.



## TOTAL WATER INTAKE REDUCED BY 19% SINCE 2010

Normalized by sales

We use global water risk mapping tools from the World Resource Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), to help identify Abbott manufacturing plants that are operating in water-stressed regions. This process has identified 25 manufacturing sites that are currently operating in regions with significant baseline water stress; however, water use by these sites represents only 15 percent of the total water used by Abbott.

Mapping our sites in this way helps to inform our communication about water challenges with internal and external stakeholders and serves as a mechanism for change. It also allows our company to focus on the manufacturing sites at greatest risk of water supply interruptions now and in the future.

Sites that are identified as significant water users or that operate in water-stressed regions are required to have a water management plan and perform detailed local water analyses. They must identify external water-related impacts and business water risks, outline opportunities to reduce or eliminate these impacts or risks and develop water strategies and performance targets focused on reducing risk.

Abbott also participates in the CDP Water Reporting Program, which allows us to share critical data on our company's water performance while also gaining

valuable insight into the water performance of other companies in the healthcare sector and beyond.

In 2015, we participated in CDP's Water Pilot Scoring Project, which evaluated companies on the following progressive levels of water stewardship:

- Disclosure** – Transparency about water issues
- Awareness** – Knowledge of impacts on, and of, water
- Management** – Taking coordinated action on water issues
- Leadership** – Implementing current best practices

We achieved industry level performance with an overall rating of B-. This performance matches the Health Care average score and the Water Global 500 average score. We are using the CDP scoring feedback to identify areas for improving our water management programs. When implemented, our CDP score should improve.

In addition, we also implement water management initiatives within each of our businesses. Our nutrition division's UEx program, which covers manufacturing plants representing more than 66 percent of Abbott's total water usage, is working to achieve significant reductions in our water intake. Some of the nutrition sites achieving significant reductions in water use through the program include:

- Our Columbus, Ohio, plant reduced water usage by more than 46 million gallons, 13 percent year-over-year, through cooling tower water reclamation and reuse, among other projects.
- Our Singapore plant made cooling tower modifications that saved the site 41,900 cubic meters (more than 11 million gallons) of water per year, for savings of about \$57,000.
- Our China facility decreased water usage by 12 percent, saving more than \$130,000 through projects such as recovering evaporator condensate, which

has a fuel savings as well.

- Our Sturgis, Michigan, plant implemented a new washing and cleaning program that led to savings of 29,000 gallons of water per day.
- Our Jhagadia, India, plant reuses water from the plant to nourish a forest of eucalyptus and casuarina trees planted on-site. Studies show these efforts are improving the groundwater table and soil fertility.
- Our Altavista, Virginia, site formed a War on Waste team focused specifically on reducing biological oxygen demand (BOD) in its wastewater discharges. This resulted in improved water quality and eliminated more than 1.9 million gallons of waste byproduct from wastewater effluent.

## WASTE MANAGEMENT

We strive continuously either to eliminate waste or to move it to a higher level in the waste hierarchy. This means that if waste cannot be eliminated, we work aggressively to divert it from landfill toward reuse, composting or recycling, incinerating to recover energy or incinerating for more efficient waste disposal.

We collect key waste performance data across all operations and aim to reduce the total waste that we generate by 50 percent by 2020, compared with 2010 and adjusted for our increase in sales. By the end of 2015, we had achieved a 23 percent reduction in our absolute volume of waste and a 34 percent reduction when adjusted for sales. During 2015, we reduced waste by 1,400 tons, or 2 percent on an absolute basis, by reducing waste at the source and identifying opportunities for reuse.

## ZERO WASTE TO LANDFILL

We are particularly focused on reducing the amount of waste that we send to landfill. For many years, the Global Environmental, Health and Safety (GEHS) 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 a decrease of 47 percent in landfilled waste since 2010, as well as increases in efficiency, costs savings and reductions in our carbon footprint.

Implementing zero-waste-to-landfill involves eliminating all waste sent to a landfill through source reduction, recycling, energy recovery or diverting waste to become a resource for other beneficial use. This requires avoiding and eliminating toxicity in waste and materials.

By the end of 2015, 20 of our manufacturing sites and four non-manufacturing sites had achieved zero-waste-to-landfill status. In 2015, three Abbott sites achieved this status for the first time:

- Our Rio de Janeiro plant became our first zero-waste-to-landfill certified site in Latin America and now diverts 637 tons of waste from landfill annually by composting cafeteria waste and recycling construction debris, among other initiatives.
- Our Richmond, Indiana, manufacturing site became the first North American site to be certified zero-waste-to-landfill. In addition to achieving certification, the site reached recycling rates greater than 90 percent in 2015.
- In Victoriaville, Quebec, our established pharmaceuticals site became the second North American site and the first site in Canada to achieve zero-waste-to-landfill accreditation in 2015. To achieve this goal, the site team found specific

partners able to reuse, recycle or incinerate with energy recovery both domestic and industrial waste.

In addition to eliminating waste, Abbott sites are working to find reuse opportunities and recover waste through composting and recycling. Our initiatives during 2015 included:

- In Columbus, Ohio, the cafeteria at Abbott Nutrition's Ross Park site installed a digester to process cafeteria food waste into graywater, reducing waste sent to landfill by an estimated 40,000 pounds – about 15 percent.
- In partnership with one of our waste vendors, our medical optics facility in Santa Ana, California, is diverting food scraps, otherwise destined for landfill, to a microbial food digester system. The system creates methane gas, which is used to power the local water treatment plant. The site is diverting 12 tons of waste every year that would otherwise go to landfill and generating more than 89,000 kilowatt-hours of power, enough to power seven homes for a full year.
- Abbott's established pharmaceuticals business in Pakistan installed the first-ever composting equipment in the local pharmaceutical sector. The new equipment converts organic waste to compost in just 24 hours, and cut waste generation by 100 tons in 2015, with zero waste going to landfill.

## ESTABLISHING STANDARDS FOR WASTE MANAGEMENT

Our waste management efforts extend beyond our own operations. We have strict requirements for all vendors responsible for managing our waste, and vendors who do not meet these standards are not permitted to do business with our company. Waste management firms are evaluated through Abbott's waste-vendor assessment program, which includes periodic on-site evaluations and documentation reviews. These ensure that only appropriately qualified and responsible vendors are permitted to manage Abbott waste.

## PRODUCT STEWARDSHIP

Abbott designs and manufactures products to give all people the opportunity to live full and healthy lives. An important aspect of this involves minimizing the environmental impacts of these products, in order to maintain a healthy environment and help people to reduce their own environmental impact. We are constantly working to improve packaging and product design so as to reduce the waste, water and energy demands that stem from using our products.

## GREEN PRODUCT INNOVATION

At Abbott, our product stewardship team works closely with our research scientists to incorporate environmental considerations into the research and development process. For example, our product stewardship team collaborated with a team of scientists to develop a guide to identifying safer alternatives for chemical reagents and calibrants.

Our EHS function keeps our R&D team informed about emerging environmental issues related to product design. We have introduced a new process for assessing products and identifying the presence of substances that may impact their design and life cycle.

## REDUCING WASTE

Abbott strives to find ethical, economical, efficient ways to avoid and eliminate the volume and toxicity of waste and materials and to conserve and recover all resources.

Our goal is to reduce the total waste we generate by 50 percent from 2010 levels by 2020, adjusted for sales.



ABBOTT HAS SET AN AMBITIOUS GOAL TO REDUCE OUR TOTAL WASTE GENERATED BY 50 PERCENT BY 2020.

### \$25 MILLION SAVED

Abbott's diagnostics business redesigned and reengineered manufacturing of our *Omni-5* glucose monitor – achieving a 25 percent improvement in raw materials use and saving \$25 million.

### 24 SITES

Three additional Abbott sites – in Rio de Janeiro, Brazil; Richmond, Indiana; and Victoriaville, Canada – achieved zero-waste-to-landfill status in 2015, bringing the total number of Abbott sites to 24.

### 12 TONS

Our medical optics site in Santa Ana, California, is turning food scraps into sludge to power the local water treatment plant, generating 89,000 kWh of power and diverting 12 tons of waste every year from landfill.

### 100 TONS

Converting organic waste to compost in just 24 hours, Abbott's established pharmaceuticals plant in Pakistan cut waste generation by 100 tons in 2015, with zero waste going to landfill.

## CONFLICT MINERALS

Abbott has a defined due diligence structure and process that allows us to understand the use and sources of tantalum, tin, tungsten and gold (3TGs) in our products and across our global supply chain. Our Product Stewardship team uses the Conflict Free Sourcing Initiative (CFSI) standardized Conflict Minerals Reporting Template to query suppliers, working closely with our business divisions. In 2015, Abbott filed a Form SD and Conflict Minerals Report with the U.S. Securities and Exchange Commission in compliance with the Dodd-Frank Act.

## EU ROHS COMPLIANCE

Abbott electronic medical devices in the EU are compliant with the EU Directive on the Restriction of Hazardous Substances (RoHS) in electronic equipment, which involves supplying compliance documentation for each component in the products. Our in-vitro diagnostic products will also comply with RoHS in the EU in 2016.

## SUSTAINABLE PACKAGING

To enable our products to help people live healthier lives, we must ensure that they are safe, high quality, genuine and easy to use. Product packaging plays an important role in fulfilling those responsibilities. However, we are also aware that our product packaging decisions also affect the environment, from the materials and energy required to make them through to how our packaging is disposed of.

In balancing the need to protect our products with reducing our environmental impact, we are guided by the four Rs of sustainable packaging:

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

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, many of which can help people to live healthier lives directly. For example, many of our milk-based nutritional products come in packages that can be shipped and stored without refrigeration for up to 36 months, reducing energy use by our distributors and overcoming challenges for our customers in countries with limited access to refrigeration.

We will continue to work to improve the social, environmental and economic benefits of our products by employing sustainable packaging principles.

## PACKAGING PERFORMANCE TARGETS AND PROGRESS

We aim to reduce the total weight of our packaging by 10 percent by 2020, compared with 2010. Achieving this goal will represent the elimination of approximately 30 million pounds of packaging from our supply chain.

By the end of 2015, we had reduced our total packaging weight by slightly more than 5 percent, the equivalent of approximately 15 million pounds of packaging.

Our achievements in reducing packaging weight during 2015 included:

- New packaging for our *EAS Sports Nutrition* protein powder supplements with a more efficient rectangular shape that reduces the overall energy requirement throughout the supply chain.
- Redesigned packaging for our vascular products that reduces the number of ice packs required per shipment. This improvement reduced our use of ice packs in shipments by 66 percent, an annual packaging weight reduction of more than 300,000 pounds.
- Changing the material used on the metal can ends of our nutritional powder products from steel to aluminum. This redesign resulted in an annual material weight reduction in excess of 1.7 million pounds.

## SUSTAINABLE PACKAGING COLLABORATIONS

Partnerships have an important role to play in advancing the sustainability of our packaging. We work with industry and independent groups on the certification of our suppliers and with major retail customers to share information on the packaging reductions we have achieved and to pass that information on to consumers.

Some of our most important partnerships are with our suppliers. We carefully screen suppliers, holding them to stringent packaging requirements that require them either to have achieved or to be actively pursuing certification with respected sustainability organizations, such as the Forest Stewardship Council. We also work with our suppliers to help them raise their own sustainable packaging performance.

# RESPONSIBLE BUSINESS

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Our suppliers play a critical role in fulfilling our commitment to global citizenship. We work closely with them to ensure quality, compliance and socially and environmentally responsible practices.

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### 44 VALUING OUR PEOPLE ▶

The key to Abbott's success is our people. Their skill and their dedication to advancing human health and well-being are the heart and soul of our company.

### 55 PROMOTING ETHICS AND INTEGRITY ▶

Our people understand the global impact of our work and our products, and we strive to do the right thing, in the right way, in every aspect of our daily activities.

Every day, through actions big and small, we ensure that our business works for the benefit of the many people we serve. This includes managing the direct impacts of our business operations and building strong relations with key stakeholders, including employees, suppliers, healthcare professionals, customers and consumers.

# SUPPLY CHAIN EXCELLENCE

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## ✔ 2015 Highlights

- We launched our One Procurement approach for managing our supply chain, enabling us to think more strategically and build stronger supplier relationships.
- We developed a more robust and comprehensive approach to our Supplier Social Responsibility (SSR) audits.
- Our CDP (formerly the Carbon Disclosure Project) average supplier disclosure score increased from 60 to 65, which puts Abbott's suppliers five points above the global supplier average.
- Our spend with small businesses increased by 4 percent; small women-owned business spend increased 5 percent.

Abbott works with more than 40,000 different suppliers in 150 different countries, spending over \$8.3 billion with our direct suppliers in 2015. This supply chain isn't just a fundamental part of our business success; it's also integral to our impact on society. The way that we manage our supplier relationships helps to safeguard the quality of our products, and their impact in helping people to live fuller, better lives.

However, supply chain excellence can also do more. Our supplier policies unleash potential by spreading economic opportunity, building shared value and promoting sustainable growth in our markets. And by managing our relationships responsibly, we can significantly reduce our environmental footprint.



## 150 COUNTRIES

We work with more than 40,000 suppliers in 150 countries.



## \$8.3 BILLION

Abbott spent \$8.3 billion with direct suppliers in 2015.

## EMBEDDING OUR ONE PROCUREMENT STRATEGY

In 2015, we began the process of embedding a new One Procurement approach to supply chain management across Abbott, replacing a previous approach where different functions and markets managed their suppliers independently. The One Procurement approach brings significant business advantages, including the ability to leverage our spend more efficiently and allowing us to think more strategically and build stronger supplier relationships.

We now have buying and sourcing teams focused on each of the specific categories in which we purchase. These specialist teams allow us to build closer partnerships with suppliers that strengthen the Abbott brand and share best practices across our different operations. Our teams include technology, professional services, marketing, manufacturing and logistics, third-party manufacturers, packaging and ingredients, hedge (the investments we make to help balance the risks of price increases in our supply chain) and dairy.

Our One Procurement mission is centered on five points of purpose. Each one has positive impacts on the people and communities with which we work.

- **Protect and Elevate the Abbott Brand:** Ensuring authenticity and quality in our supply chain
- **Create Shared Value Relationships:** Enabling sustainable supplier development and achieving positive social impact at scale
- **Enhance Margin and Elevate Financial Performance:** Building a more sustainable global healthcare business
- **Expedite Growth and Innovation:** Working with our suppliers collaboratively to explore new innovation opportunities and reaching out to suppliers in new markets

- **Design a Flexible, Dynamic Supply Network:** Ensuring we can keep our supply chain stable and resilient

Our approach is focused on identifying the overall value that suppliers can provide, looking beyond price and placing greater emphasis on real-time collaboration and the potential of suppliers to contribute to Abbott's innovation strategy. In keeping with this philosophy, we have removed the requirement to bid for contracts, enabling us to focus on a more complete picture of value. Within each of our procurement categories, we have a dedicated contracting team that focuses on both value and continuity of supply.

As part of our selection process, we vet each supplier, paying close attention to their business capabilities and capacities, financial health and strategic alignment with our vision to help people everywhere live fuller lives. We also monitor their compliance with all Abbott and applicable regulatory requirements. Suppliers are reevaluated at regular intervals to ensure that they continue to meet our specified quality requirements and performance criteria.

We have identified a group representing around 40 percent of our suppliers that provide goods and services that could most directly impact the quality of our products, and we put increased focus on their performance. These suppliers are selected through a risk-classification system that considers such factors as the impact of the material or service on the safety of our consumers, the potential for adulteration and supplier certification. We audit these suppliers regularly to ensure they have adequate processes and controls in place to deliver quality materials or services, and we collaborate closely with them to address any risk of non-compliance. We also identify suppliers in high-risk geographies that are at risk of loss of manufacturing capacity due to natural disaster. For more than 100 such



suppliers where we have documented contingency plans for such catastrophic events.

We work with several supply chain organizations, including Manufacturers Alliance for Productivity and Innovation and the Institute for Supply Management, to embed standards and best practices. We also work with third-party providers to make training available to our suppliers, including training on the Registration, Evaluation and Authorization of Chemicals (REACH) and the Restriction of Hazardous Substances (RoHS). This training helps to ensure that our products comply with all relevant regulations, as well as with our own high quality standards.

## SOCIAL IMPACTS IN THE SUPPLY CHAIN

Through our Master Service Agreement, we require suppliers to adhere to the standards of our Supplier Social Responsibility (SSR) Policy, which aligns with our global citizenship strategy. We manage compliance with these standards through our SSR program, which includes a supplier classification model, a quarterly results tracking scorecard and a semi-automated audit report. Guidance on how to comply is available to all of our suppliers.

Our Supplier Guidelines document our principles, guidelines and expectations in areas such as ethical behavior, business integrity and fair competition, as well as human rights, privacy, labor rights and worker protection, animal welfare, environmental stewardship and health and safety practices. Our guidelines are published in multiple languages and available to all our suppliers, who can also find answers to Frequently Asked Questions (FAQs) on our externally accessible Web site, [Resources for Suppliers](#).

Our Supplier Performance Program, which has been in place since 1991, measures our suppliers' performance in each of these areas and encourages improvement and innovation. We survey our suppliers and conduct on-site audits based on the outcomes of these surveys. We select the suppliers to participate in SSR surveys by focusing on our key suppliers that provide goods and services that could most directly impact the quality of our products, and we ensure representation for geographic and category risk areas.

During 2015, we updated our approach to these SSR surveys in partnership with our Environment, Health and Safety teams. We increased the number of suppliers that we survey from 100 per year to 350 per year, included more robust questions, and asked for more detail on manufacturing plants, carbon emissions and other areas of environmental sustainability. The surveys now enable us to check that our suppliers are providing:

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



## SUPPLY CHAIN EXCELLENCE

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

**SAFE WORKING CONDITIONS**

**RESPECTFUL TREATMENT OF EMPLOYEES**

**RESPONSIBLE MANUFACTURING PROCESSES**

**ADEQUATE MANAGEMENT SYSTEMS**

**ETHICAL PRACTICES**

**ENVIRONMENTAL MANAGEMENT**

## ENVIRONMENTAL IMPACTS IN THE SUPPLY CHAIN

Environmental risk management is a key priority for our Supply Chain Council, which benchmarks the risk management processes for each of Abbott's divisions. The council's quarterly meetings provide an opportunity to share best practices on managing environmental impact in the supply chain.

Our Green Procurement Policy remains a cornerstone of our supply chain practices under the One Procurement system. It encourages Abbott teams to seek out environmentally preferable and sustainable options in each of our categories. We have embedded the principle of Environmentally Preferable Products within our Environmental Procurement Guidelines, which instructs our sourcing teams to promote, request and consider environmentally preferable choices, while asking our suppliers to provide them as well.

### MEASURING SUPPLY CHAIN EMISSIONS

The carbon emissions resulting from the supply, distribution and use of our products are almost 10 times the size of the emissions resulting from our own direct activities. Understanding and managing these emissions (known as Scope 3 emissions) is therefore a priority for Abbott. We explore ways to encourage our suppliers and distributors to reduce their emissions.

We assess Scope 3 emissions using the methodology outlined in the World Business Council for Sustainable Development/World Resources Institute Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. We have quantified greenhouse gas emissions for the applicable Scope 3 categories and have identified areas where we may be able to potentially influence emissions. These sources include emissions from purchased goods and services, upstream and downstream transportation

and distribution, commercial business travel, waste management and product use and disposal.

We are committed to working 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 Carbon Disclosure Project (CDP) Supply Chain Program in 2013 and has been an active member for the past three years. In 2015, our CDP Supply Chain questionnaire response rate increased by 8 percent from 2014. Not only did we see an increase in the number of responders, we also found a higher percentage of responding suppliers reporting emissions, engaging with their suppliers and integrating climate change into business strategy. Our supplier's average disclosure score increased from 60 to 65, indicating that not only are more suppliers responding to our request, but also that responses are more complete.

Several suppliers responded that Abbott's participation in the CDP Supply Chain program has helped them take action to calculate corporate-level emissions and identify energy efficiency and greenhouse gas reduction initiatives. For example, we have collaborated with one supplier to pilot a modification in tertiary packaging so that more products can be placed in a single carton, resulting in lower transportation impacts.

To help our suppliers identify more actions to reduce carbon emissions, Abbott joined the Action Exchange in 2015. Action Exchange is a CDP initiative that facilitates collaboration with our suppliers on reducing emissions and costs and on driving operational efficiencies. Suppliers that have participated in Action Exchange report that they have benefited from:

- Learning about peer best practices and emissions reduction projects with the shortest payback
- Connecting with experts in energy efficiency
- Demonstrating leadership in climate change mitigation

### REDUCING TRANSPORTATION EMISSIONS

We work with our global transportation suppliers to monitor and reduce greenhouse gas emissions through the CDP Supply Chain program. This initiative provides an annual framework for gathering information from our suppliers and mapping out the carbon footprint of our supplier base. Abbott joined the CDP program in 2013, and we have included our major transportation providers for the past two years. Using the CDP framework increases our ability to measure and report on their emissions and to identify opportunities to reduce our carbon footprint.

We also implemented a program to shift to ocean freight from other modes of shipment when it comes to transporting goods around the globe. Ocean freight is a much more carbon-efficient mode of transportation. It produces fewer exhaust gas emissions – including nitrogen oxides, hydrocarbons, particulates, carbon monoxide and sulfur dioxide – than air or road transport. In 2016, Abbott expects to increase total global ocean shipments by 12 percent from other modes, specifically air freight and road freight.

## SUPPLIER DIVERSITY

At Abbott, we believe that our potential is fulfilled when we help others to fulfill their potential. Within North America, we operate a supplier diversity policy that ensures equitable opportunities are afforded to businesses that are either small or are majority owned and operated by a woman, a member of an ethnic minority, a veteran or a person with a disability. This policy aligns with the strong American tradition of diversity and inclusion, and it is designed to ensure that opportunities are available to groups traditionally under-represented in business.

We believe that diversity in our suppliers is essential to our ability to compete. Under our One Procurement approach, it helps to ensure that we collaborate with diverse groups that reflect the communities we serve. Diversity also brings new perspectives to the table as we work to develop collaborative, innovative solutions. For example, our Global Purchasing team partnered with Meetings & Incentives Worldwide (M&IW) – a certified Women’s Business Enterprise with offices throughout the U.S., U.K., Latin America and Asia – to design new workflow processes aimed at driving more efficiency in how we book hotels and venues. Drawing on the group’s expertise, we developed a unique Virtual Meetings Desk concept that drives compliance, increases the level of service to meeting owners, provides visibility into spend and ultimately reduces costs and mitigates contract risk across the organization.

Our focus is on engaging diverse businesses, assessing the value they can provide fairly and fully and ensuring that we award the business to the right supplier. We have supplier diversity champions for each division and major categories. The champion’s role is to oversee, monitor and track our diverse spend. In 2015, this spend was \$950 million, representing 8 percent of total spend in our supply chain and 18 percent of our spend within North America.

Our Supplier Diversity Governance council takes the lead on guiding our organization toward a more diverse and sustainable supply chain. During 2015, we increased our engagement with advocacy organizations, and we now have a chair on the board of the United States National Minority Supplier Development Council.

Our work with diverse suppliers is helping both Abbott and our partners succeed. For example, Marathon Medical, a veteran-owned business that is expanding through its work with Abbott, is now the lead distributor for Abbott Point of Care (APOC) devices for clients such as the U.S. Department of Defense and the U.S. Department of Veterans Affairs. During 2015, we expanded our partnership with Marathon Medical further through an agreement to supply the U.S. Indian Health Service, a contract with an annual value of \$30 million.

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# +4%

In 2015 our spend with small businesses increased by 4 percent and our spend with small women-owned businesses increased by 5 percent.

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# VALUING OUR PEOPLE

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## ✓ 2015 Highlights

- The percentage of minorities in management positions at Abbott has increased from 22 percent in 2010 to 29 percent in 2015.
- Our Professional Development Program gives new talent the opportunity to rotate through different positions in different Abbott businesses and locations across the globe.
- In 2015, we launched a campaign designed to help managers increase their leadership skills, learn how to inspire well-being in their teams and get things done while easing stress.

Abbott's ability to adapt to changing healthcare needs – quickly and continually – is vital to our ongoing success. The key to Abbott's agility is, of course, our people around the globe. We have approximately 74,000 employees serving people in more than 150 countries. Their skill and their dedication to advancing human health and well-being are the heart and soul of our company.



## EMPLOYEES WORLDWIDE

We have approximately 74,000 employees in more than 150 countries.

That is why we choose our people carefully, selecting those with energy, enthusiasm, expertise and commitment to create a positive impact on the health of the world. It is also why we provide our employees with opportunities to pursue fulfilling careers at Abbott. Our company's human resources strategies, across the breadth and diversity of our global businesses, reflect the depth of our commitment to employees.

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. Therefore, we make a concerted effort to attract a diverse group of employees wherever we operate. We use internal and external research to develop a competitive, locally relevant employee value proposition and total rewards package. This approach enables us to address local talent challenges more effectively in areas such as diversity and inclusion and work-life harmony.

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

- Commitment to promoting diversity and inclusion
- Extensive professional development, mentoring and training programs
- Efforts to encourage and support work-life harmony
- Competitive compensation and benefits, tailored to each market
- Protection of human rights
- 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 Awards and Recognition in the Reporting section of this report.

## 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. Therefore, our diversity and inclusion programs ensure that our workforce reflects the customers and patients we serve.

Our approach also helps us attract and retain talent, while simultaneously driving innovation throughout our business. We work to leverage our diversity and learn from our differences to optimize results across all levels of our company around the world.

Our commitment to diversity and inclusion begins at the top of the organization. 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. Women make up 41 percent of our employee base globally. In

the U.S., 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, the percentage of women in management positions has increased from 44 percent in 2010 to 46 percent in 2015. The percentage of minorities in management positions increased from 22 percent in 2010 to 29 percent in 2015.

Our programs strive to promote diversity and inclusion in ways that are both locally and culturally appropriate. Our WLA (Women Leaders in Abbott) employee network is designed to help female employees further their careers and empower their leadership at Abbott. WLA chapters are present in the U.S., Canada, Puerto Rico, India, China, Brazil, Singapore and all European countries. In addition, many Abbott businesses have developed their own function-specific diversity and inclusion initiatives.

We also encourage inclusion of individuals with disabilities across all of our businesses and locations.

- In Brazil, we have made enhancements to our recruitment and selection processes to support individuals with disabilities and have promoted inclusion and awareness to employees through various internal communication channels.
- In Japan, we have promoted inclusion by evaluating positions and expanding employment opportunities to individuals with intellectual, mental and physical disabilities.
- In Ireland, Abbott is a founding member of the Kanchi network, a leadership group of companies 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 in Ireland is helping to develop a benchmark that will recognize excellence in disability equality in all businesses.

- In 2015, Abbott also was included in *Careers & the disABLED* magazine's Top 50 Employers ranking, recognizing Abbott as a company for which its readers would most prefer to work or believe provides a positive working environment for people with disabilities.

As testament to our efforts in this area, Abbott has appeared on *DiversityInc's* list of top companies for diversity in the U.S. since 2004. In the United States, Abbott has also been included on the National Association for Female Executives' top companies list since 2009, with a top 10 ranking in 2015; has been in the top 10 of *Working Mother's* list of best companies since 2013; and was named to *Working Mother's* 100 Best Companies Hall of Fame in 2015.



## 12 CONSECUTIVE YEARS

Abbott was included on *DiversityInc's* list of top companies for diversity in the U.S. for the 12th consecutive year in 2015.

## RECRUITING AND DEVELOPING DIVERSE TALENT

In 2015, Abbott used an integrated approach to attracting, building a pipeline of and delivering diverse talent to meet the needs of our businesses. We used targeted engagement through employer branding, social media and other outreach efforts, while leveraging partnerships with key academic institutions and associations. We continued to strengthen our early intake programs in key markets to create a sustainable pipeline for Abbott. We partnered with local diversity organizations around the world to support STEM (science, technology, engineering and math) programs for students of varying ages.

We work with multiple organizations focused on advancing women and minorities in specific areas of study. We have several recruiting partners, including U.S. organizations such as the National Society of Black Engineers; the Society of Women Engineers; and the Association of Latino Professionals in Finance and Accounting, among others. We also continue to implement new recruiting partnerships with schools and student organizations – including Nanyang University in Singapore, Hitotsubashi University in Japan, Zhejiang and Shanghai Jiao Tong Universities in China and Manipal and Amity Universities in India – while expanding internship and entry-level rotational opportunities.

## 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. The networks are sponsored by our 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 are expanding visibility and opportunity for their more than 3,000 participants. Our networks include:

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

## MENTORING

Mentoring is an integral part of the Abbott culture of continuous learning and knowledge sharing. It takes a variety of forms, going far beyond the traditional one-to-one mentor/protégé relationship.

For example, our employee networks host a series of global mentoring circles. These circles allow one or more subject matter experts to mentor a group of protégés sharing similar interests – combining education with networking opportunities. WLA has facilitated circles that involve one or two senior-leader mentors and about 10 protégés from the United States, Ireland, Germany and the U.K. These circles typically meet once a month for three months to discuss various topics and create opportunities for further engagement through cross-functional, cross-boundary and cross-generational relationships.

## EMPLOYEE DEVELOPMENT AND TALENT MANAGEMENT

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 also helps us attract and retain the best talent.

All 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 6,200 managers attended learning and development classes in 2015.

## LEADERSHIP DEVELOPMENT PROGRAMS

To complement our skills training initiatives, we offer focused development programs for employees transitioning into leadership roles. We are committed

to helping our new leaders around the world succeed more quickly in their expanded positions, in part by better understanding and leveraging the Abbott resources available to them. Not only do our programs help develop employees and leaders – they also help strengthen our internal networks. Alumni of these programs routinely reach out and connect with former classmates to share ideas, gain insights and explore new ideas. These programs include:

### **Emerging Leader Program**

Our Emerging Leader Program (ELP) is valuable in developing leaders early in their careers. This program accelerates development of high-potential managers at the regional level in the Americas, Europe and Asia.

Integrated into each manager's personal assessments and growth plans, the ELP includes discussions of strategy, leadership and people management. In 2015, nearly 250 leaders in 11 cohorts completed the Emerging Leader Program.

### **Global Leadership Program**

The Global Leadership Program (GLP) prepares new general managers in our international affiliates to lead their business in a changing and dynamic business environment. The program design enables global leaders to benefit from the experience, teachings and advice of successful and knowledgeable senior leaders from across Abbott's lines of businesses around the world.

The program consists of two one-week sessions that take place approximately six months apart, allowing participants to experience and learn from the kinds of challenges general managers face every day in the marketplace through in-depth business simulations and scenario planning sessions.

In addition to helping to bring new general managers on board faster and more effectively, the GLP has produced strong global networks of GLP alumni, who routinely connect with one another to share ideas, gain insights and explore new ideas. The strong alumni connections enable deep trust and develop a shared organizational understanding at some of the highest levels of leadership in our company. The 2015 GLP cohort included 35 participants from 21 countries across all geographies.

### **Executive Compass Program**

Abbott's Executive Compass Program provides targeted transition support for the most senior-level leaders. In the past nine years, nearly 400 divisional vice presidents and general managers of our large business units have completed the Executive Compass Program, which is the capstone of our leadership development series.

The week-long program is delivered by top leaders in our company as well as external faculty that includes published thought leaders and top business school professors from Kellogg School of Management at Northwestern University. The program provides new senior leaders with a deep dive into Abbott strategy and challenges them to think through a broad range of scenarios affecting stakeholders, customers and our business. The Executive Compass Program was recently revised to ensure the program addresses the critical leadership capabilities needed for Abbott's continued success today and in the future. In 2015, more than 30 participants from seven different countries completed the program.

### **Professional Development Program**

Our Professional Development Program (PDP) is open to entry-level employees and gives new talent the opportunity to rotate through key positions in different Abbott businesses and locations around the world. PDP participants work side-by-side with Abbott professionals, learning and growing from their

mentors and benefiting from hands-on experience in a range of areas over the course of the two-year program. Depending on career track, participants might work in engineering, environmental health and safety, finance, IT, manufacturing, regulatory affairs or quality assurance.

Since its inception in 1974, more than 2,100 employees have participated in the program. PDPs work in 13 different countries and territories, including Canada, China, Costa Rica, Germany, India, Ireland, Mexico, the Netherlands, Puerto Rico, Singapore, the United Kingdom, the United States and Vietnam. Approximately 40 percent of program participants are outside the U.S.

### **Leader Coach**

In 2015, Abbott launched Leader Coach, an online assistant for managers available globally 24/7. Users simply type in a topic, respond to a few prompts, and Leader Coach serves up the most relevant information – one or two of the best resources targeted to their needs, instead of a long list of links that may not be useful. Leader Coach is focused on providing fast, intelligent, interactive and responsive support to help managers address the various professional and supervisory challenges they face on a day-to-day basis.

### **LOCAL TRAINING PROGRAMS**

In addition to our global management programs, our local affiliates offer additional training and development programs:

- University Science Park (USP) at the University of Illinois at Urbana-Champaign (UIUC) is an Abbott-run center at UIUC's Research Park that employs talented UIUC students to accelerate Abbott research and business operations, while providing them with valuable development opportunities. Led by Abbott's nutrition research and development team, the center

is open to participation from all Abbott divisions. In 2015, USP's 21 student employees and Abbott leaders from three divisions collaborated on 54 projects to generate nearly 120 tangible deliverables, in addition to three scientific manuscripts and one conference abstract in peer-reviewed journals. Three USP student employees were hired in 2015 as full-time Abbott employees.

- In India, capability-building programs have been introduced for our employees, in collaboration with the Indian Institute of Management (IIM), India's premier business and management institute. These programs include campus-based training for our marketing managers, designed to help them fulfill their potential and think creatively about branding. Abbott also works with IIM in Calcutta to offer an executive education program that gives employees the chance to join professional certification programs for career advancement. We currently sponsor 75 employees who are enrolled in these programs.

## 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, cultural norms 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. Users can also run business simulation exercises to identify potential cross-cultural barriers or obstacles to prepare

themselves for potential challenges in their future business activities.



## ALL EMPLOYEES

All employees have access to Cultural Navigator™, an online toolkit with more than 100 country-specific cultural learning modules.

## TALENT MANAGEMENT

Development planning provides every employee with the opportunity to improve in their current role, anticipate challenges and prepare to compete for future roles. Abbott's robust approach to talent management incorporates skills assessments, performance appraisals, succession and development planning and career pathing. Our global, integrated talent management process gives increased visibility to talent within our organization, enhances the accuracy of our assessments and drives consistency in skills mapping across our organization.

A key element of this process is talent mapping, which consists of employee-developed, 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 short- and longer-term career objectives. In addition, all Abbott employees participate in our annual performance management process, known as Performance Excellence.

## COMPENSATION AND BENEFITS

Abbott's compensation philosophy is to pay for performance, and it 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 financial, operational and employment characteristics similar to Abbott.

Our total rewards program combines elements of base and variable pay, with a broad array of benefits and opportunities for growth. Our compensation and benefits programs have contributed to a corporate culture that encourages employees to view Abbott as a place to build their careers.

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

Our compensation program is designed to provide an appropriate mix of elements that motivate our executives to achieve business strategies and goals in line with stakeholder interests. Our executive compensation program is competitive, performance-based and balanced between short- and long-term objectives.

Abbott has set the following guiding principles for our employee total compensation programs:

- Base salaries are competitive in the markets where 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/or 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.
- Benefits packages are competitive in and appropriate for the markets where we compete for talent.

### SCOPE AND ELIGIBILITY OF EMPLOYEE STOCK PLANS

Abbott supports employee ownership. Our global corporate long-term incentive program grants restricted stock units to employees at the manager level and above. In the U.S., we allow employees to invest in Abbott through our 401(k) program. Outside the U.S., most countries also offer the ability for employees to purchase stock at a discount through the Employee Stock Purchase Plan (ESPP). The ESPP is open to all employees except corporate officers in the countries where it is offered. Nearly 8,000 employees in 67 countries – or approximately 18 percent of eligible staff – currently participate in the plan.

### SCOPE AND ELIGIBILITY FOR NON-SALARY BENEFITS

Employee eligibility for non-salary benefits follows local regulations and practices. In most countries, this means we cover all full-time employees and part-time employees working more than a certain number of hours.

### WORK-LIFE HARMONY

We recognize the importance of creating and maintaining supportive and healthy work environments that enable our employees to achieve balance in their work and personal responsibilities and activities. 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 in our approach to diversity and inclusion.

### CHILD CARE

Abbott's commitment to helping employees better manage their personal and professional lives is exemplified by our comprehensive childcare programs, including on-site childcare, emergency childcare assistance, nationwide childcare discounts, back-up care resources and on-site parenting and counseling services.

Our Early Discoveries on-site childcare center, based in our headquarter location, is one of the five largest centers in the Bright Horizons network and is ranked in the top 8 percent of U.S. childcare centers for quality. The center offers full- and part-time care, back-up care, school holiday childcare programs and full-day four-year-old kindergarten prep programs, among others. Early Discoveries' STEM-based curriculum exposes preschool and kindergarten prep children to new experiences and helps them acquire age-appropriate skills, with formal instruction on STEM topics including computer coding, programming and robotics, engineering and use of the scientific method.

At our headquarter location, Abbott also continues to partner with the Lake County YWCA, a childcare-provider training program aimed at increasing the quality and quantity of local childcare resources.

Additionally, Abbott provides myEdGPS, a Web-based information and support tool that simplifies education planning by helping parents better understand, advocate and care for children with exceptional needs, including learning disabilities, ADHD and autism. MyEdGPS

offers live webinar topics related to the autism spectrum disorder, early intervention, learning issues and more.

Last year, Abbott began offering U.S. employees increased adoption assistance benefits of up to \$20,000 per adoption.

### EDUCATING MANAGERS TO HELP EMPLOYEES ACHIEVE WORK-LIFE HARMONY

We continued our focus on educating Abbott leaders in the U.S. about how the Employee Assistance Programs (EAPs) and how work-life programs can help employees become more resilient, leading to enhanced engagement, retention, and well-being. Although our primary focus is U.S. based, the global responsibilities of many of our managers mean these initiatives touch teams around the world.

In 2015, we launched a campaign designed to help managers increase their leadership skills, learn how to inspire well-being in their teams and get things done while easing stress. This campaign provided managers with free, confidential advice from EAP consultants, access to seminars and in-person discussion groups and online tools and tips on topics including building trust in a team, managing performance, communicating effectively and others. More than 1,000 managers accessed these tools in 2015.



## MORE THAN 1,000

Managers accessed leadership training tools in 2015.

### 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 considering retirement the option to scale back their hours and/or change their responsibilities without affecting their benefits. Freedom to Work has received 1,308 employee enrollments since the program's launch in 2008.

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

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

### HEALTHY LIVING INITIATIVES

At Abbott, we inspire and motivate our employees with all types of health and wellness programs designed to help them live healthy lives.

Our education and wellness programs vary from country to country, reflecting local needs, customs and health

systems. Most Abbott locations offer on-site influenza immunizations and health screenings, and several sites facilitate employee exercise by offering on-site fitness centers, health club membership subsidies or discounts and sports and recreation clubs.

Exercise Across Abbott is one of our most popular – and global – wellness programs and has been in place for more than 15 years. Nearly 15 percent of Abbott employees across 50 countries participate in Exercise Across Abbott annually. Employees team up by department or with other colleagues to track their minutes of daily exercise. Each team is responsible for reporting their minutes online to compete for prizes in a variety of categories. In 2015, approximately 70 percent of participants increased their minutes each week consistently for four weeks.



## 50 COUNTRIES

Employees in 50 countries participated in our global fitness program, Exercise Across Abbott.

In 2015, we enhanced Exercise Across Abbott with a 30-day challenge focused on increasing strength, flexibility, balance and cardio endurance and intensity. Participating employees – making up about 13 percent of participants in the main program – received daily email motivations and tips and workout plans to continue to use after the challenge. About 88 percent of participants reported satisfaction with their experience, as well as improvement in physical strength and flexibility.

### LIVELIFEWELL

In the United States, we offer LiveLifeWell, an integrated wellness program; nearly 70 percent of

employees and their spouses participate. LiveLifeWell includes:

- Online health assessment and tools
- Personal health coaching and nutrition counseling
- Health awareness campaigns and events
- On-site immunizations and health screenings

LiveLifeWell helps our employees learn about their health risks and encourages 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 2015, the program continued its focus on emotional and physical health, as well as managing stress, a leading risk factor in today's workplace. New offerings included a campaign to help employees strengthen their finances; support for managers to enable them to inspire employee well-being, grow their leadership skills and get things done while managing personal stress; and our Mindful Living resources for gaining mental clarity through mindfulness activities. We also continued the Step It Up! exercise program, focused on moving and staying active during employees' daily tasks. More than 2,900 people enrolled in the program.

### EMPLOYEE ASSISTANCE PROGRAMS

Abbott's commitment to employee well-being is further demonstrated by our programs addressing emotional health needs. In 23 countries worldwide, Abbott employees and their families have access to company-funded Employee Assistance Programs (EAPs). These programs help employees address personal problems and concerns in order to improve their overall health and help them to be more successful at work and home. EAPs provide individual support in identifying and resolving personal concerns regarding health, family,

stress, finances, alcohol, legal concerns, grief and other issues.

Abbott's EAPs help promote a productive and healthy workplace by applying specialized knowledge and expertise about human behavior and mental health, thus extending the program's beneficial effects further into the community. Beyond individualized assistance, our EAPs provide ongoing support for employees and their families through seminars and online education on such topics as stress management, child/elder care resources, depression and personal health. Abbott EAPs also include crisis intervention services and workplace emergency response.

Abbott's EAPs earn high marks from our employees for their effectiveness. In 2015, a survey of users of Abbott's U.S. EAPs found that because of their participation in the service:

- 80 percent reported feeling less stress about their situation
- 70 percent reported that they were less likely to lose work time due to personal or family reasons
- 63 percent reported improved productivity on the job
- 56 percent reported the service saved them one to five hours of personal or work time; 22 percent saved six to 10 hours

These results are indicative of the types of benefits employees experience around the world from our EAPs.

## EMPLOYEE HEALTH AND SAFETY

Abbott has clear, consistent global policies and standards regarding how we manage employee health, safety and productivity, while also protecting the environment.

All Abbott manufacturing plants, R&D centers and commercial operations sites adhere to technical requirements, including metrics, auditing and reporting, which serve as a baseline for health and safety performance worldwide. Each facility is regularly evaluated against the following categories:

- 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

Our Environment Health and Safety (EHS) strategic plan is aimed at fostering continued EHS improvement and standardized program development. The strategic plan aims to effectively drive Abbott's EHS activities to ensure a safe and efficient working environment and minimize any adverse environmental impacts. The company strives to create and maintain the highest standards of EHS practice, in both emerging markets and mature markets, by identifying and implementing best practices. The strategic plan focuses on four key areas:

- **Performance improvement** – Driving continued reductions in injury and illness rates and environmental metrics.
- **Compliance assurance and risk reduction** – Implementation of standardized risk assessment processes and enhanced EHS audits.
- **Sustainability and social responsibility** – Integration of product stewardship initiatives into product development.

- **People and culture** – Recognizing its excellence through Plant of the Year Commercial Affiliate of the Year and EHS Awards.

## HEALTH AND SAFETY MANAGEMENT

Improving our performance requires clear lines of accountability and senior-level leadership and support. For example, our Senior Vice President, Quality Assurance, Regulatory and Engineering Services, a senior corporate officer, reviews metrics, key programs and progress with the Chairman and CEO and senior staff on a regular basis. The following groups are charged with implementing our health and safety programs and initiatives:

- **Global Operations Council** – This body oversees the strategy for all Abbott operations (Manufacturing, Supply Chain, Engineering and Environment, Health and Safety) and makes resources available to meet local needs based on internal assessment of performance, benchmarking of best practices internally and within the industry and risk profiles. For more information, please see the Citizenship Management and Governance section of this report.
- **Commercial Environment, Health and Safety 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 global community outreach initiatives related to vehicle and pedestrian safety in commercial emerging markets. The Executive Vice President (EVP) of Established Pharmaceuticals chairs this group and is joined by senior commercial leaders across all Abbott divisions. The EVP sponsoring this council reports to the CEO.
- **Environment, Health and Safety Leadership Council** – This group drives programs and targets with 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 (Individual/Team EHS Awards, Plant of the Year for manufacturing operations and Affiliate of the Year for commercial organizations), supports EHS training and conferences and communicates our performance improvement initiatives. The group consists of EHS heads from each of our operating businesses and corporate EHS.

## RECOGNIZING PERFORMANCE

Our Commercial, Environmental, Health and Safety programs have achieved a number of successful milestones over the years, and each success has been the result of significant effort on the part of many people. Our Commercial EHS Program of the Year and Most Improved Commercial EHS Program awards recognize these efforts.

To gain this recognition, sites undergo an in-depth analysis of EHS-related performance metrics and a comprehensive review of documentation related to the organization's fleet safety programs and standards. In 2015, Pakistan was selected as the Large Affiliate winner and Egypt was recognized as the winner in the Small Affiliate category. The U.S. Program winner was Abbott Vascular, and Malaysia was recognized as Most Improved.

## REDUCING INCIDENTS

We believe that employee health and safety incidents are preventable and that safety is the responsibility of every employee. 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 of our performance. In addition, our EHS leaders share best-in-class programs across the business and those external to our industry

with the aim of implementing these approaches to further reduce risk and employee injuries.

Two of our key health and safety goals are: 1) reducing the number of incidents that result in time off work; and 2) reducing the incidence of vehicle accidents among our employees.

We track progress against our first goal using lost-workday case rate, a standard metric that measures the number of cases where an employee is unable to work because of occupational injury or illness. Our 2020 lost-workday case rate target is 0.15 cases per 100 employees.

Between 2011 and 2014, our lost-workday case rate declined nearly 30 percent. We are proud to report that in 2015 our legacy Abbott locations continued this trend and reduced lost-time cases to 0.12 cases per 100 employees, achieving our 2020 goal at these sites five years ahead of schedule. However, when we include the performance of our recent acquisitions in our lost-time case rate, Abbott's overall lost-workday rate increased to 0.23 cases per 100 employees in 2015. An aggressive EHS plan for these sites is under way and is already reaping strong improvements. Lost-workday cases decreased in these operations more than 45 percent from 2014 to 2015. We are confident that between today and 2020, our total operations will meet our ambitious goal. We will continue to focus on implementing consistent EHS standards and investing in capital improvements that reduce risk for both continuing operations and recent acquisitions.

To successfully deliver on these goals, we focus on addressing concerns at specific manufacturing sites and commercial affiliates with the greatest opportunities for health and safety performance improvement each year. Each business unit is responsible for addressing concerns within its identified facilities, by reviewing

specific risks and implementing measures to improve performance.

In addition to site-specific efforts, we implemented several global programs this year:

- **Behavior-Based Safety (BBS) Programs.** Our BBS program is a global initiative that encourages all employees to think and act safely and helps lead Abbott toward an injury-free culture. Sites around the world also share best-in-class programs designed to reduce employee injuries. In 2015, we standardized the program across the company and collected initial data on safety behaviors. Next year, we will launch a new global data collection system and develop key performance indicators for the program.
- **Near-Miss Program.** We launched a new initiative to standardize near-miss data at all of our manufacturing sites and commercial affiliates globally. We will use this data to develop key performance indicators to inform safety programming, reduce risk and create a safe working environment for our employees.
- **Slip, Trip, and Fall Campaign.** We launched a comprehensive global slip, trip and fall (STF) awareness campaign at our commercial field and office locations. The initiative was designed to draw attention to numerous workplace STF hazards, along with measures to help drive prevention. We will continue to expand this program to cover all employees in 2016.
- **Standardized Risk Assessment (RA) Process.** In 2015, we deployed a new Standardized RA process to enable better focus on the identification and elimination of EHS-related risks. The new process provides a globally consistent approach to the classification and quantification of EHS risk across our business units. For 2016, we will expand the process to include additional EHS-related elements to further refine our EHS priorities.

## VEHICLE SAFETY

We continue to focus on educating employees with the tools and knowledge to create a culture of safe driving. Our vehicle safety program was designed to help our employees better understand the risks associated with distracted driving. The program encourages field-based employees to use safe driving habits and raises awareness about the risks posed by in-vehicle distractions such as mobile telephone use. Since the campaign's launch, 100 percent of our commercial business sector has taken formal steps to prohibit calling and texting while driving.

In 2015, our global vehicle accident rate for legacy Abbott dropped 9 percent from the 2014 rate, to 3.6 accidents per million miles driven (APMM), again meeting our 2020 target of 4.0 APMM five years ahead of schedule. However, when we include the performance of our recent acquisitions in our APMM, Abbott's global APMM increased to 4.2. An aggressive driver safety plan is under way and is expected to drive improvements and helps us achieve our 2020 target.

Supplementing our workplace commercial EHS program efforts, designed to protect our own employees, we have continued our partnership with the United Nations Decade of Action for Road Safety Initiative, designed to reduce global traffic fatalities and injuries by 50 percent between 2011 and 2020.

We continued to expand our efforts to provide children with high-quality helmets and raise awareness about the importance of road safety near local schools in Vietnam and India. In 2015, Abbott issued more than 8,800 high-quality helmets and held 282 helmet education classes for teachers, students and parents at four primary schools in Vietnam. In India, we partnered with a local school in Mumbai to educate more than more than 2,000 students on pedestrian safety. In 2016, we will continue to expand these successful programs

to additional schools and engage our employees in these road safety initiatives.

In 2015, our sales team in India sought to have an even greater impact on road safety locally and launched a nationwide road safety awareness campaign known as iCare. For one day, 5,500 members of our sales staff used their regular visits to medical clinics as an opportunity to speak with and educate patients in the waiting rooms about safe driving practices. They shared simple steps for reducing road accidents and injuries, like wearing a helmet and seatbelt, staying alert, obeying speed limits and avoiding cell phone use while driving. With this initiative and others leveraging the success of our road safety program for Abbott sales staff, we are making a major impact on safe driving across India. To date, our salespeople and other staff members have reached nearly 500,000 people; of those, 318,445 signed pledge cards promising to take ownership of their own personal road safety and to share road safety awareness ideas with friends and relatives.



### 318,445 PLEDGES

Employees in India raised awareness about road safety and encouraged more than 300,000 to take ownership of personal road safety.



### 8,800 HELMETS

Abbott issued 8,800 high-quality helmets at four primary schools in Vietnam.

## GLOBAL HEALTH SCORECARD

In early 2011, we launched our Global Health Scorecard to monitor each site's performance on key occupational health measures and to identify areas for improvement. The scorecard measures progress and optimizes employee health offerings at all manufacturing sites and commercial affiliates by setting annual performance improvement targets between 2011 and 2015.

The Abbott Global Health Scorecard ranks sites according to how many targets they have reached, based on a menu of 15 global health criteria. In 2015, 55 of our manufacturing and R&D sites and 31 commercial affiliates met the scorecard targets.

Given the success of the scorecard, we elected to extend the program to 2020 and set new targets. A multidisciplinary team at Abbott developed the expanded Global Health Scorecard health offerings and set additional targets for 2020 that became effective in 2016. The expanded scorecard consists of eight additional health offerings, such as implementation of a road safety awareness program for employees and their families and an active pause (stretch) exercise program. Sites are expected to add at least one additional health offering each year between now and 2020.

We also expanded our Global Health Scorecard toolkit, which is used to ensure consistency and standardize measurement across our sites, as well as providing suggestions for program enhancements. The expanded toolkit offers our sites suggestions to successfully meet each of the additional health offerings.

## 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 for respecting, protecting, promoting and fulfilling 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 operate, as well as through our policies and programs. Our guidelines include:

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

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

## LISTENING TO OUR EMPLOYEES

Abbott has a strong philosophy about regularly seeking employee feedback, which we demonstrate in many ways – through employee surveys to measure engagement in business strategy and brand recognition (e.g., Great Places To Work, Division Culture surveys); HR-specific surveys (e.g., Recruiting Effectiveness Survey, Compensation and Talent Acquisition survey); and other, informal forms of communication.

During recent years, Abbott has engaged in more interactive communications that help capture employee sentiment and/or reactions to what is happening in the company. Some of these include:

- **“Ask Miles”** – An open forum for employees to ask questions of our Chairman and CEO, Miles D. White; employees receive a response to all questions within two weeks. In 2015, Miles answered questions from 24 countries.
- **“Q&A Live”** – Live video-streamed events that allow employees to engage with Abbott leaders from anywhere in the world. Company Vice Presidents provide an update of their business strategies in global forums where employees can interact and bring forward questions or concerns. Employee feedback is collected after the sessions via online surveys.
- **Local feedback** – Our local offices organize their own initiatives to facilitate dialogue and encourage informal employee feedback. For example, in Ireland we host Lunch and Learn and Nosh and Natter meetings, where employees meet informally with senior leaders for discussion, information sharing and learning.

- **Employee networks** – Seven executive-sponsored formal networks provide employees with the opportunity to promote cultural awareness in order to foster diversity and inclusion and provide a forum where common interests can be identified and addressed.
- **New hires** – We seek feedback from newly hired employees in regards to recruitment process quality and their early experience with Abbott.

Additionally, we have engaged in a comprehensive strategic planning process that has included employee feedback at various organizational levels, including focus groups, working sessions and localized surveys to better understand what behaviors drive our culture and attract and retain employees, and to influence our overall employment brand.

In 2015, we conducted a series of global surveys to determine employees' awareness of, understanding and engagement with Abbott's new brand identity. We received a 28 percent response rate and are in the process of using this input to shape the creation of programs and communications to continue to engage employees in our brand.

# PROMOTING ETHICS AND INTEGRITY

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## ✓ 2015 Highlights

- We updated the Abbott Code of Business Conduct, which sets forth our basic guidelines and requirements for ethical behavior and is available in print and online in 26 languages.
- More than 90 percent of Abbott employees around the world participate in our Legal and Ethics Resource Network (LERN) program.

Abbott's promise to help more people experience their best lives comes with a responsibility to always do so ethically and with integrity. Our business has great impact on the lives of millions of people worldwide, and we continually seek to embed ethics and integrity across all areas of our business so that each Abbott employee continually operates with honesty, fairness and integrity.

## ETHICS AND COMPLIANCE

Abbott has a long history of enhancing trust and safeguarding our company's reputation. More than 125 years ago, our founder, Dr. Wallace Abbott, was one of the creators of what became known as "the ethical pharmaceutical industry," which first established the high standards of safety and efficacy that are the foundation of the modern healthcare business. Abbott employees understand the global impact of our work and our products, and we strive to do the right thing, in the right way, in every aspect of our daily activities. We support employees by fostering clear understanding of our company values, the Abbott Code of Business Conduct, our policies and procedures and our legal obligations related to ethical conduct.

### BUSINESS ETHICS AT ABBOTT

At Abbott, we are committed to meeting high ethical standards and to complying with all applicable laws wherever we do business.

## OUR EFFECTIVE COMPLIANCE PROGRAM

Our globally integrated ethics and compliance program goes beyond simple adherence to applicable laws and regulations and reflects our full commitment to operating honestly, fairly and with integrity. We have organized our program according to the seven elements of effective compliance, 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").

The seven elements are:

- Leadership
- Written standards

- Effective lines of communication
- Training
- Accountability
- Assessment
- Remediation

### LEADERSHIP

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

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## 26 LANGUAGES

The Abbott Code of Business Conduct is published in print and online in 26 languages.

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The Business Conduct Committee (BCC) assists in the implementation of our compliance program, meeting regularly to discuss matters like the legal and regulatory environment, best practices and refinement of our compliance initiatives at a global and regional level. The BCC consists of senior-level leadership, is chaired by the CECO, and is directly accountable to the Chairman of the Board and Chief Executive Officer. OEC staff members also provide dedicated support to each of Abbott's businesses at their headquarters.

Outside the United States, local Affiliate Compliance Committees manage our Affiliate Compliance Program. These committees are 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 to work with local OEC staff members in rolling out new programs to provide oversight and guidance to employees.

### WRITTEN STANDARDS

Our work at Abbott is of the utmost importance to the people we serve. Our products affect people's health and lives in the most crucial ways. We earn our reputation by the decisions we make and the actions we take. Our Code of Business Conduct embodies our company values and expectations, providing a foundation for the responsibilities and behaviors that will help us make the best choices for Abbott and the many stakeholders we serve. We all share in the responsibility to live our values every day. That includes keeping a watchful eye on our business activities and reporting concerns in good faith without fear of retaliation.

In 2015, we updated the Abbott Code of Business Conduct to make better use of technology to communicate our values to Abbott employees and other stakeholders around the world, and to set out common ethical expectations applicable to our operations in different countries. The fundamental message of the Code is straightforward: it is up to each Abbott employee to build our company and our brand by holding themselves to the highest ethical standards, by living our values and by continually operating with honesty, fairness and integrity. The Code is available in print and online, in 26 languages.

Abbott employees are required to read our Code and certify their adherence to it every year. 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; of adhering to Abbott's policies and procedures; of treating confidential information appropriately; of avoiding conflicts of interest; and of maintaining Abbott's books and records with accuracy and integrity. Further, it requires our employees to ask questions or report any concerns.

Abbott also has a written policy, Employee Problem Solving, which promotes the open exchange of information, problem solving and complaint resolution. This policy is applicable worldwide to Abbott employees, except where local laws and/or collective bargaining agreements dictate otherwise.

We regularly update our ethics and compliance policies to incorporate changes to the law and industry codes, including rules regarding gifts, meals and education we provide to healthcare professionals. We also seek opportunities to enhance and streamline compliance standards to meet modern and diverse business needs. In 2015, we launched a global policy initiative to establish consistent definitions across businesses and around the world, and provide an augmented foundation for compliance metrics and data analysis. This global standardization of our compliance program will make it more accessible to all of our employees and stakeholders, facilitate more efficient decision-making and foster further business ownership of compliance.

A number of laws require increased transparency in our interactions with individuals and entities involved in providing healthcare. These requirements consist of various combinations of certifications, tracking and reporting payments and transfers of value (such as meals) and restrictions on conduct. Transparency laws exist at the federal and state levels in the United States, and in countries outside the United States such as France. Abbott complies with these requirements as applicable.

## EFFECTIVE LINES OF COMMUNICATION

Creating an environment in which employees can raise questions and concerns helps us advance our commitment to ethical behavior. As codified in Abbott's Code of Business Conduct, we are committed to handling employee grievances and complaints and strictly forbid any retaliation against any person who raises a complaint. 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 Web-based hotline with live telephone support and translation services for non-English speakers. This is available 24 hours a day, seven days a week. Employees may also contact the OEC or the CECO directly. We have systems in place for responding to questions, or reports of suspected or actual ethical violations, which come through our social media channels.



### ABBOTT'S ETHICS AND COMPLIANCE HELPLINE

Our helpline is available 24 hours a day, seven days a week.

We analyze all allegations that we receive and take corrective action where necessary, including terminating employees or third-party relationships. We regularly 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 global, national and regional sales meetings and local site meetings. Issues are highlighted on our

OEC intranet site and through targeted internal communications channels.

## TRAINING

Ethics and compliance training is a part of Abbott's culture wherever we operate, and our OEC team supports our country operations with local level training and education programs. These increase our employees' awareness of our Code's precepts and the legal and ethical implications of their actions and behaviors. They strengthen Abbott's reputation as a responsible corporate citizen, while enhancing relationships with customers, suppliers and other stakeholders.

More than 90 percent of Abbott employees around the world participate in our Legal and Ethics Resource Network (LERN) program, an online ethics and compliance training program designed to educate Abbott employees on a broad range of ethics and compliance topics. LERN courses provide employees with the practical knowledge they need to recognize potential legal and ethical issues, how to make sound decisions and when to seek assistance from the OEC and other resources.

In 2015, we launched the LERN system in nine additional countries, bringing the total number of countries training on LERN to 66. Our LERN modules address topics such as conflicts of interest, global anti-corruption, scientific research and an overview of Abbott's Ethics and Compliance Program. All employees in countries using LERN are required to complete at least the Code of Business Conduct certification and Conflicts of Interest certification courses each year.

One of the LERN courses, Global Promotional Practices, describes consumer and customer expectations of promotional activities, outlines the principles behind promotional laws and regulations, explains what Abbott does to ensure promotional integrity and provides

practical advice on decision-making. All Abbott employees in the United States were assigned this course in 2015.



**90%**

More than 90% of Abbott employees participate in our Legal and Ethics Resource Network program.

## ACCOUNTABILITY

Abbott employees are expected to adhere to our Code of Business Conduct as a condition of their continued employment. All reports of potential violations of our Code or any policy or procedure are taken seriously and handled appropriately through follow-up steps such as investigation and remediation, and where necessary, corrective action is taken to address issues and avoid recurrence. Any Abbott employee who violates our Code, or any policy or procedure, is subject to appropriate disciplinary action. Any Abbott employee who refuses to cooperate in the investigation of an alleged violation or reports a concern that is knowingly false or is intended to threaten, intimidate or retaliate against any person 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 our compliance program and

relevant business practices. We identify areas of risk and develop plans for improvement. In addition, we consider the external environment, including industry codes and best practices, government guidance and enforcement actions against other companies, in order to identify new opportunities to enhance our compliance program. An example of one of our assessment programs is the Affiliate Compliance Enhancement (ACE) program, in which we conduct an in-depth evaluation of the commercial practices of a particular country.

## REMEDICATION

We communicate the results of investigations, audits, assessments and monitoring to the appropriate OEC staff and business leaders. When an area for improvement is identified, the OEC collaborates with business leaders to take corrective action.

## POLICIES AND PROCEDURES

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

We respect the expertise of healthcare professionals who provide guidance about treatment options and healthy living. Healthcare professionals, such as physicians, pharmacists, nurses, researchers and laboratory staff, must use their independent judgment to determine the best course of care for their patients based on their training and expertise. We are committed to working with healthcare professionals to provide them with timely and accurate information that will assist them in making decisions and providing advice to their patients. We can achieve our mission of supporting health through a truly collaborative approach.

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 applicable industry codes.

Abbott's activities conform to the regulatory licenses and approvals we obtain from government agencies such as ministries of health and food and drug authorities to promote, sell and import pharmaceuticals, medical devices and other products. We comply with each country's laws and regulations that govern how, where and when we are permitted to promote our products, such as the United States Federal Food, Drug and Cosmetic Act. We maintain and follow internal policies and procedures designed to ensure compliance with such requirements and with respect to government healthcare programs.

We comply with all relevant laws, regulations and promotional standards in the countries where we operate around the world. This includes adhering to the principles of the World Health Organization's (WHO) International Code of Marketing of Breast Milk Substitutes where it has been implemented by local governments. In addition, Abbott is an active member of the International Association of Infant Food Manufacturers (IFM) and was instrumental in the development and adoption of the IFM Rules of Responsible Conduct (RRC), a voluntary commitment for infant food manufacturers introduced in January 2014. All employees in covered countries are required to comply with the RRC.

Abbott has been a leader in researching and developing nutritional solutions for infants for more than 50 years and is committed to helping all babies receive the appropriate nutrition to ensure a healthy start in life. We agree 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. It is our policy not to market infant formula in a way that competes with breastfeeding. When an alternative to breastfeeding is necessary or chosen, we offer high-quality infant formulas and nutrition products. We also conduct monitoring of our marketing and sales practices in each market where we sell our products, to ensure compliance with local legislation, our policies and the RRC mentioned above.

## COMBATING CORRUPTION AND BRIBERY

Abbott is committed to preventing corruption in connection with our business activities around the world and working with third parties that share our commitment. Our anti-corruption commitment is closely linked to many of our business priorities, including:

- Increasing availability of medicine and healthcare products in emerging and developing countries
- Engaging in ethical and responsible sales and marketing
- Ensuring that quality clinical trials are conducted ethically
- Reducing the risk of counterfeit medicines
- Ensuring product safety and high manufacturing quality

Our commitment to compliance with relevant anti-corruption and anti-bribery laws also extends to the third parties with whom we do business. Carrying out due diligence on third parties that will provide certain services enables us to identify and address risks proactively.

Abbott's Third Party Process (3PP) sets forth requirements for all Abbott divisions, subsidiaries and affiliates to conduct due diligence prior to engaging

third-party service providers. This procedure is a component of Abbott's global anti-bribery and anti-corruption policies and procedures.

The 3PP sets out the main steps of Abbott's global due diligence requirements:

- Initial screening criteria and checklist to identify third parties that undergo enhanced due diligence
- Collecting information through use of questionnaires and independent background checks
- Analyzing red flags analysis and analyzing and remediating any risks identified
- Using a Web-based platform, ComplianceDesktop®, to facilitate the process and ensure proper documentation

Training materials on Abbott's 3PP are available internally to employees with primary responsibility for overseeing a third-party relationship and for those who have responsibility for training others on the process.

Abbott's compliance team makes a concerted effort to continue to evaluate and enhance local compliance programs around the world. With this approach, we are better equipped to help prevent corruption and bribery locally and position Abbott as a trusted partner everywhere we operate.

## 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 and consumers, with a focus on improving patient access to new medical and nutritional advances.

- We are committed to participating in public policy discussions with the potential to impact our patients, consumers and employees, or our ability to continue to produce new medical and nutritional 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 views on major healthcare issues while also learning from them about the needs of their communities, so that we can work together to help people lead fuller lives. We meet with and brief policymakers, convene forums and discussions and contribute information and expertise to fulfill this responsibility.

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 we promote an environment that fosters continued medical progress. Working with others increases our ability to advance policies that are consistent with our values and benefit 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 on our Web site in our most recent disclosure report.

# SHARED VALUE

## IN THIS SECTION

### 61 THE ROLE OF SHARED VALUE AT ABBOTT ▶

We align the measures that we take to grow our business with the needs of the places where we operate

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### 61 SHARED VALUE IN ACTION ▶

Our dairy farm project in India delivers value to both Abbott and society.

At Abbott, we believe in the correlation between health and prosperity. Our innovative products help people to live their best lives through the power of health. Helping people live more fully through better health contributes directly to the productivity of the places in which we operate, and means that creating value for our business often leads to positive social impact. We believe we can amplify these positive impacts through a deliberate strategy of identifying opportunities for our business that also create value for communities.

## THE ROLE OF SHARED VALUE AT ABBOTT

For us, shared value involves aligning the measures that we take to grow our business with the needs of the places in which we operate.

We work with partners to focus our efforts on significant social issues where we can leverage Abbott's particular knowledge and expertise to create both business value and positive social impact.

## SHARED VALUE IN ACTION

Nearly half of rural households in India depend on dairy farming for at least part of their income. However, most rural farmers struggle to grow their income from the milk that their livestock produce. Many are unaware of farming practices that would improve the quality and quantity of their milk. Others have their income restricted by middlemen, while others lack the facilities to chill milk in order to ensure its quality and enable the farmers to distribute it more widely.

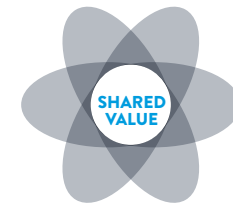
In 2014, Abbott opened a new state-of-the-art facility for manufacturing nutrition products in Jhagadia, India. This facility helps meet a growing demand for high-quality nutrition products in India. By locating our manufacturing operation within the country, we will ensure that more of the value created by our products stays within the local economy. As part of this local strategy, we needed a sustainable supply of higher quality milk in order to meet our objective to source up to 80 percent of our ingredients locally. We realized that we could multiply the positive impact of local manufacturing by also helping to build a sustainable supply of high-quality dairy within the country.

We are now working in rural Maharashtra, the region adjacent to Jhagadia, to provide up to 1,500 smallholder dairy farmers with the support and infrastructure they need to expand their production of high-quality milk. By bringing these farmers into the Indian Government's organized dairy industry, with a reliable and sustainable market for their milk, we are strengthening our supply chain while helping local residents to build better lives and stronger communities.

Working in partnership with a local dairy company and TechnoServe, a non-profit organization seeking business solutions to poverty, we are providing farmers with training on financial and business skills as well as veterinary care and techniques to prevent contamination of animal feed. We are also building critical village-based infrastructure, including 10 new bulk milk-chilling facilities, and we are setting transparent, consistent prices based on the quality of milk that farmers supply.

As with all inclusive business initiatives, benefits accrue on all sides of the project: Abbott gets a high-quality, cost-efficient local supply chain that helps to reduce our environmental footprint and strengthens our nutrition business in India. Farmers have a platform for growing their incomes and improving the quality of life of their families and communities, and Indian consumers get access to high-quality nutrition, made in India from locally sourced ingredients.

Since the launch of our dairy farm project in India, we have started to explore similar initiatives that can deliver value to both Abbott and society. For example, in China, we are working with a dairy company on plans to develop a local supply chain for our new nutrition manufacturing plant in Jiaying. We will continue to pursue this strategy and find new ways of building a stronger business while generating positive impact in our communities around the world.



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

# STRATEGIC PHILANTHROPY

## IN THIS SECTION

### 63 INSPIRING YOUNG PEOPLE TO EXPLORE SCIENCE ▶

By inspiring the young people of today, we can produce innovators for our industry tomorrow.

### 64 IMPROVING LIVES THROUGH BETTER NUTRITION ▶

We illuminate the power of science-based nutrition to help people throughout the world live healthier lives.

### 65 PROVIDING A HEALTHY LIVING ENVIRONMENT ▶

We are committed to building healthy communities wherever we operate, and we support innovative programs.

### 66 CONTRIBUTING THROUGH OUR EMPLOYEES ▶

Our employees give generously, of their time, expertise, money and enthusiasm.

Abbott and our philanthropic foundation aim to enable people to live fuller lives, and during 2015, we invested \$37 million in community initiatives. We focus our philanthropic investments on areas that align with our business and our core capabilities, on opportunities to leverage our employees' time and skills in their local communities and on partnerships with stakeholders that enable us to achieve sustainable change.

Abbott and our philanthropic foundation aims to enable people to live fuller lives, and we take a strategic approach to multiplying the positive impact of our efforts. During 2015, Abbott and The Abbott Fund invested \$37 million in community initiatives, including cash contributions, volunteer time, and in-kind donations valued at wholesale cost.

We focus our philanthropic investments on areas that align with our business and our core capabilities, on opportunities to leverage our employees' time and skills in their local communities and on partnerships with stakeholders that enable us to achieve sustainable change. We always start by listening: to the needs that people have, and to the challenges that have prevented workable solutions up to now. We then partner with organizations whose skill and resources complement our own, and we measure the impact of our programs so that we can drive change sustainably and apply the lessons to helping other communities as well.

In 2015 we unlocked the potential that healthier communities provide in many ways, including:

- Inspiring young people to explore STEM and health sciences
- Improving lives through better nutrition
- Providing a healthy living environment
- Contributing through our employees

## INSPIRING YOUNG PEOPLE TO EXPLORE SCIENCE

We believe that science and technology will play an increasingly important role in the future of our planet, particularly in developing the healthcare and nutrition solutions to support better lives in the future. By inspiring the young people of today, we can produce innovators for our industry tomorrow.

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## #ILOOLIKEANENGINEER

When the #ILookLikeAnEngineer movement went viral on social media to combat gender stereotypes in the science, technology, engineering and mathematics (STEM) fields, Corlis Murray, Abbott's Senior Vice President, Quality Assurance, Regulatory and Engineering Services, knew she had to get involved. After playing an instrumental role in Abbott's various mentorship programs and STEM education initiatives, Murray knew the importance of inspiring young women from all backgrounds to fulfill their professional potential in science, technology, engineering and math.

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## ABBOTT FAMILY SCIENCE

Abbott Fund Family Science is a major global initiative to inspire children to pursue scientific careers. The program enables children ages seven to 10 to participate in experiments led by Abbott scientists and engineers, learning fundamental team-building and problem-solving skills along with the basics of the scientific method. More than 68,000 people and more than 650 Abbott volunteers took part in the program in 2015, at more than 45 sites across China, Ireland, Singapore and the U.S. The program has also been conducted in Germany, Puerto Rico, the U.K. and South Korea.

In China alone, we have conducted Family Science programs in more than 60 cities since 2010. Global evaluation feedback indicates that 93 percent of parents agreed that the program motivated them to "seek other science education opportunities for my family" and 87 percent of children reported they "liked science more than they used to." Abbott Family Science has won numerous awards over the years. In 2015, the program earned the China Excellent Corporate Citizenship

Award from the China Federation of Social Work and the Outstanding Contribution Award from the Children and Youth Science Center of CAST (CYSC) for its great contribution to science education for youth in China.

## OPERATION DISCOVERY

Operation Discovery invites older middle-school students to an Abbott facility, where our scientists and engineers guide them through hands-on lab experiments using the same tools and procedures that Abbott scientists deploy in their daily work.

Since 2002, more than 1,000 Abbott scientists have conducted Operation Discovery programs for communities across the U.S., China, Germany, Ireland and Singapore. In 2015, 84 percent of students participating agreed that Operation Discovery made them want to learn more about how science and engineering can improve human health.

## OUT-OF-SCHOOL INSPIRATION IN STEM

Our global science, technology, engineering and math (STEM) education programs are specifically designed for K-12 out-of-school programs. They provide an understanding of the science and innovation behind healthcare, medical devices and nutrition. These programs encourage young people to be more proficient in science, technology, engineering and math, thus giving them pathways to a promising future and the potential to make a contribution to better health for all.

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*"For me it's a game changer. The Abbott Fund has given employees such a gift to give to the community. The event could be that one day that changes the life of a kid."*

Abbott Family Science volunteer

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## IMPROVING LIVES THROUGH BETTER NUTRITION

We illuminate the power of science-based nutrition to help people throughout the world live healthier lives. Our efforts help them develop new nutritional solutions for untapped markets. Through education, advocacy, and collaboration, our scientists also gain exposure to new environments as they contribute to our philanthropic work.

### WONDER GRAIN

More than 1 billion people around the world suffer from micronutrient malnutrition, in countries where rice is a staple food.<sup>6</sup> Abbott has partnered with international nonprofit organization PATH to address this health issue in a sustainable way.

More than a dozen Abbott scientists collaborated with PATH to improve its Ultra Rice fortification technology, trying more than 100 different variables to develop enhanced formulations. Partnership achievements include:

- Improved nutrient content with different combinations of iron, vitamin A, zinc and B vitamins, which can be customized to meet the needs and standards of each country.
- Optimized formulations to enhance flavor, aroma and appearance to make Ultra Rice as close to traditional rice as possible.
- Reduced cost of Ultra Rice by approximately 10 percent.

In addition, support from the Abbott Fund has helped build local capacity and strengthen local distribution in India. Fortified Ultra Rice grains are blended with milled rice to create a highly nutritious food that is nearly identical to traditional rice. The new

<sup>6</sup> Food and Agriculture Organization of the United Nations, The State of Food Insecurity in the World 2014.

formulations are already having an impact: in the United States, the Department of Agriculture approved fortified rice for distribution through U.S. food aid programs around the world.

Moving forward, the new formulations will be distributed in India, Brazil and Myanmar – working with local producers and rice millers so that the fortified grains are widely available on a sustainable basis.

### NOURIMANBA IN HAITI

Childhood malnutrition and lack of economic opportunity have long plagued Haiti, the Western Hemisphere’s poorest nation. But since the July 2013 opening of a new state-of-the-art nutrition plant opened in Haiti’s Central Plateau, real progress has been made.

The new production facility, built by Haitians with the support of Abbott engineers, scientists and other specialists, is the centerpiece of a broader partnership in Haiti between Partners In Health (PIH), Abbott and the Abbott Fund. Managed and operated locally by PIH’s sister organization, Zanmi Lasante, the Haitian staff of 30-plus has scaled up production and distribution of Nourimanba, its free-of-charge, ready-to-use therapeutic food product for the treatment of severe childhood malnutrition. The facility allows Zanmi Lasante (ZL) to address gaps in the treatment of children and prevent relapse. Coupled with the work of ZL’s community health workers, the Nourimanba facility is key to ZL’s strategy of reaching up to 11,000 children who are at risk of suffering from malnutrition.

Abbott experts continue to provide training and share best practices and guidance both on-site and virtually, volunteering more than 15,000 hours in total since the partnership began. Volunteer feedback suggests that employees appreciate the opportunity to use their expertise in a new way, which is fulfilling on both a personal and professional level.

To date, the partnership has produced more than 330,000 pounds of Nourimanba, reaching more than 8,725 children. As part of the long-term plan, the facility is looking to drive sustainability by selling high-quality food products as well.

This strategic partnership is also supporting local farmers by expanding demand for locally sourced, high-quality peanuts. In 2013, working together with the international nonprofit TechnoServe, the partnership piloted a new business supply chain model to expand the supply of quality, cost-competitive peanuts while boosting incomes for approximately 300 local smallholder farmers. Since the program’s inception, these farmers have almost doubled their income. Based on the success of the pilot, other partners are now replicating and expanding this model across Haiti.

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# 8,725

children in Haiti are currently receiving Nourimanba for the treatment of malnutrition

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# +15,000

## HOURS VOLUNTEERED

Abbott experts have volunteered more than 15,000 hours to the partnership in Haiti.

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### ABBOTT FUND INSTITUTE OF NUTRITION SCIENCE

Established in China in 2008 and in 2010 in Vietnam, the Abbott Fund Institute of Nutrition Science (AFINS) partners with leading experts to advance clinical nutrition through training, research and

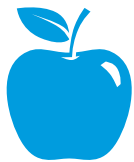


health education. In China, AFINS is a partnership between the Abbott Fund, Project HOPE and Shanghai Children's Medical Center (SCMC) and in Vietnam, a partnership with Boston University, Bach Mai Hospital, the National Institute of Nutrition and Hanoi Medical University. Since the programs began, they have trained more than 6,500 healthcare professionals and reduced the risk of malnutrition among children at SCMC in China by 83 percent. In both China and Vietnam, AFINS has been embraced by local government and hospital leaders, ensuring that efforts to strengthen hospital nutrition and provide better patient care will be sustainable on an ongoing basis. AFINS has received wide scale recognition for its contribution to the nutrition community. Since the program began, Abbott and its partners have presented on the work of AFINS at 15 forums globally.



### 100% OF NEW PATIENTS

All new patients at Shanghai Children's Medical Center are screened for malnutrition.



### 30% DROP IN MALNUTRITION RISK

Since 2010, Bach Mai Hospital in Vietnam has seen the risk of malnutrition drop approximately 30 percent.

### BACKPACKS FULL OF GOOD NUTRITION

Each Friday, thousands of otherwise hungry American children leave school toting backpacks filled with nutritious foods and juices for themselves and their families. The backpacks are distributed discreetly before weekends and school vacations. Feeding America, the nation's largest network of food banks, manages the BackPack Program, serving hundreds of thousands of children annually.

The Abbott Fund is a major supporter of this program, helping to feed an estimated 30,000 families by sponsoring BackPack Programs near Abbott sites in Alameda, Irvine and San Jose, California; Columbus, Ohio; Dallas, Texas; Altavista, Virginia; Kenosha, Wisconsin; North Chicago and Chicago, Illinois; and Puerto Rico. The Abbott Fund also sponsors similar programs outside the U.S. through the Global FoodBanking Network. In 2010, the first international BackPack Program was launched in Mexico City, Mexico, with the Abbott Fund, and it is currently serving 300 children and their families.

### MORE THAN 4.5 MILLION MEALS

More than 4.5 million meals of food were delivered to children and their families in 2015 through Abbott Fund support and volunteer efforts.

### PROVIDING A HEALTHY LIVING ENVIRONMENT

A healthy living environment doesn't just produce healthier people; it also creates healthier communities, multiplying the potential for people to live fuller lives. At Abbott, we are committed to building healthy communities wherever we operate, and we support

innovative programs to address unmet needs. When natural disasters and emergencies strike communities, we work closely with our trusted humanitarian relief partners to restore a healthy living environment.

### PROTECTING PRECIOUS WATER RESOURCES

No one can live a full and healthy life without sufficient access to clean water, yet one in eight people on earth lacks such access. Project WET, a longtime Abbott partner in community health, is dedicated to educating children, parents, teachers and communities about safeguarding and optimizing this precious natural resource. In Casa Grande in Arizona, near one of Abbott's most water-stressed manufacturing sites, our partnership is educating students about water stewardship and the complex environmental issues involved. Together, we have created a suite of educational activities, reaching more than 90,000 students and focused on such vital issues as wise water use and conservation. Through this program, more than 10.3 million gallons of water has been saved for the benefit of the community.

### IMPROVING SANITATION FOR HEALTHIER LIVES IN INDIA

More than half of India's people have no access to a toilet – and being forced to defecate in the open raises huge risks for their health and that of their neighbors through poor sanitation. In the villages of Dadheda and Talodra in the state of Gujarat, the number of people without a toilet reaches 70 percent. Working with a number of respected NGOs, we are launching a comprehensive awareness, education and infrastructure program with the aim of helping these villages to improve sanitation. Abbott is investing \$500,000 to build toilets in households, schools and health centers. In addition, we are supporting community education efforts to raise awareness of the connections between sanitation and health.

## DISASTER RELIEF

When natural disasters and other emergencies strike, Abbott and the Abbott Fund work closely with our trusted humanitarian relief partners to address both immediate needs and longer-term reconstruction and rehabilitation efforts. We also understand the value of preparation. Over the past several years, Abbott has worked with Direct Relief and Feeding America to pre-position critical products in high-risk areas across the U.S., Caribbean, Central America and Asia, ahead of hurricane season. This ensures that the right products are in the right places before disaster strikes.

In 2015, Abbott and the Abbott Fund provided more than \$620,000 in product and cash donations in response to severe floods in India, Myanmar and the U.S., the earthquake in Nepal and the European refugee crisis.

## CONTRIBUTING THROUGH OUR EMPLOYEES

Abbott employees share our commitment to creating healthier communities worldwide. They give generously – of their time, expertise, money and enthusiasm – contributing to numerous community-based initiatives. In 2015, the value of our globally volunteer time alone exceeded \$1.5 million. To facilitate this important work, we updated our online system connecting our employees to volunteer activities that match their needs, interests and professional skills and expertise.

Abbott employees increased their participation in support of nonprofit and community groups in 2015, with more than 92 percent of U.S. employees contributing through the company's annual employee giving campaign. This employee participation is nearly three times the median participation in workplace giving campaigns, according to the *2015 Giving in Numbers* report by the Committee Encouraging Corporate Philanthropy (CECP). Matching contributions from the Abbott Fund and employee giving totaled more than \$11 million in 2015.

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**+\$11 MILLION**

Employees and matching grants contributed more than \$11 million to community programs in 2015.

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## STAMPING OUT DISEASE WITH IMPROVED SANITATION

Poor sanitation – lack of toilets, safe drinking water and dependable sewage disposal, for example – is the source of many diseases. Abbott is embarking on a comprehensive awareness, education and infrastructure program in two villages in Gujarat, India, to improve sanitation and health conditions.



### 595 MILLION

MORE THAN HALF OF INDIA'S  
PEOPLE – 595 MILLION – DO NOT  
HAVE ACCESS TO TOILETS.<sup>1</sup>



### 70%

Nearly 70 percent of the households  
in the villages of Dadheda and Talodra  
in the state of Gujarat lack toilets.

### 450

By building about 450 new toilets and  
introducing new education programs,  
we aim to make two villages in the state  
of Gujarat “open-defecation free.”



## POOR SANITATION CAN LEAD TO POOR HEALTH

Poor sanitation is linked to transmission of  
diseases such as cholera, diarrhea, dysentery,  
hepatitis A, typhoid and polio.<sup>2</sup>

**1.5 MILLION INDIAN CHILDREN**  
Open defecation causes chronic diarrhea that can  
lead to stunting, and 1.5 million Indian children  
under age 5 die each year from diarrhea.<sup>3</sup>

**18.8% of schools in rural India**  
do not have girls' toilets.<sup>4</sup>

**A study of pregnant women in India found**  
that poor sanitation significantly increased the  
odds of adverse birth outcomes such as preterm  
births and low birth weight.<sup>5</sup>

# TRANSPARENCY

## IN THIS SECTION

### 69 TRANSPARENCY ON POLICIES ►

We strive for transparency by providing information on policies and standards applicable to each of our priority areas.

Abbott's policies and standards 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 of our citizenship priorities.

## TRANSPARENCY ON POLICIES

We strive for transparency by providing information on the policies and standards that guide our business decisions, ethical conduct and commitment to the environment. Our policies always seek to meet or exceed the national and international standards in the countries where we operate.

Following is a listing of some of our most critical policies which can be found on our [Web site](#).

- Code of Business Conduct
- Supplier Guidelines
- Position Statement on Conflict Minerals
- Environmental Policy
- Energy Policy
- Water Policy
- Green Procurement Policy
- Global Environment Health and Safety Policy
- Environmental and Safety Assurance Statement
- Anti-Corruption Training Guide for Companies Doing Business with Abbott
- Clinical Trials Registration and Results Disclosures
- Financial Reports for Healthcare-Related Organizations
- Stakeholder Engagement Policy
- Position Statement on Tax

# REPORTING

## IN THIS SECTION

### 71 SCOPE OF REPORTING ▶

Our reporting focuses on our most material impacts and speaks to a range of stakeholders.

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### 71 FEEDBACK ON OUR REPORTING ▶

We draw upon many external resources in refining our citizenship strategy.

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### 71 EXTERNAL ASSURANCE ▶

Abbott engaged an independent assurance provider to conduct assurance of key 2015 environmental and safety data.

### 72 AWARDS AND RECOGNITION ▶

Abbott has been recognized around the world for our comprehensive approach to responsible corporate citizenship.

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### 73 METRICS ▶

The charts and tables on these pages spotlight our key financial, social and environmental metrics for 2015.

Our Global Citizenship reporting is guided by our materiality assessment and focuses on the most significant issues for our business. Our reporting addresses the needs and interests of a range of stakeholders, including consumers, customers, patients, employees, government and regulatory bodies, investors, special interest groups, non-governmental organizations and opinion leaders.

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## 17 YEARS OF REPORTING

Abbott has reported on our citizenship activities for 17 years.

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### NO. 1 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 third consecutive year in 2015.

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At Abbott, we have reported on our citizenship activities for 17 years, beginning with a focus on our environmental impacts. In 2000, we moved toward more comprehensive annual reporting by issuing our first citizenship report. Our reporting focuses on the most significant impacts of our business and aims to address a number of key issues important to a range of stakeholders. These stakeholders include consumers, 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.

Recently, we have also produced citizenship reports in Ireland, India and China. 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:

### SCOPE OF REPORTING

- All financial information is stated in U.S. dollars.
- All data in this report reflects Abbott's activities, with a focus on 2015 results.
- Neither this report nor our Web site contains performance information about our joint ventures unless otherwise noted.
- Select information and data calculations from prior years have been adjusted to reflect the company's separation from AbbVie in January 2013.
- The Abbott Fund is an Illinois not-for-profit philanthropic corporation established by Abbott in 1951.
- Our Global Citizenship Report for 2015 will be published in the second quarter of 2016.

### FEEDBACK ON OUR REPORTING

We draw upon many external sources of expertise to develop and execute our citizenship strategy. These external experts also guide our engagements with key stakeholders, the development of our Web site and the production of this report. They include Corporate Citizenship, Business for Social Responsibility, the Corporate Social Responsibility Initiative at the Harvard Kennedy School and Conference Board. 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 helping us identify areas of opportunity for strengthened citizenship engagement.

We also refer to external standards on reporting, such as the Global Reporting Initiative's (GRI) G4 Sustainability Reporting Guidelines.

### EXTERNAL ASSURANCE

Abbott engaged an independent assurance provider, Bureau Veritas, to conduct assurance of selected 2015 environmental and safety data. The Policy section of our Web site includes a [pdf of the Bureau Veritas Assurance Statement](#).

## AWARDS AND RECOGNITION

Abbott has been recognized around the world for its comprehensive approach to global citizenship.

- Abbott was ranked as the Global Industry Group Leader on the prestigious Dow Jones Sustainability World Index and North America Index for the third consecutive year. This is the 11<sup>th</sup> 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 2015 list.
- In 2015, we improved our carbon disclosure score from 93 to 99, and our suppliers exceeded the CDP (formerly the Carbon Disclosure Project) global average.
- Abbott received the 2013 Climate Leadership Award from the U.S. Environmental Protection Agency (EPA) for our programs and results in reducing carbon pollution and addressing climate change.
- In China, Abbott was among the Top 50 Best Corporate Citizens for the fifth time in 2015, recognized by the Corporate Citizenship Committee of CASW. Abbott in China also received the Top Employers 2015 award for the fourth time in 2015, from the Top Employers Institute.
- Abbott has been recognized as a Great Place to Work by the Great Place to Work Institute in many different countries, including Brazil, Ireland, Japan, Australia, France and the U.K.
- In 2015, Abbott was recognized as No. 11 on the global 100 Best Corporate Citizens list. Abbott has appeared on the list, compiled by *Corporate Responsibility* magazine, for seven consecutive years, 2009 to 2015.

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### BEST CORPORATE CITIZEN

Abbott has been included in the global 100 Best Corporate Citizens list compiled by *Corporate Responsibility* magazine for seven consecutive years, 2009 to 2015. This year, Abbott again was recognized as No. 11 on the list.

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# METRICS

## IN THIS SECTION

- 74 **KEY METRICS** ▶

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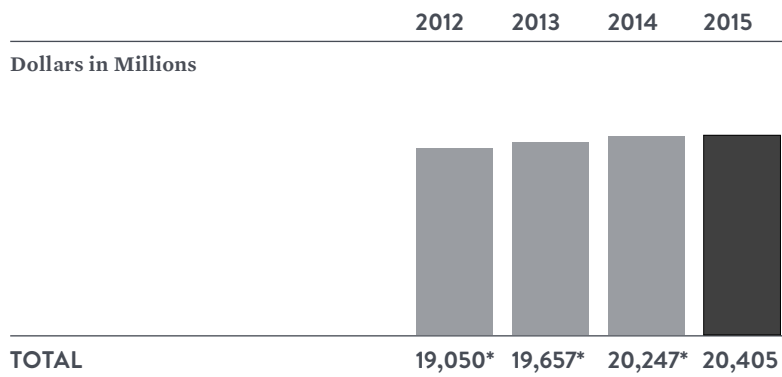
- 79 **DETAILED ENVIRONMENTAL PERFORMANCE** ▶

## ✔ 2015 Highlights

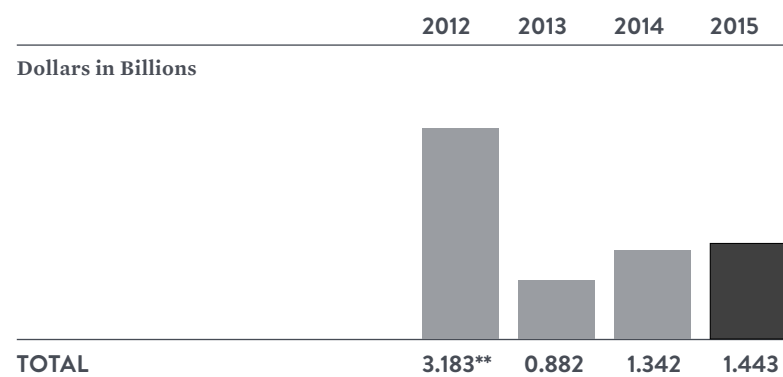
The charts and tables on the following pages spotlight our key metrics in financial, social and environmental areas for 2015.

## KEY METRICS – FINANCIAL

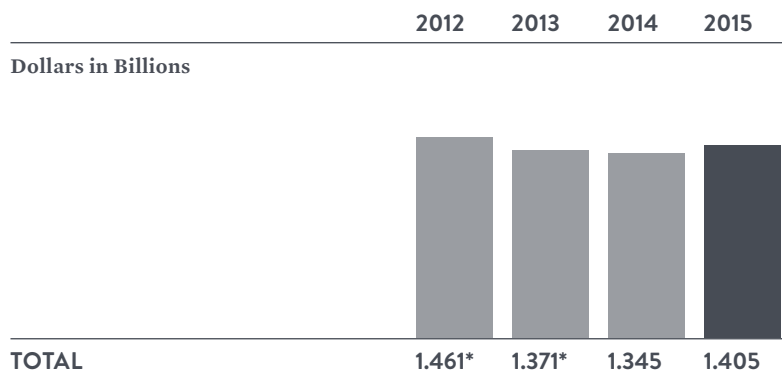
### SALES WORLDWIDE



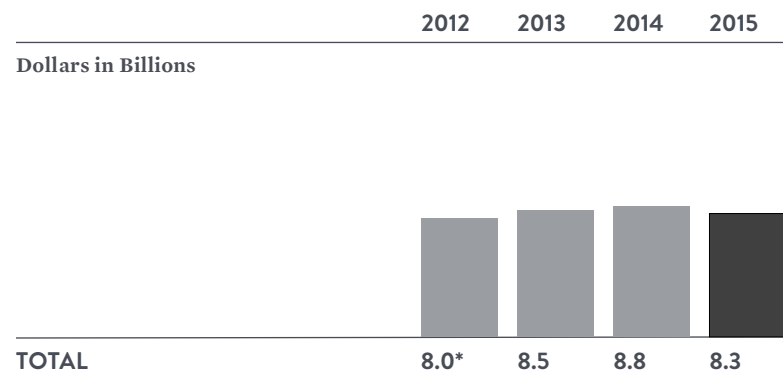
### DIVIDENDS PAID



### R&D INVESTMENT



### SPEND ON DIRECT SUPPLIERS

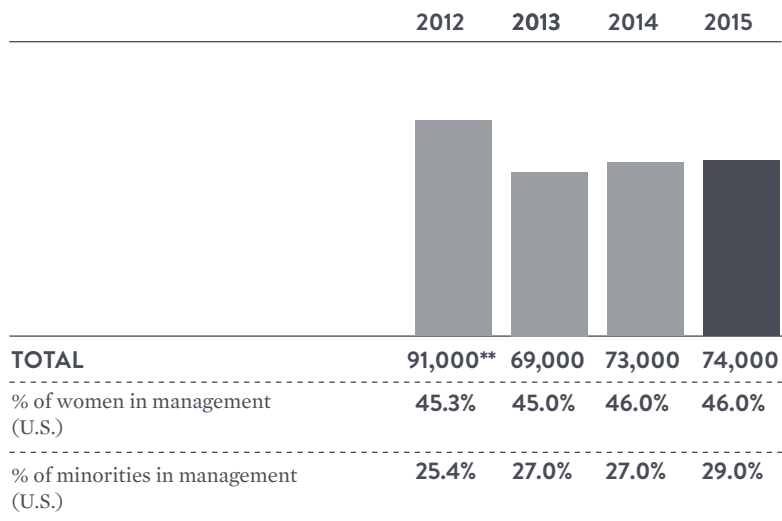


\* 2012–2014 financial results have been adjusted to reflect Abbott’s developed markets branded generics pharmaceuticals and animal health businesses as discontinued operations; 2012 financial results have also been adjusted to remove data specific to AbbVie, which became a separate company on Jan. 1, 2013.

\*\* 2012 data reflects Abbott’s previous business profile before our separation from AbbVie, which became an independent company Jan. 1, 2013.

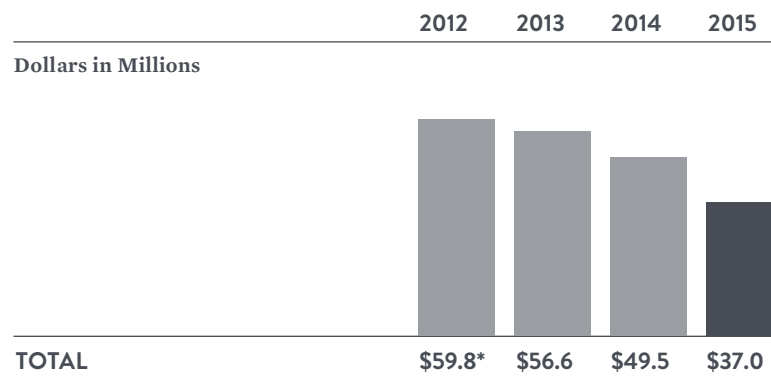
## KEY METRICS – SOCIAL

### EMPLOYEES

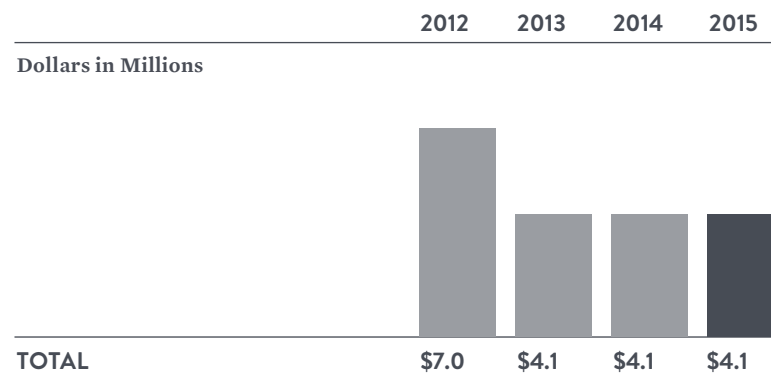


\*Adjusted to remove data specific to AbbVie, which became a separate company Jan. 1, 2013.

### SOCIAL INVESTING

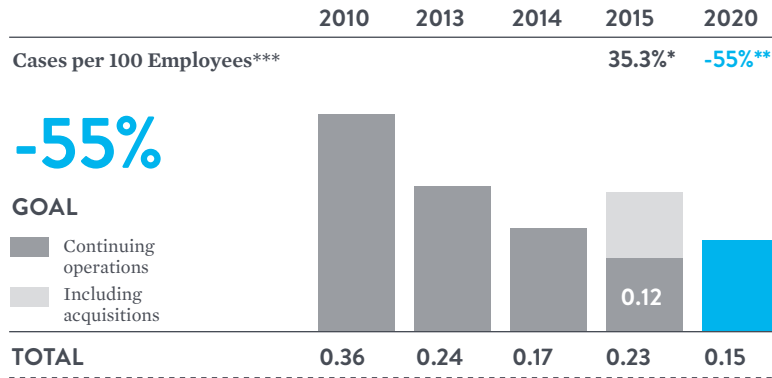


### U.S. EMPLOYEE GIVING CAMPAIGN RESULTS



\*\* 2012 data reflects Abbott's previous business profile before our separation from AbbVie, which became an independent company Jan. 1, 2013.

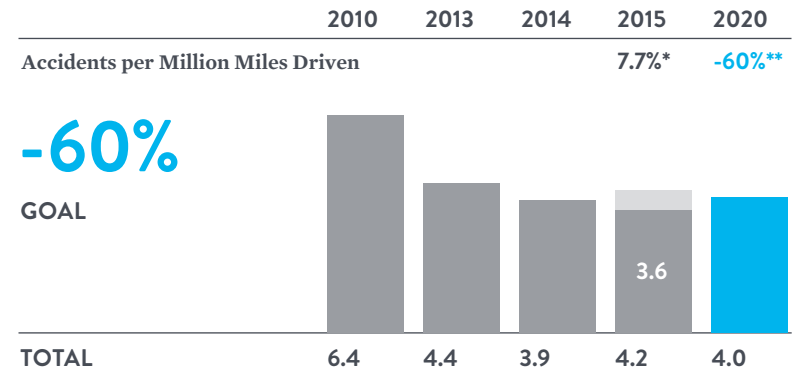
## LOST TIME CASE RATE



\*% change from 2014 to 2015, including acquisitions      \*\*% change from 2010 (goal)

Note: The increase in rates is attributed to recent acquisitions.

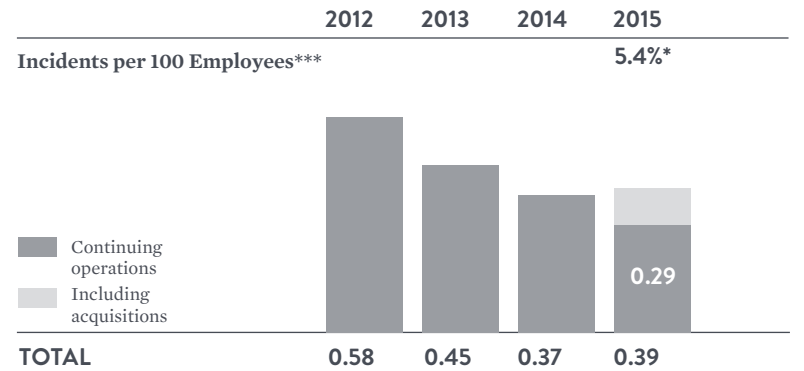
## GLOBAL VEHICLE ACCIDENT RATE



\*% change from 2014 to 2015, including acquisitions      \*\*% change from 2010 (goal)

Note: The increase in rates is attributed to recent acquisitions.

## RECORDABLE INJURY OR ILLNESS INCIDENT RATE



\*% Change from 2014 to 2015, including acquisitions

\*\*\* 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 (Region-Based Emission Factors)

	2010 <sup>†</sup>	2013	2014	2015
1,000 Metric Tons				-3.5%*
Purchased fuels (Scope 1) CO <sub>2</sub> e emissions <sup>(1)</sup>	519	449	459	453
Refrigerant (Scope 1) CO <sub>2</sub> e emissions <sup>(3)</sup>	5	5	6	6
Total direct (Scope 1) CO <sub>2</sub> e emissions	524	454	465	459
Purchased energy (Scope 2) CO <sub>2</sub> e emissions <sup>(2)</sup>	625	534	553	524
<b>TOTAL (Scope 1 and Scope 2) CO<sub>2</sub>e emissions</b>	<b>1,149</b>	<b>988</b>	<b>1,018</b>	<b>983</b>
Purchased Energy (Scope 2) CO <sub>2</sub> e Emissions utilizing Scope 2 Market-Based Method	NA	NA	NA	546
Total (Scope 1 and Scope 2) CO <sub>2</sub> e Emissions utilizing Scope 2 Market-Based Method	NA	NA	NA	1,005

\*% change from 2014 to 2015

<sup>†</sup>baseline year

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

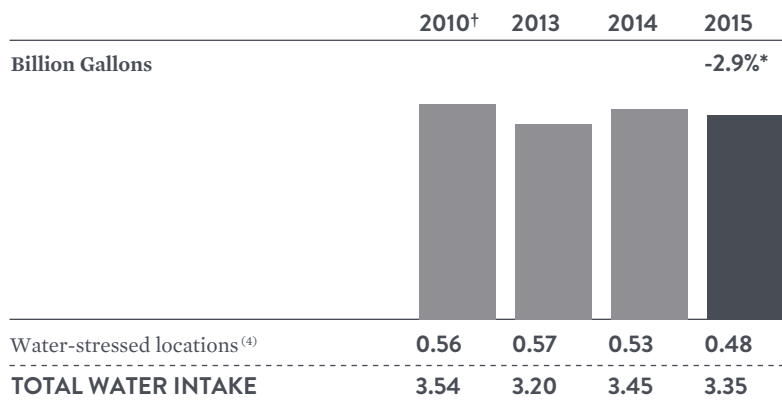
	2010 <sup>†</sup>	2013	2014	2015	2020
Metric Tons per \$ Million Sales Normalized by Sales				-0.7%*	-40%**
<b>-40%</b>					
<b>GOAL</b>					
Direct (Scope 1) CO <sub>2</sub> e emissions	30	22	22	22	
Purchased energy (Scope 2) CO <sub>2</sub> e emissions	36	26	26	26	
<b>TOTAL (Scope 1 and Scope 2) CO<sub>2</sub>e emissions</b>	<b>66</b>	<b>48</b>	<b>49</b>	<b>48</b>	<b>39</b>

\*% change from 2014 to 2015

\*\*% change from 2010 (goal)

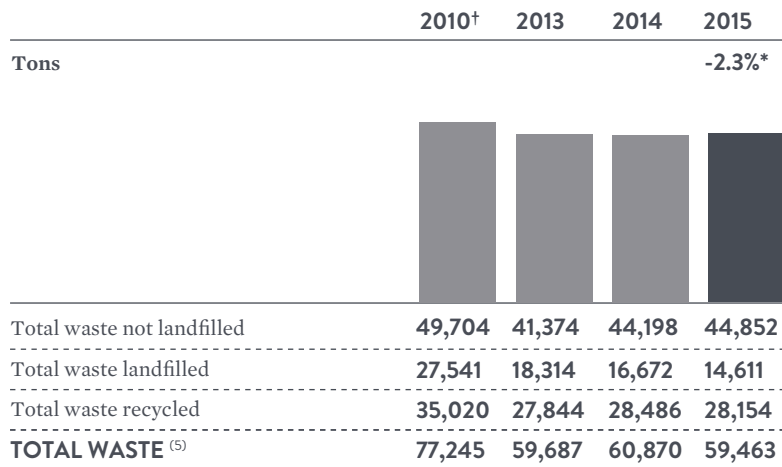
<sup>†</sup>baseline year

## WATER INTAKE



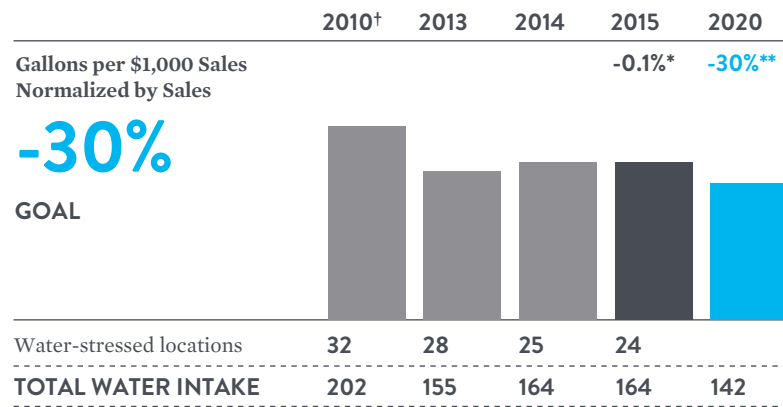
\*% change from 2014 to 2015  
<sup>†</sup>baseline year

## TOTAL WASTE



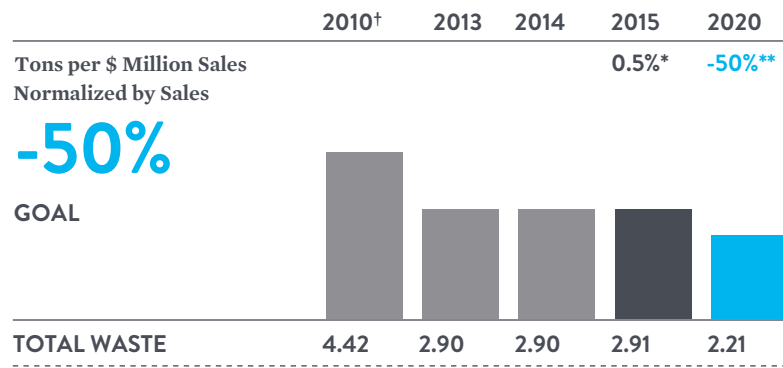
\*% change from 2014 to 2015  
<sup>†</sup>baseline year

## WATER INTAKE



\*% change from 2014 to 2015  
<sup>†</sup>baseline year  
 \*\*% change from 2010 (goal)

## TOTAL WASTE



\*% change from 2014 to 2015  
<sup>†</sup>baseline year  
 \*\*% 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	2012	2013	2014	2015
<b>NORTH AMERICA</b>				
Canada	25	23	20	19
USA	498	496	494	458
Region Total	523	519	514	477
<b>CARIBBEAN &amp; LATIN AMERICA</b>				
Argentina	11	11	11	12
Brazil	4	2	3	4
Chile	4	4	5	5
Colombia	2	1	1	2
Costa Rica	1	1	1	1
Mexico	15	14	14	14
Peru	1	2	1	1
Puerto Rico	41	27	27	21
Commercial Region Total	14	13	14	13
Region Total	92	76	78	74

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

#### EUROPE

Germany	26	26	23	25
Ireland	61	53	53	53
Netherlands	60	61	65	67
Russia	17	15	16	20
Spain	12	12	11	10
Sweden	2	1	1	1
Switzerland	0	0	0	0
United Kingdom	15	15	16	14
Commercial Region Total	36	36	35	32
Region Total	228	219	221	224

#### ASIA PACIFIC

China	14	17	39	37
India	17	16	32	37
Japan	1	1	1	1
Malaysia	0	0	0	3
Pakistan	19	20	21	19
Singapore	49	45	43	39
Commercial Region Total	84	72	67	70
Region Total	186	173	206	208
<b>Total</b>	<b>1,029</b>	<b>988</b>	<b>1,018</b>	<b>983</b>



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

1,000 METRIC TONS	2012	2013	2014	2015
<b>NORTH AMERICA</b>				
Canada	14	13	11	11
USA	213	224	224	212
Region Total	227	237	235	223
<b>CARIBBEAN &amp; LATIN AMERICA</b>				
Argentina	4	4	3	3
Brazil	2	1	2	2
Chile	1	1	1	1
Colombia	0	0	0	0
Costa Rica	0	0	0	0
Mexico	14	13	14	14
Peru	0	0	0	0
Puerto Rico	2	2	1	0
Commercial Region Total	12	11	12	12
Region Total	35	33	34	33

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

<b>EUROPE</b>				
Germany	10	11	9	10
Ireland	33	29	27	30
Netherlands	34	34	33	34
Russia	12	11	10	12
Spain	6	5	4	5
Sweden	0	0	0	0
Switzerland	0	0	0	0
United Kingdom	5	5	5	4
Commercial Region Total	27	26	25	24
Region Total	125	119	113	118
<b>ASIA PACIFIC</b>				
China	1	1	13	13
India	1	0	4	9
Indonesia	0	0	1	1
Japan	0	0	0	0
Malaysia	0	0	0	0
Pakistan	16	18	18	17
Singapore	22	18	18	17
Commercial Region Total	40	27	29	29
Region Total	80	65	84	84
<b>Total</b>	<b>467</b>	<b>454</b>	<b>465</b>	<b>459</b>

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

1,000 METRIC TONS	2012	2013	2014	2015
<b>NORTH AMERICA</b>				
Canada	11	10	9	8
USA	284	272	271	245
Region Total	295	282	280	254
<b>CARIBBEAN &amp; LATIN AMERICA</b>				
Argentina	7	8	8	8
Brazil	2	1	1	2
Chile	3	3	4	4
Colombia	1	1	1	2
Costa Rica	1	1	1	1
Mexico	0	1	0	0
Peru	1	1	1	1
Puerto Rico	39	26	26	20
Commercial Region Total	2	2	2	2
Region Total	57	44	44	41

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

#### EUROPE

Germany	16	16	15	16
Ireland	28	24	26	23
Netherlands	26	27	32	33
Russia	5	5	6	8
Spain	7	8	7	5
Sweden	2	1	1	1
Switzerland	0	0	0	0
United Kingdom	10	10	11	10
Commercial Region Total	10	10	11	9
Region Total	103	100	108	106

#### ASIA PACIFIC

China	14	15	26	24
India	16	16	28	28
Indonesia	2	2	2	2
Japan	1	1	1	1
Malaysia	0	0	0	3
Pakistan	3	3	3	3
Singapore	27	27	24	22
Commercial Region Total	45	45	38	41
Region Total	107	108	122	124
<b>Total</b>	<b>562</b>	<b>534</b>	<b>553</b>	<b>524</b>

## WATER INTAKE

### WATER INTAKE BY REGION

BILLION GALLONS	2012	2013	2014	2015
<b>NORTH AMERICA</b>				
Canada	0.20	0.17	0.16	0.17
USA	1.66	1.65	1.75	1.66
Region Total	1.87	1.82	1.91	1.83
<b>CARIBBEAN &amp; LATIN AMERICA</b>				
Argentina	0.08	0.08	0.08	0.08
Brazil	0.02	0.01	0.01	0.01
Chile	0.02	0.02	0.02	0.01
Colombia	0.01	0.01	0.01	0.01
Costa Rica	0.01	0.01	0.01	0.02
Mexico	0.03	0.03	0.03	0.03
Peru	0.01	0.01	0.01	0.01
Puerto Rico	0.12	0.09	0.08	0.05
Region Total	0.30	0.26	0.26	0.23

### WATER INTAKE BY REGION (CONTINUED)

#### EUROPE

Germany	0.04	0.04	0.04	0.04
Ireland	0.17	0.16	0.17	0.18
Netherlands	0.33	0.32	0.34	0.35
Russia	0.08	0.07	0.07	0.07
Spain	0.09	0.10	0.09	0.09
Sweden	0.03	0.03	0.02	0.02
Switzerland	0.00	0.00	0.00	0.00
United Kingdom	0.01	0.01	0.01	0.01
Region Total	0.75	0.73	0.73	0.76

#### ASIA PACIFIC

China	0.04	0.04	0.16	0.14
India	0.05	0.05	0.10	0.12
Indonesia	0.01	0.01	0.01	0.01
Japan	0.00	0.00	0.00	0.00
Malaysia	0.00	0.00	0.00	0.01
Pakistan	0.08	0.09	0.09	0.09
Singapore	0.20	0.19	0.18	0.17
Region Total	0.38	0.39	0.54	0.54
<b>Total</b>	<b>3.30</b>	<b>3.20</b>	<b>3.45</b>	<b>3.35</b>

## WATER CONSUMED (IN PROCESS)

### TOTAL

BILLION GALLONS	2012	2013	2014	2015	% CHANGE FROM 2014 TO 2015
Total Water Consumed	0.67	0.67	0.69	0.73	6.7

### NORMALIZED BY SALES

GALLONS PER \$1,000 SALES	2012	2013	2014	2015	% CHANGE FROM 2014 TO 2015
Total Water Consumed	34	32	33	36	9.8

## WATER DISCHARGED (IMPAIRED)

### TOTAL

BILLION GALLONS	2012	2013	2014	2015	% CHANGE FROM 2014 TO 2015
Total Water Discharged (Impaired)	2.05	1.97	2.11	2.07	-1.6

### NORMALIZED BY SALES

GALLONS PER \$1,000 SALES	2012	2013	2014	2015	% CHANGE FROM 2014 TO 2015
Water Discharged (Impaired)	103	96	100	102	1.3

## WATER DISCHARGED (NON-IMPAIRED)

### TOTAL

BILLION GALLONS	2012	2013	2014	2015	% CHANGE FROM 2014 TO 2015
Total Water Discharged (Non-Impaired)	0.58	0.56	0.66	0.54	-17.3

### NORMALIZED BY SALES

GALLONS PER \$1,000 SALES	2012	2013	2014	2015	% CHANGE FROM 2014 TO 2015
Total Water Discharged (Non-Impaired)	29	27	31	27	-14.9

## BOD CONCENTRATION IN WASTEWATER

MILLIGRAMS PER LITER	2012	2013	2014	2015	% CHANGE FROM 2014 TO 2015
Concentration in Wastewater Discharged to Environment <sup>(6)</sup>	29	8	6	9	50.0



## TOTAL WASTE

### TOTAL WASTE BY REGION

TONS	2012	2013	2014	2015
<b>NORTH AMERICA</b>				
Canada	1,208	1,039	711	703
USA	22,952	23,009	23,635	24,038
Region Total	24,160	24,048	24,346	24,742
<b>CARIBBEAN &amp; LATIN AMERICA</b>				
Argentina	1,332	1,402	1,231	1,259
Brazil	1,007	826	566	637
Chile	581	581	581	580
Colombia	500	500	500	907
Costa Rica	605	179	146	89
Mexico	373	537	432	362
Peru	313	313	313	429
Puerto Rico	4,888	3,484	3,475	1,837
Commercial Region Total <sup>(7)</sup>	439	439	439	948
Region Total	10,038	8,260	7,683	7,047

### TOTAL WASTE BY REGION (CONTINUED)

#### EUROPE

Germany	1,957	2,112	2,360	2,310
Ireland	4,765	4,679	4,529	3,972
Netherlands	7,923	8,635	7,734	4,998
Russia	1,206	1,193	979	901
Spain	938	1,009	891	1,529
Sweden	351	417	406	464
Switzerland	133	149	92	36
United Kingdom	1,204	1,133	1,050	1,044
Commercial Region Total <sup>(7)</sup>	1,159	1,159	1,159	1,562
Region Total	19,636	20,487	19,200	16,815

#### ASIA PACIFIC

China	419	380	2,146	2,145
India	1,353	1,435	3,145	4,147
Indonesia	61	19	29	23
Japan	453	428	383	486
Malaysia	0	0	0	0
Pakistan	1,188	1,214	842	658
Singapore	2,718	2,386	2,068	3,090
Commercial Region Total <sup>(7)</sup>	1,029	1,029	1,029	311
Region Total	7,221	6,892	9,641	10,860
<b>Total</b>	<b>61,055</b>	<b>59,687</b>	<b>60,870</b>	<b>59,463</b>

## HAZARDOUS WASTE

### TOTAL

TONS	2012	2013	2014	2015	% CHANGE FROM 2014 TO 2015
Hazardous Waste Not Landfilled	10,300	9,906	8,851	5,615	-36.6
Hazardous Waste Landfilled	603	709	697	839	20.4
Hazardous Waste	10,903	10,615	9,548	6,454	-32.4

### NORMALIZED BY SALES

TONS PER \$ MILLION SALES	2012	2013	2014	2015	% CHANGE FROM 2014 TO 2015
Normalized by sales	0.55	0.52	0.45	0.32	-30.5

## HAZARDOUS WASTE BY REGION

TONS	2012	2013	2014	2015
<b>NORTH AMERICA</b>				
Canada	140	200	151	141
USA	966	1,090	821	723
Region Total	1,106	1,290	972	863
<b>CARIBBEAN &amp; LATIN AMERICA</b>				
Argentina	615	679	615	661
Brazil	193	172	113	167
Chile	453	453	453	237
Colombia	198	198	198	219
Costa Rica	12	24	25	16
Mexico	75	65	67	66
Peru	79	79	79	150
Puerto Rico	2,316	1,564	1,435	99
Commercial Region Total <sup>(7)</sup>	56	56	56	216
Region Total	3,997	3,290	3,042	1,832

### HAZARDOUS WASTE BY REGION (CONTINUED)

#### EUROPE

Germany	267	340	491	517
Ireland	415	355	405	376
Netherlands	3,595	3,944	3,092	1,446
Russia	294	294	294	225
Spain	23	10	11	14
Sweden	271	333	316	348
Switzerland	3	3	3	0
United Kingdom	343	136	208	189
Commercial Region Total <sup>(7)</sup>	315	315	315	227
Region Total	5,526	5,729	5,135	3,341

#### ASIA PACIFIC

China	12	12	26	15
India	106	127	183	236
Indonesia	7	5	7	11
Japan	8	5	8	10
Malaysia	0	0	0	0
Pakistan	9	22	27	79
Singapore	33	33	47	51
Commercial Region Total <sup>(7)</sup>	101	101	101	16
Region Total	274	306	399	418
<b>Total</b>	<b>10,903</b>	<b>10,615</b>	<b>9,548</b>	<b>6,454</b>

## NON-HAZARDOUS WASTE

### TOTAL

TONS	2012	2013	2014	2015	% CHANGE FROM 2014 TO 2015
Non-Hazardous Waste Not Landfilled	31,431	31,467	35,347	39,237	11.0
Non-Hazardous Waste Landfilled	18,720	17,604	15,975	13,772	-13.8
Non-Hazardous Waste	50,151	49,072	51,322	53,009	3.3

### NORMALIZED BY SALES

TONS PER \$ MILLION SALES	2012	2013	2014	2015	% CHANGE FROM 2014 TO 2015
Non-Hazardous Waste	2.53	2.38	2.45	2.60	6.2

## NON-HAZARDOUS WASTE BY REGION

TONS	2012	2013	2014	2015
<b>NORTH AMERICA</b>				
Canada	1,067	840	560	562
USA	21,987	21,919	22,814	23,316
Region Total	23,054	22,758	23,374	23,878
<b>CARIBBEAN &amp; LATIN AMERICA</b>				
Argentina	718	723	615	597
Brazil	814	654	452	470
Chile	128	128	128	343
Colombia	302	302	302	688
Costa Rica	593	155	121	73
Mexico	298	472	365	296
Peru	234	234	234	279
Puerto Rico	2,572	1,920	2,040	1,737
Commercial Region Total <sup>(7)</sup>	383	383	383	732
Region Total	6,041	4,970	4,641	5,215

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

#### EUROPE

Germany	1,690	1,772	1,869	1,793
Ireland	4,350	4,324	4,124	3,596
Netherlands	4,328	4,692	4,642	3,551
Russia	912	899	685	676
Spain	915	999	880	1,515
Sweden	80	85	90	116
Switzerland	130	146	89	36
United Kingdom	861	997	842	855
Commercial Region Total <sup>(7)</sup>	844	844	844	1,334
Region Total	14,110	14,758	14,065	13,474

#### ASIA PACIFIC

China	407	368	2,120	2,130
India	1,247	1,308	2,962	3,911
Indonesia	54	14	21	13
Japan	445	423	375	476
Malaysia	0	0	0	0
Pakistan	1,180	1,192	815	579
Singapore	2,686	2,353	2,020	3,039
Commercial Region Total <sup>(7)</sup>	928	928	928	294
Region Total	6,947	6,586	9,242	10,442
<b>Total</b>	<b>50,151</b>	<b>49,072</b>	<b>51,322</b>	<b>53,009</b>



## ENERGY CONSUMPTION

1,000 GIGAJOULES	2012	2013	2014	2015	% CHANGE FROM 2014 TO 2015
Purchased Fuels (Scope 1) <sup>(1)</sup>	8,094	7,925	8,266	8,128	-1.7
Purchased Energy (Scope 2) <sup>(2)</sup>	4,443	4,183	4,196	4,079	-2.8
Total (Scope 1 and Scope 2) Energy Consumption	12,537	12,108	12,462	12,207	-2.0

### NORMALIZED BY SALES

GIGAJOULES PER \$ MILLION SALES	2012	2013	2014	2015	% CHANGE FROM 2014 TO 2015
Purchased Fuels (Scope 1)	409	385	394	398	1.2
Purchased Energy (Scope 2)	224	203	200	200	0.0
Total (Scope 1 and Scope 2) Energy Consumption	633	588	594	598	0.8

## ELECTRICITY GENERATED ON-SITE

MILLION KILOWATT HOURS	2012	2013	2014	2015	% CHANGE FROM 2014 TO 2015
From cogeneration	33.6	34.9	37.7	37.9	0.6
From renewables	0.11	0.12	0.33	0.32	-4.5

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

1,000 GIGAJOULES	2012	2013	2014	2015
<b>NORTH AMERICA</b>				
Canada	455	434	367	363
USA	5,795	5,865	5,940	5,704
Region Total	6,250	6,299	6,308	6,067
<b>CARIBBEAN &amp; LATIN AMERICA</b>				
Argentina	136	137	133	141
Brazil	92	70	64	70
Chile	39	42	41	48
Colombia	34	35	35	40
Costa Rica	57	52	49	41
Mexico	255	242	245	255
Peru	19	19	19	21
Puerto Rico	457	318	315	206
Commercial Region Total	221	209	219	208
Region Total	1,309	1,124	1,121	1,030

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

Germany	289	287	259	268
Ireland	677	620	677	703
Netherlands	821	843	851	871
Russia	251	224	226	280
Spain	197	185	161	159
Sweden	38	34	35	34
Switzerland	6	6	1	2
United Kingdom	166	168	165	153
Commercial Region Total	512	500	496	458
Region Total	2,956	2,867	2,871	2,928

**ASIA PACIFIC**

China	91	108	377	349
India	118	120	229	286
Indonesia	15	16	21	20
Japan	7	7	7	7
Malaysia	0	0	0	14
Pakistan	296	333	319	305
Singapore	582	512	511	470
Commercial Region Total	912	723	697	731
Region Total	2,022	1,818	2,162	2,182
<b>Total</b>	<b>12,537</b>	<b>12,108</b>	<b>12,462</b>	<b>12,207</b>

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

1,000 GIGAJOULES	2012	2013	2014	2015
<b>NORTH AMERICA</b>				
Canada	243	232	189	189
USA	3,992	4,137	4,217	4,045
Region Total	4,236	4,369	4,406	4,234
<b>CARIBBEAN &amp; LATIN AMERICA</b>				
Argentina	65	65	59	60
Brazil	23	19	17	17
Chile	13	14	13	15
Colombia	6	7	7	7
Costa Rica	0	1	1	1
Mexico	252	237	243	253
Peru	3	3	3	3
Puerto Rico	20	22	18	2
Commercial Region Total	180	172	186	178
Region Total	563	539	547	535

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

### EUROPE

Germany	149	159	141	146
Ireland	458	417	477	510
Netherlands	593	601	588	606
Russia	211	187	177	215
Spain	91	83	67	79
Sweden	0	0	0	0
Switzerland	0	0	0	0
United Kingdom	88	90	85	73
Commercial Region Total	385	373	360	346
Region Total	1,975	1,908	1,895	1,975

### ASIA PACIFIC

China	7	17	232	210
India	56	54	120	160
Indonesia	7	7	10	10
Japan	0	0	0	0
Malaysia	0	0	0	0
Pakistan	274	311	298	283
Singapore	386	320	326	294
Commercial Region Total	591	399	432	426
Region Total	1,320	1,108	1,418	1,384
<b>Total</b>	<b>8,094</b>	<b>7,925</b>	<b>8,266</b>	<b>8,128</b>

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

1,000 GIGAJOULES	2012	2013	2014	2015
<b>NORTH AMERICA</b>				
Canada	212	202	179	174
USA	1,803	1,728	1,723	1,659
Region Total	2,014	1,929	1,902	1,833
<b>CARIBBEAN &amp; LATIN AMERICA</b>				
Argentina	71	72	73	81
Brazil	68	50	47	53
Chile	26	28	29	33
Colombia	27	29	29	33
Costa Rica	56	51	48	40
Mexico	3	5	2	2
Peru	16	16	16	18
Puerto Rico	437	296	297	204
Commercial Region Total	42	38	33	31
Region Total	746	584	574	495

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

### EUROPE

Germany	140	128	119	122
Ireland	219	203	201	193
Netherlands	228	243	262	264
Russia	40	37	49	65
Spain	106	103	94	80
Sweden	38	34	35	34
Switzerland	6	6	1	2
United Kingdom	78	78	79	80
Commercial Region Total	127	127	136	113
Region Total	982	959	976	953

### ASIA PACIFIC

China	84	91	146	139
India	62	65	109	125
Indonesia	9	9	11	10
Japan	7	7	7	7
Malaysia	0	0	0	14
Pakistan	23	23	22	22
Singapore	196	192	185	176
Commercial Region Total	321	324	265	305
Region Total	702	710	744	799
<b>Total</b>	<b>4,443</b>	<b>4,183</b>	<b>4,196</b>	<b>4,079</b>

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

	ENERGY CONSUMED				UNITS
	(UNITS BELOW)				
	2012	2013	2014	2015	
<b>STATIONARY SOURCES</b>					
Electricity (Purchased)	959	918	931	928	million kwh
Natural Gas	5,711	5,824	6,480	6,422	million cubic feet
Fuel Oils	3	2	0	0	million gallons
Coal	1	5	2	0	thousand tons
Misc. Fuels (Propane, Kerosene, LPG, LNG, Pet Coke)	N/A	N/A	N/A	N/A	N/A
Purchased Steam, Hot Water, and Chilled Water	113	82	78	50	million kwh
Biofuels	N/A	N/A	N/A	N/A	N/A
Generated Electricity (Cogeneration & Renewables)	34	35	38	38	million kwh
Leased Building Electricity	107	107	104	102	million kwh
Leased Building Natural Gas	183	183	177	174	million cubic feet
<b>MOBILE SOURCES</b>					
Sales Fleet Gasoline	10.0	8.1	8.0	7.7	million gallons
Sales Fleet Diesel	1.9	1.9	1.8	1.8	million gallons
Aviation Fuel	0.7	0.5	0.6	0.8	million gallons
Plant/Shuttle Fleet (Diesel, Gasoline, E85, Propane)	0.2	0.2	0.2	0.2	million gallons
Mobile Total	12.9	10.8	10.6	10.4	million gallons



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

	ENERGY CONSUMED			
	(1,000 GIGAJOULES)			
	2012	2013	2014	2015
<b>STATIONARY SOURCES</b>				
Electricity (Purchased)	3,452	3,304	3,350	3,340
Natural Gas	5,850	5,965	6,618	6,547
Fuel Oils	403	245	45	33
Coal	30	152	50	0
Misc. Fuels (Propane, Kerosene, LPG, LNG, Pet Coke)	65	57	75	104
Purchased Steam, Hot Water, and Chilled Water	406	294	280	180
Biofuels	41	50	52	34
Generated Electricity (Cogeneration & Renewables)	0	0	1	1
Leased Building Electricity	386	386	373	368
Leased Building Natural Gas	199	199	192	190
Stationary Total	10,832	10,651	11,036	10,796
<b>MOBILE SOURCES</b>				
Sales Fleet Gasoline	1,322	1,074	1,053	1,011
Sales Fleet Diesel	282	283	267	263
Aviation Fuel	72	77	83	110
Plant/Shuttle Fleet (Diesel, Gasoline, E85, Propane)	29	24	22	26
Mobile Total	1,705	1,457	1,425	1,410

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

	GREENHOUSE GAS EMISSIONS (1,000 METRIC TON CO <sub>2</sub> -EQUIVALENT)			
	2012	2013	2014	2015
<b>STATIONARY SOURCES</b>				
Electricity (Purchased)	477	454	476	454
Natural Gas	309	315	350	347
Fuel Oils	30	18	3	2
Coal	3	14	4	0
Misc. Fuels (Propane, Kerosene, LPG, LNG, Pet Coke)	4	4	5	8
Purchased Steam, Hot Water, and Chilled Water	20	15	14	9
Biofuels	0.1	0.1	0.1	0.1
Generated Electricity (Cogeneration & Renewables)	0	0	0	0
Leased Building Electricity	55	56	54	52
Leased Building Natural Gas	10	10	9	9
Stationary Total	907	884	916	881
<b>MOBILE SOURCES</b>				
Sales Fleet Gasoline	88	72	71	68
Sales Fleet Diesel	20	20	19	18
Aviation Fuel	5	5	6	8
Plant/Shuttle Fleet (Diesel, Gasoline, E85, Propane)	2	2	2	2
Mobile Total	115	99	97	96

## ENVIRONMENTAL FINES

US DOLLARS	2012	2013	2014	2015	% CHANGE FROM 2014 TO 2015
Total	2,055	99,810	33,333	3,660	-89.0

## NOTICE OF VIOLATION (NOVS)

	2012	2013	2014	2015	% CHANGE FROM 2014 TO 2015
Total	5	3	3	3	0.0

## INSPECTIONS BY GOVERNMENT AGENCIES

	2012	2013	2014	2015	% CHANGE FROM 2014 TO 2015
Total	55	42	32	29	-9.4

## VOC EMISSIONS

### TOTAL

1,000 METRIC TONS	2012	2013	2014	2015	% CHANGE FROM 2014 TO 2015
Total	1.20	1.31	1.09	1.12	3.1

### NORMALIZED BY SALES

METRIC TONS PER \$ MILLION SALES	2012	2013	2014	2015	% CHANGE FROM 2014 TO 2015
Total	0.061	0.063	0.052	0.055	6.1

## SO<sub>x</sub> FROM COMBUSTION<sup>(9)</sup>

1,000 METRIC TONS	2012	2013	2014	2015	% CHANGE FROM 2014 TO 2015
Total	0.08	0.11	0.03	0.03	-14.3

### NORMALIZED BY SALES

METRIC TONS PER \$ MILLION SALES	2012	2013	2014	2015	% CHANGE FROM 2014 TO 2015
Total	0.004	0.005	0.002	0.001	-11.9

## NO<sub>x</sub> FROM COMBUSTION<sup>(9)</sup>

1,000 METRIC TONS	2012	2013	2014	2015	% CHANGE FROM 2014 TO 2015
Total	0.293	0.303	0.308	0.303	-1.7

### NORMALIZED BY SALES

METRIC TONS PER \$ MILLION SALES	2012	2013	2014	2015	% CHANGE FROM 2014 TO 2015
Total	0.015	0.015	0.015	0.015	1.1

All environmental data has been adjusted to account for acquisitions and divestitures, in accordance with the methodology prescribed in the WRI/WBCSD Greenhouse Gas Protocol. We report data from acquisitions as soon as practical, generally after collecting one full year's financial data; therefore, CFR and Veropharm acquisitions are included in our environmental datasets above.

- (1) Reported Purchased Fuel Scope 1 sources consist of fuel consumed by manufacturing facilities, sales fleet and Abbott-owned aviation
- (2) Reported Scope 2 sources consist of energy directly purchased by Abbott, such as electricity and steam, as well as emissions from leased locations. Unless specified otherwise, emissions are calculated according to the WRI/WBCSD Greenhouse Gas Protocol Scope 2 Location-Based Method.
- (3) Per WRI GHG protocol, Scope 1 refrigerant CO<sub>2</sub>e emissions include only those covered in the Kyoto Protocol.
- (4) Water stressed locations have been determined using World Resource Institute Aqueduct Global Water Risk Mapping Tool and World Business Council for Sustainable Development Global Water Tool.
- (5) Waste generation data does not include materials that are reused beneficially, which was roughly 52 thousand tons in 2015.
- (6) BOD data provided is a flow-weighted average of sampled concentrations for water directly discharged to the environment only. Water discharged to the environment represents about 12% of total water discharged.
- (7) Waste Commercial Region Total data collection and calculation methodology was improved in 2014. As it is the best available information, 2014 data is applied to the baseline.
- (8) Note: Abbott's non-energy-consumption greenhouse gas emissions, such as refrigerant releases and process air emissions, are omitted from the table above. The total CO<sub>2</sub>-equivalent from non-energy sources are 5, 7, 7, 5, 6 and 6 thousand metric tons in 2010-2015, respectively.
- (9) Reflects emissions from fuel combusted at manufacturing facilities only.

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