

Advancing Innovation
2008 Global Citizenship Report



About this Report

Welcome to Abbott's 2008 Global Citizenship Summary Report. This is an overview of Abbott's citizenship approach and performance in 2008. Our Web site, www.abbott.com/citizenship, is the primary means of communication for our citizenship initiatives and houses our complete report. Our reporting is intended for a range of audiences including employees, investors, customers, suppliers, governments and regulators, and key opinion formers. We have referred to the Global Reporting Initiative G3 Guidelines in compiling our report, and an index is available on our site.

About the Cover

Vietnamese children are afflicted with some of the most severe forms of malnutrition in the world. According to The United Nations Children's Fund (UNICEF), nearly 30 percent of the nation's children under age five are underweight. To address the problem, Abbott and the Abbott Fund partner with AmeriCares to support expansion of the Giao Diem Pediatric Nutritional Supplement Program. Here, children receive daily nutrition supplements, including multivitamins and locally produced soymilk.

Our Promise

We are here for the people we serve in their pursuit of healthy lives. This has been the way of Abbott for more than a century – passionately and thoughtfully translating science into lasting contributions to health.

Our products encircle life, from newborns to aging adults, from nutrition and diagnostics through medical care and pharmaceutical therapy.

Caring is central to the work we do and defines our responsibility to those we serve:

We advance leading-edge science and technologies that hold the potential for significant improvements to health and to the practice of health care.

We value our diversity – that of our products, technologies, markets and people – and believe that diverse perspectives combined with shared goals inspire new ideas and better ways of addressing changing health needs.

We focus on exceptional performance worldwide – demanding of ourselves and each other because our work impacts people's lives.

We strive to earn the trust of those we serve by committing to the highest standards of quality, excellence in personal relationships and behavior characterized by honesty, fairness and integrity.

We sustain success for our business and the people we serve by staying true to key tenets upon which our company was founded over a century ago: innovative care and a desire to make a meaningful difference in all that we do. The promise of our company is in the promise that our work holds for health and life.

Table of Contents

2	Message from the Chairman and CEO	10	Our Strategic Priorities	27	Performance & Operational Review
4	About Abbott – Our Business	12	Innovating for the Future	28	Responsible Research
6	Innovation to Impact	16	Enhancing Access	29	Public Policy Engagement
8	Citizenship at Abbott	20	Protecting Patients and Consumers	30	Governance & Ethics
		24	Safeguarding the Environment	31	Supply Chain Management
				32	Environment, Health & Safety
				34	Our Global Workforce
				37	Global Community
				38	Country Profile: China
				41	Data Summary Table

We believe that good citizenship is embodied in every aspect of our business, including the products we make and how we market them. It is reflected in how we advance patient access to health care, how we ensure a safe workplace, how we utilize natural resources, how we hire, develop and treat our employees and more. We view our commitment to global citizenship not only as a business responsibility, but also as an opportunity to improve lives around the world.



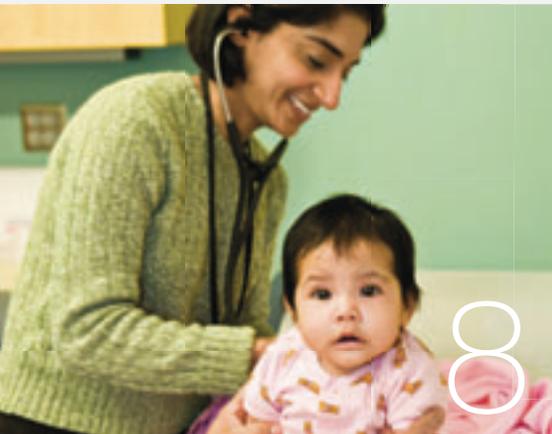
6



10



32



8



29



38

To Our Stakeholders



Miles D. White
Chairman and Chief Executive Officer

Welcome to Abbott's 2008 Global Citizenship Report.

We appreciate this opportunity to share news of our continued progress in addressing the most important impacts that our company makes in our world. These are the areas in which our business has the greatest effects on society and the environment, and which offer us the greatest opportunity to make a difference in the challenges facing our world today.

We believe that, for commercial success to be sustainable, we must

conduct ourselves and our business activities responsibly. Therefore, citizenship issues lie at the heart of our corporate strategy. As we move forward, we must continue to conduct ourselves and our business activities responsibly. We draw our inspiration and our guidance in this work from the Abbott Promise, which clearly defines our values and the constructive role we strive to play in the world.

Our primary responsibility is to develop innovative answers to health care needs. In 2008, we delivered on this promise by

continuing to bring forward new health care products that are transforming people's health around the world – which drove another year of strong growth across our businesses.

This strong performance comes against the backdrop of significant challenges in our operating environment. We are witnessing the worst global economic situation in many decades. This is coupled with increasing concern over global climate change. Concerns over product safety have arisen due to high-profile incidents resulting from complex and fragmented supply chains. Regulatory and competitive pressures continue to grow around the world, in particular, ongoing threats to incentive systems that ensure sustainable innovation.

In an operating environment of this complexity, with so many important considerations to balance, we have recognized the need to carefully determine our strategic priorities. We have identified four key areas in which to focus our citizenship efforts. These are the areas in which our business has the greatest impact on society and the environment, and also where we have the greatest ability to make a difference.

Innovating for the Future

We need to continue to use our skills and ingenuity to advance medical innovation to make a difference to the health and well-being of people everywhere. In 2008, we had nine major product launches across our range of businesses – pharmaceuticals, nutrition products, diagnostics and medical devices. With slightly more than half of our sales now coming from outside the United States, our innovation efforts need to meet

the specific needs of developed and emerging markets – such as pediatric and heat-stable pharmaceutical formulations.

.....

We draw our inspiration and our guidance from the Abbott Promise, which clearly defines the constructive role we strive to play in the world.

.....

Enhancing Access to Medicine and Health Care

At the same time, we recognize the significant barriers to access many people experience. We are committed to addressing these issues by developing innovative treatment options and enhancing access to our medicines and medical products through investment and wider engagement with governments and key stakeholders. In 2008, we contributed more than \$460 million in grants and products from Abbott and the Abbott Fund, the majority of which was directed toward providing patients with access to medicine and health care through capacity-building partnerships, product donations and patient assistance programs.

Protecting Patients and Consumers

People trust us to develop innovative products that are of high quality and safe to use. We are committed to promoting quality and safety in our operations and beyond. We consider our safety to be of paramount importance, and we are continuously strengthening our safety processes.

Safeguarding the Environment

With world population expansion, the global challenges of climate change and water scarcity continue to grow. We are committed to playing our part in tackling these issues, while minimizing the environmental impacts of our products. In 2008, we achieved significant reduction in our greenhouse gas emissions and water use in manufacturing. We plan to share our experience of responsible water stewardship with local communities. We also made good progress in assessing our packaging footprint and putting in place targets and systems to help us reduce our impact in this area.

Our successful efforts in these and other areas earned Abbott inclusion on the Dow Jones Sustainability Index for the fourth consecutive year. Looking forward to 2009, we will launch an internal program to further develop our approach to these priorities and bring them to life around the globe.

Our world today is a more uncertain place than it was when I wrote to you in this report one year ago. Yet, we remain guided by the values that have sustained us for more than 120 years, continuing to deliver on our commitments to our many stakeholders around the world.

We thank you for your shared commitment to this work and your interest in our efforts.



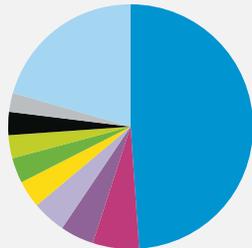
Miles D. White
Chairman and Chief Executive Officer
April, 2009

Our Business

2008 Net Sales by Country

Dollars in millions

Total: \$29,528

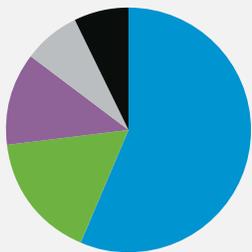


- United States \$14,495
- The Netherlands \$1,753
- Germany \$1,381
- Japan \$1,249
- Italy \$1,089
- France \$977
- Canada \$924
- Spain \$909
- United Kingdom \$725
- All Other Countries \$6,026

2008 Summary of Worldwide Sales

Dollars in millions

Total: \$29,528



- Pharmaceutical Sales \$16,708
- Nutritional Sales \$4,924
- Diagnostics Sales \$3,575
- Vascular Sales \$2,241
- Other Sales \$2,080

About Abbott

We are a diverse global health care company with scientific expertise and products that span the human life cycle and the range of health care needs from disease prevention and diagnosis to treatment and cure. Through our four core businesses, Abbott discovers, develops, manufactures and markets pharmaceuticals, medical devices, diagnostics and nutrition products that are leading and competing in rapidly growing markets.

In late 2008, Abbott announced its expanded position in molecular

diagnostics by acquiring Ibis Biosciences and, in early 2009, we entered the vision care industry through the acquisition of Advanced Medical Optics. As we begin a new era, we are eager to create new, breakthrough health care technologies and to serve patients today, as well as to meet the needs of the next generation of patients worldwide.

Global Growth

We deliver results for patients, health care professionals, employees and shareholders. In 2008, we achieved record revenues of \$29.5 billion. Our financial success allows us to continually

invest, innovate and introduce products that are changing the practice of medicine. More than half of our sales came from international markets, with strong performance in the emerging markets of Asia and Latin America.

Our success creates economic benefits for stakeholders around the world. We spent approximately \$13.5 billion with suppliers during the year; paid \$772 million in income taxes; paid our employees \$7.5 billion; reinvested \$2.7 billion in research and development; and returned \$2.2 billion in dividends to investors. We also contributed more than \$460 million in



Pharmaceuticals



Nutrition Products



Medical Devices and Diagnostics

Our work targets diseases that pose the greatest health care burdens on society.

philanthropic grants and product donations from Abbott and the Abbott Fund.

We have declared 341 consecutive quarterly dividends to shareholders since 1924. In 2008, our stock again outperformed the S&P 500 and the S&P Health Index. Complete financial information about Abbott and a list of our products is available at www.abbott.com.

Global Presence

Abbott is headquartered in north suburban Chicago, Illinois. We serve customers worldwide with a staff of more than 72,000 employees at more than 100 research and development, manufacturing and distribution locations.

Improving Global Health

Our work targets diseases that pose the greatest burdens on society, including cardiovascular disease, cancer, diabetes and immune system diseases. Our diversity enables us to make a unique and powerful contribution to global health by combating diseases on many fronts. For

example, scientists in our pharmaceutical, medical devices and nutrition businesses are developing multiple approaches to prevent, diagnose, treat and manage heart disease.

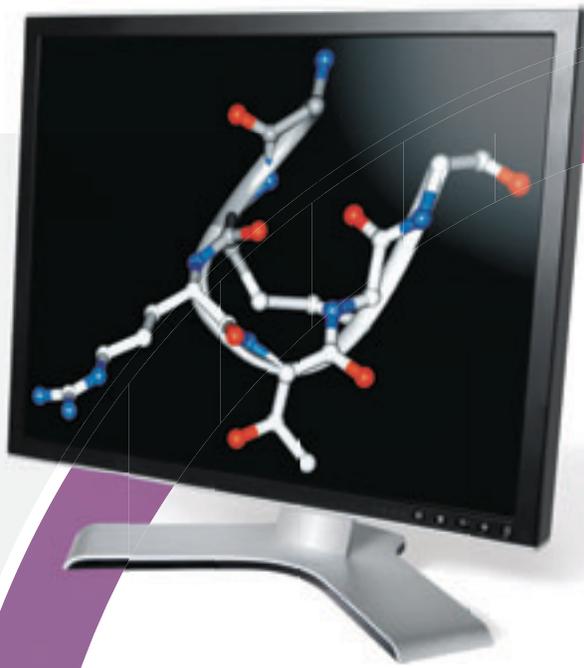
Our values inspire us to explore new ways of ensuring that patients have access to our products and benefit from our knowledge. By partnering with others who share our commitment, we are finding better ways to help people in need overcome barriers and get the health care they need.

1 Research and Development

\$2.7 billion invested
7,000 scientists

We seek to:

- Undertake research that addresses unmet medical needs
- Protect animal welfare in all phases of medical research
- Abide by international standards and Abbott policies when conducting clinical trials
- Enhance clinical trial transparency
- Advance science education



Innovation to Impact

2 Regulatory Approval

Approval time:

Pharmaceuticals, 10–24 months

Medical Devices, up to one year

Nutrition Products, up to 18 months

We seek to:

- Engage with and fulfill the requirements of regulatory bodies around the world
- Abide by our Code of Business Conduct in all dealings with regulatory bodies





5 Patient Health

Millions of patients worldwide

We seek to:

- Deliver products that improve the lives of people around the world
- Focus on patient needs and safety in every aspect of our work
- Improve access to health care in the United States and worldwide
- Engage in public policy to expand access

At Abbott, citizenship is a core part of how we develop, manufacture and market a product. Abbott's operations, along with those of our suppliers and customers, have a significant impact upon the world around us. Our approach is to maximize the positive impact of our work at every stage.

4 Sales, Marketing and Distribution

More than 20,000 salespeople
More than 130 countries

We seek to:

- Improve access to our products through broad registration and sustainable pricing
- Support physicians in improving patient understanding of disease prevention, management and treatment options
- Sell and market our products in a responsible way
- Reduce the environmental impact of our global sales fleet of vehicles



3 Manufacturing

More than 50 locations
More than 20,000 products

We seek to:

- Ensure the health, well-being and safety of our employees
- Respect employees' fundamental rights and empower them to succeed, lead and grow
- Minimize the environmental impact of our manufacturing and business operations
- Promote diversity and inclusiveness in the workplace
- Comply with all laws, regulations and good practice manufacturing guidelines
- Require suppliers to meet our high standards for quality and social, ethical and environmental practices



Citizenship at Abbott



Chicago's Infant Welfare Society Pediatric Clinic is one of many recipients of Abbott's product donation program. Our citizenship initiatives are aimed at improving the health and well-being of people and communities all around the world.



For a fourth consecutive year, Abbott was named to the Dow Jones Sustainability World Index and Sustainability North America Index. The DJSI World ranks Abbott among the top 10 percent of the world's leading 2,500 companies, based on an assessment of economic, social and environmental performance.

Good citizenship is integral to Abbott's business as a global health care company.

Abbott was founded 121 years ago to make medicines that were precise, dependable and targeted at society's most pressing health care needs. It is the same mission that we pursue to this day in our quest to discover, develop, manufacture and market new pharmaceuticals, medical and nutrition products that improve the health and well-being of people everywhere.

At the same time, we are deeply cognizant of our wider impact on the world – on the environment and on communities. Thus, we attempt to weave our core values and commitment to good citizenship into every facet of our business.

Strategic Priorities

Because the demands of good citizenship are always evolving, we constantly reassess our obligations and opportunities and continue to develop our strategies, processes and methodologies. In 2008, we continued to evolve our strategic framework for our citizenship activities, identifying four areas where we can have the greatest impact:

- Innovating for the future – Working to harness our core strengths as an innovator by developing products that meet the specific needs of developed, developing and emerging markets.
- Enhancing access – Making medicines and health care more accessible and affordable through our own policies and wider engagement and investment with health care partners around the world. In 2008, we assisted more than 155,000 patients with donated and discounted Abbott products valued at more than \$255 million through our patient assistance programs.

- Protecting patients and consumer safety – Putting patient safety and well-being at the heart of everything we do.
- Safeguarding the environment – Addressing the challenges of global climate change and water scarcity, while minimizing the environmental impact of our products and our daily business activities.

Our progress in each of these areas is supported by our long-standing efforts to maintain the highest standards in ethics and compliance, health and safety in our manufacturing operations, supply chain management and the philanthropic work of our company and the Abbott Fund.

Management and Governance

Board of Directors

Our commitment to good citizenship begins at the top. It is valued and championed by our Board of Directors and led by our company's senior management. The charter of the Board's Public Policy Committee includes the review and evaluation of Abbott policies and practices with respect to social responsibility.

Business Conduct Committee

Comprised of business heads, it oversees implementation of our ethics and compliance programs.

Pharmaceutical Policy Committee

Chaired by the Executive Vice President of our Pharmaceutical Products Group and composed of senior executives responsible for pharmaceutical research and businesses, regulatory, legal, public affairs, government affairs and global citizenship, it directs our actions on policy issues.



Nutritional Policy Steering Committee

Chaired by the Executive Vice President of our global nutrition business and composed of senior executives responsible for nutrition research and businesses, regulatory, legal, public, government affairs and global citizenship, it directs our actions on policy issues.

Executive Inclusion Council

Led by our Chairman and CEO, it oversees our diversity and inclusion initiatives.



Jose Reyes, Country Manager for Abbott International, Caribbean Region, met with colleagues in the Dominican Republic to celebrate the company's 60 years there, and to discuss plans for continued improvement in serving patients and health care providers.

Global Operations Council

Sets and oversees progress on operating priorities, including Environment, Health and Safety Performance goals for Abbott around the world. The Council includes senior level members from Purchasing and Engineering and is chaired by the Senior Vice President of Global Pharmaceutical Operations.

Global Citizenship Working Group

Improves transparency and reporting of our social, economic and environmental performance. Members include representatives from Corporate Strategy, Corporate Purchasing, Global Environment, Health and Safety, the Office of Ethics and Compliance, Quality and Regulatory Affairs, Human Resources, Investor Relations and Commercial Operations.

.....

We attempt to weave our core values and commitment to good citizenship into every facet of our business.

.....

In 2008, we reviewed and updated membership of this group to better represent our different divisions and the global scope of our business.

Global Citizenship and Policy Department

The primary catalyst in implementing our citizenship vision, it chairs the Global Citizenship Working Group and reports to a corporate officer who, in turn, reports to the Chairman and CEO.

Engaging Our Stakeholders

Our industry has unique and complex challenges that we can only solve in partnership with other stakeholders – from patients and health care providers to major customers, suppliers, policymakers, regulators, scientists, governments and non-governmental organizations (NGOs). Engagement with these and other stakeholders is vital to our success as a company and as a global citizen.

Citizenship Reporting

Our primary communications vehicle for citizenship initiatives is our Abbott.com Web site. Since 2007, we have published our complete Global Citizenship Report online. It is supplemented by this printed summary, which focuses on our new strategic priorities, but also includes an overview of other areas of citizenship. Our Web site report contains additional details on all of our citizenship topics.

External Recognition

Abbott is recognized by a variety of sustainability and responsible business indices and ratings.

- Abbott was included in the Dow Jones Sustainability World Index and Sustainability North America Index for the fourth consecutive year.
- Abbott Chairman and CEO, Miles White, received the Woodrow Wilson Award for Corporate Citizenship in 2008.
- Abbott ranked 8th in the 100 Best Corporate Citizens List 2008 compiled by Corporate Responsibility Officer.

Many of our international affiliates are also being recognized for their citizenship efforts. For example:

- Abbott's Korean business became the first health care company to win the country's coveted Best Foreign Corporation Award, based on criteria such as ethical business practices and social contribution.
- The inaugural Green Business Award was awarded to Abbott Ireland in 2008.

Read more online

- Our Approach to Citizenship
- Citizenship Management and Governance
- Engaging Our Stakeholders
- GRI Index

www.abbott.com/citizenship/citizenship





Our Strategic Priorities

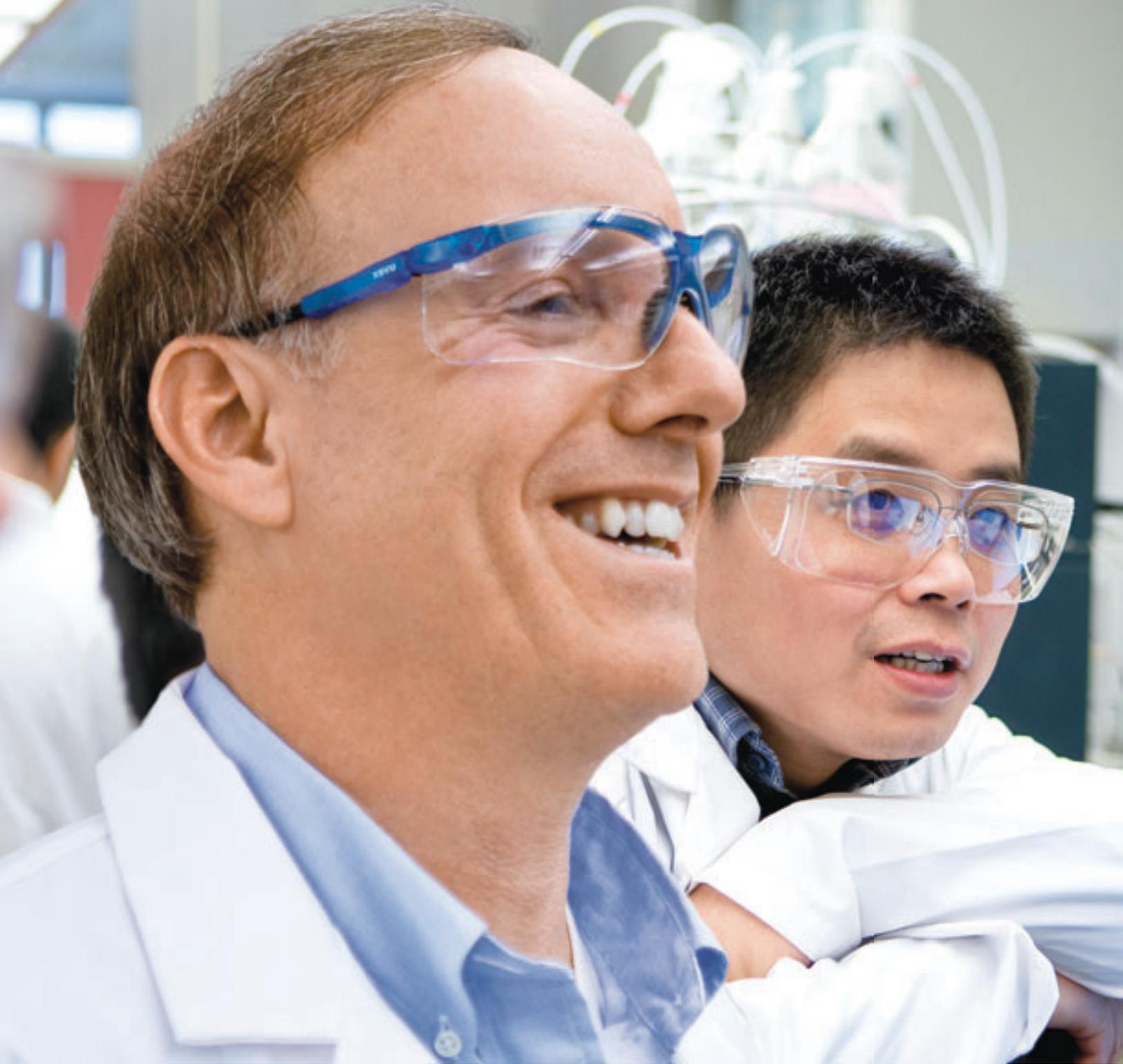
The year 2008 saw the worst global economic decline in many decades, coupled with rising concerns about the environment and global health care needs. Abbott recognizes the complexity of these concerns and the necessity of balancing our company's strategic priorities carefully. We, therefore, focus our global citizenship efforts in four key areas:

Innovating for the Future

Enhancing Access

Protecting Patients and Consumers

Safeguarding the Environment



7,000+

Scientists

at 10 research and development centers worldwide. Centers include two newly opened facilities in Abbott Park, Illinois, and Ludwigshafen, Germany, that focus on formulation technology related to cancer and drug absorption, respectively.

Innovating for the Future

Abbott invested \$2.7 billion in research and development in 2008. Abbott's effectiveness as a health care company depends upon how wisely we invest our time and capital.

Investing in Research and Development (R&D)

Researching, developing and testing new products is a costly and time-consuming process. Industry-wide, only about one in 1,000 pharmaceutical compounds makes it from the laboratory into clinical trials, and only one in 12 of those clinical trials will emerge as a fully approved new medicine.

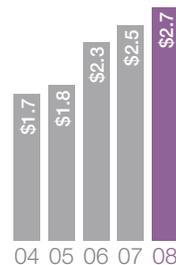
Our investment decisions are based on three principal factors:

- Unmet medical needs – where a disease is either untreated or where existing treatments are inadequate in terms of safety, efficacy or ease of use;
- Our areas of scientific expertise; and
- Commercial potential.

Abbott balances its investments between developing high-risk, breakthrough products and less-risky, yet still vitally important refinements and improvements to existing products. Achieving this balance is crucial to our continued economic sustainability and to our ongoing investment in research and development.

Abbott's week-long technical exchange seminars bring Chinese health care professionals up to speed on the latest in nutrient testing analysis and laboratory management. Abbott nutrition scientists like Dan Schmitz collaborate with counterparts from the Chinese government.

R&D Investment
2004 – 2008
in billions of dollars



R&D Productivity and Capacity

We made important progress during the year in monitoring the overall productivity of our R&D efforts and ensuring that our investments will pay strong returns for patients and shareholders alike. We are generating and analyzing data earlier in the R&D pipeline so that we can accelerate development of compounds whose potential is strong and stop work sooner on a compound with limited potential.

We also opened two major new research and development centers in 2008. Our new Formulation Development Center in Abbott Park, Illinois, supports

the formulation of new investigational medicines for cancer and other diseases. A second facility in Ludwigshafen, Germany, marks an important expansion of SOLIQS – our formulation technology that enhances drug absorption. Our company now has 10 dedicated R&D centers worldwide. Looking ahead, we're further expanding Abbott's global presence by opening new R&D centers in Singapore and China – Abbott's first R&D facilities in Asia.

Our Contribution to Addressing the Global Disease Burden

The global disease burden changes constantly – chronic diseases grow more prevalent, while infectious diseases and cancers remain major challenges. Stakeholders want to know how Abbott can address the global disease burden, while also tailoring our research efforts to the needs of developing countries and targeting what are known as neglected diseases.

Abbott's areas of expertise cover many of the world's most serious diseases, such as cardiovascular diseases, cancer, HIV/AIDS and diabetes. This work also includes specific programs to help

address the developing world's health care needs. For example:

- Heat-stable formulations of our lopinavir/ritonavir designated for pediatric HIV/AIDS patients, which is especially important in developing countries without a reliable cold chain. Almost 90 percent of children with HIV/AIDS live in sub-Saharan Africa according to the Global Fund.
- Diagnostic equipment and testing methods that are geared to developing country needs, such as rapid diagnosis and monitoring of infectious diseases.
- Hepatitis C: Abbott is working to develop treatments for hepatitis C, which is believed to affect approximately three percent of the world's population.
- Nutrition products that are more affordable and better suited to local preferences.

While Abbott does not have specific expertise in neglected diseases, we contribute our scientific expertise and donate compounds that can help in the development of treatments. For example, in 2006, we partnered with the Institute for OneWorld Health to advance its program aimed at developing a new malaria treatment. In addition, we've shared compounds with not-for-profit research organizations such as the TB Alliance. In 2009, we will begin systematically exploring ways to match our scientific knowledge to current treatment and development needs for neglected diseases.

(Top) Technicians Andrea Hartmann (rear) and Juliane Lang at Gemany's LabKrone, were the first in the nation to use Abbott's new automated molecular diagnostics system, the m2000. The m2000 is based on real-time PCR technology for detecting and monitoring infectious diseases.

(Bottom) Massimo Punzetti, a process coordinator in Abbott's Campoverde, Italy API CPD2 chemical production plant, carefully monitors the progress of chemicals being formulated for the manufacture of various pharmaceuticals.





2008 Product Highlights

Cancer

In oncology, Abbott scientists unveiled new clinical trial data pertaining to two potentially breakthrough molecules for the treatment of certain cancer types – ABT-263 (Bcl-2 inhibitor) and ABT-869 (multi-targeted kinase inhibitor). Our Bcl-2 family protein antagonist is the first in a new class of drugs that attack cancer cells by seeking to trigger a “switch” in cancer cells, causing them to die.

Immunology

Humira is the first fully human recombinant monoclonal antibody approved to treat rheumatoid arthritis, Crohn’s disease, psoriatic arthritis and ankylosing spondylitis, or arthritis of the spine. In 2008, we received U.S. approval for moderate-to-severe chronic plaque psoriasis and both U.S. and European Union (E.U.) approval for our latest indication, polyarticular juvenile idiopathic arthritis. In addition, *Humira*’s first approval in Japan was obtained for rheumatoid arthritis.

Neuroscience

Abbott is building a pipeline of innovative treatments for Alzheimer’s disease and schizophrenia, diseases that impact millions of patients worldwide. We’re also pursuing compounds that could provide relief across a broad spectrum of pain-states, such as osteoarthritis, post-operative pain and cancer pain.

SOLIQS-Meltrex Formulation Technology

Abbott’s Meltrex technology is helping us develop new formulations of our medicines to benefit patients around the world, including a heat-stable tablet version of our leading HIV medicine, *Kaletra* (lopinavir/ritonavir). This new formulation, called *Aluvia* eliminates the need for refrigeration and can be taken without food – important advances for patients in developing regions.

Vascular Care

In 2008, our *Xience V* drug eluting stent was approved for use in the U.S. *Xience V* is used to prop open a narrowed or blocked artery and release a drug to prevent the artery from becoming blocked again.

Monitoring Diabetes

In 2008, we introduced the *FreeStyle Freedom Lite* blood glucose monitoring system and the *FreeStyle Navigator* continuous glucose monitoring system in the United States. *FreeStyle Freedom Lite* is an easy-to-hold, easy-to-read blood glucose monitoring system that uses a small blood sample size and features a five-second-average test time. The *FreeStyle Navigator* continuous glucose monitoring system provides glucose readings and trend information to allow people with diabetes to more proactively manage their disease.

Molecular Diagnostics

Abbott’s molecular diagnostics provide physicians with critical information for the effective diagnosis, treatment and monitoring of diseases. In 2008, we introduced a new testing protocol for the m2000 system for use in remote areas of the world. The protocol is designed to use dried blood spots deposited on absorbent filter paper, which allows patient samples to be collected in remote areas and mailed to regional laboratories for sophisticated analysis.

Nutrition Products

Abbott develops a broad range of nutrition products. Our research and development focuses on innovative nutrition solutions – from ensuring babies have a strong start in life to addressing the nutritional and medical needs of adult patients. Abbott nutrition scientists have pioneered medical nutrition products for diabetic and cancer patients and are forerunners in critical care nutrition – including development of innovative infant formulas such as those specifically designed for pre-term infants.

Read more online

- Our Products
- Neglected Diseases
- Our Commitment to Nutrition
- Intellectual Property

www.abbott.com/citizenship/innovation





460+ Million Dollars
Invested

in programs to help millions of
disadvantaged patients through
grants and products from Abbott
and the Abbott Fund.

Enhancing Access

Needed treatments, cures and nutrition remain beyond the reach of many people, despite the efforts of health care companies, governments and non-governmental organizations. Whether these challenges persist because of poverty, lack of awareness, inadequate infrastructure or social stigmas, Abbott is committed to addressing them as part of our core business strategy and in partnership with others.

Our Approach

- Achieve broad registration of our products in countries where specific diseases are prevalent.
- Collaborate with key stakeholders to ensure that our medicines and medical products are fairly priced.
- Ensure sufficient global product supply.
- Work to reach patients and consumers in different economic strata.

Broad Registration

The first step in making medicines and products available is to register them with national regulatory agencies – driven by the needs of patient populations in each country.

Kaletra (lopinavir/ritonavir, marketed as *Aluvia* in developing countries), Abbott's leading HIV protease inhibitor, is the most widely registered HIV medicine in the world, according to the World Health Organization (WHO). By the end

This child in Vietnam's Linh Thuong District, Quang Tri, is among hundreds of those receiving healthy nutrition support from a partnership between the Abbott Fund, Giao Diem and AmeriCares to address the country's high prevalence of pediatric malnutrition.

of 2008, *Kaletra/Aluvia* tablets were available, filed or approved in 161 countries where 90 percent of the developing world's HIV population lives. By the end of 2008, our lower-strength tablet for pediatric use was approved, available or filed in 101 countries.

In 2008, Abbott also submitted applications seeking registration for a new heat-stable tablet formulation of our protease inhibitor, *Norvir*, with U.S. and E.U. regulatory authorities. Abbott intends to register the *Norvir* tablet as broadly worldwide as lopinavir/ritonavir.

Sustainable Pricing

We work to make our medicines available at fair and affordable prices by engaging with regulators, patient groups, public health departments and those organizations reimbursing patients for their medication costs. Our preferential pricing system for HIV/AIDS medicines, for example, is targeted at less-developed and middle-income countries. Since 2002, Abbott has made lopinavir/ritonavir available in the 69 least developed countries, including all of Africa, at a price of \$500 per adult patient per year, which

throughout 2008 was the lowest price for lopinavir/ritonavir tablets available in Africa and least developed countries.

The research and development of new, life-improving products could not be sustained without intellectual property protection and the patent system.

Because economic conditions and health care needs vary greatly in such countries, we take a case-by-case approach, engaging government health ministries directly to determine the right policies. In another 45 low- and low-middle-income countries, as defined by the World Bank, our HIV medicines are priced at \$1,000 per adult patient per year. For example, Brazil is an emerging economy with high rates of economic growth but also high levels of poverty. In 2007, following discussions with the Government of Brazil, Abbott began supplying *Kaletra* at a preferential rate of \$1,000 per patient per year.

There has been growing pressure for companies like ours to extend our preferential prices to higher middle-income countries. This poses a complex challenge. These countries, which have expanding populations, a growing middle class and higher levels of economic investment, are able to contribute a greater proportion of their economic growth to meet health care challenges.

Ensuring Capacity

Abbott is committed to delivering a reliable and adequate supply of our products and to meeting consistently high levels of quality. In early 2009, we opened a new plant in Singapore to supply nutrition products throughout Asia. We also invested more than \$100 million in new manufacturing facilities to supply HIV/AIDS medicine to the developing world. This helps ensure high standards of quality and consistency of supply. During 2008, we shipped 26.8 tons of *Aluvia*, enough to treat nearly 75,000 patients.

Abbott assumes responsibility for providing lopinavir/ritonavir globally, rather than granting voluntary licenses to generic manufacturers. This policy helps ensure high standards of quality and consistency of supply.

With the Abbott Fund's support, USAID-AMPATH rolled out a home-based counseling and testing (HCT) program for HIV/AIDS. Rural African health workers are given specially programmed PDAs that transmit data on reported cases to the AMPATH Medical Record System, enabling earlier diagnosis and more effective care.

Exploring New Product Innovations

Affordability can also prevent access to our nutrition products, particularly in developing and emerging countries. We are looking at new ways of doing business in these countries, to bring our products to the people who need them. This is a challenge as it involves selling products at lower prices while continuing to meet our quality standards and ensure adequate margins.

Potential solutions lie in different formulations and packaging formats and in developing a local manufacturing and supplier base. One example of this approach is our *Premilac* infant formula. It meets all international standards for quality and ingredient composition but is available at a more affordable price for consumers in China.

Intellectual Property and Compulsory Licenses

The research and development of new, life-improving products could not be sustained without intellectual property protection and the patent system, which provide incentives for new discoveries. In 2007, the Thai government announced its intention to impose compulsory licensing on a range of patent-protected medicines, including our *Kaletra* medication. We engaged the Thai government in dialogue and offered to supply *Kaletra* at the preferential mid-tier country price of

\$1,000 per patient per year – a 55 percent reduction from the original price. However, the Thai government rejected this offer. In 2008, the government effectively broke our patent by choosing to supply a generic version instead.

We will continue to engage with the local government, and, in the meantime, we have continued to supply *Kaletra* to vulnerable patients in Thailand with no interruption in delivery.

Breaking Down Barriers to Health Care Access

Wider barriers to access have complex and multiple causes, including poverty, lack of health care infrastructure, health education and clean water. The primary responsibility for addressing these challenges lies with national governments. However, Abbott makes important contributions by engaging in the public policy debate and investing in partnership initiatives.

We work with governments, non-profit groups and patient organizations to develop sound public policies and establish philanthropic programs that improve health systems and address patient needs. The majority of Abbott's philanthropic work focuses on our core product areas and areas of expertise.



Read more online

- Patient Assistance Programs
- Product Donations
- Abbott Global AIDS Care
- Commitment in HIV/AIDS
- Commitment in Nutrition



www.abbott.com/citizenship/access

Abbott's Access Programs

2008 Results

U.S. Programs

- More than 155,000 patients received free medicines, medical nutrition products and diabetes care products valued at over \$255 million.
- Enrolled more than 442,000 patients, who saved over \$17 million on medicines. More than 1.78 million patients have saved over \$77 million on medicines since the program began.

International

- Provided Abbott antiretrovirals to nearly 110,000 patients (as of December 2008).
- Shipped more than 21 million rapid HIV tests.
- Donated 3.1 million rapid HIV tests.
- Provided services to more than 255,000 children and families. More than 1 million have received services since the program began.
- Provided legal services to more than 12,000 women and children.
- Trained or retrained more than 13,000 health care professionals.
- Modernized four regional laboratories.
- Trained or retrained more than 2,000 health care professionals.
- Opened the new Abbott Fund office in Tanzania.
- Provided nutrition services to more than 150,000 children.
- Reached more than 80,000 women through women's health education programs.
- Trained more than 2,300 health care workers.
- Donated products valued at \$135 million in 105 countries.
- Supported 3,366 medical missions.

Program Overview

Patient Assistance Programs

Abbott donates medicines, medical nutrition products and diabetes care products at no cost to patients experiencing financial difficulties and who typically do not have insurance coverage. www.pparx.org

Together Rx Access™ Card

Through the Together Rx Access™ Card, multiple pharmaceutical companies offer uninsured patients savings on more than 300 brand-name prescription medicines and products. (800) 444-4106 or www.togetherrxaccess.com

Abbott Access

Abbott Access has been providing Abbott's HIV medicines to all African and least-developed countries – 69 in total – at a price of \$500 per adult patient per year since 2002. At this price, Abbott's leading HIV medicine, lopinavir/ritonavir, remains competitive with other generic copies in these markets. www.accesstohivcare.org

Preventing Mother-to-Child Transmission of HIV

Abbott is providing rapid tests free of charge to qualified programs aimed at preventing mother-to-child transmission of HIV in all African and least-developed countries – 69 in total.

Supporting Children Affected by HIV

The Abbott Fund is working to advance the treatment of children with HIV and improve the lives of orphans and vulnerable children affected by HIV/AIDS through model programs in Burkina Faso, India, Kenya, Malawi, Romania and Tanzania. www.abbottglobalcare.org

Strengthening Health Systems in Tanzania

The Abbott Fund and the Government of Tanzania are implementing a comprehensive initiative to strengthen the country's health care system to meet the needs of people living with HIV and other chronic diseases. www.abbottglobalcare.org

Enhancing Maternal and Child Health

Abbott is working with a range of government and non-government partners to improve the health and status of women and children. Programs in Afghanistan, Cambodia, China and Vietnam improve childhood nutrition and maternal health through training of health care professionals, strengthening health care capacity, community health education and product support.

Product Donations

Abbott provides product donations to support medical missions and other global humanitarian efforts. www.abbott.com/productdonations

* The Abbott Patient Assistance Program is designed to assist patients without any prescription drug coverage. However, if patients are unable to afford product through insurance, including a Medicare Prescription Drug Plan, they are still welcome to apply to our program. They should include information about their total prescription and medical expenses. We will assess the situation on a case-by-case basis. Abbott remains committed to ensuring patients do not experience an interruption of drug therapy. The following Medicare Assistance and Savings Programs were introduced as temporary programs to assist Medicare-eligible individuals, who did not have prescription drug coverage, to access their medicines until the Medicare Benefit took effect on January 1, 2006. All of these programs ended on December 31, 2005, as planned: *Humira* Medicare Assistance Program, Expanded Medicare Assistance Program and Together-Rx Program (The Yellow Card).



20+ Thousand Suppliers Worldwide

share our commitment to product safety and quality. When it comes to safety in sourcing, Abbott treats suppliers as an extension of our own company.

Protecting Patients and Consumers

Maintaining the integrity and trust of Abbott products is a central tenet of our business. Abbott regards product quality and safety as our highest obligation, an obligation shared by each of our more than 72,000 employees, as well as our suppliers and partners in creating, manufacturing and distributing health care products.

Protecting Abbott's patients and consumers requires that we identify, evaluate and, whenever possible, eliminate product safety concerns. We strive to do so:

- In our research and development;
- In our manufacturing operations and packaging;
- In our sourcing of raw materials and distribution of our products; and
- In identifying and helping to eliminate counterfeit products.

Safety in Research and Development

Abbott is committed to meeting the highest standards of clinical practice in our research. This includes safeguarding the volunteers and patients who participate in clinical trials, as well as ensuring the safety of all products that we bring to market through safety testing before and after launch.

The safety of our clinical trial subjects is of utmost importance, and we take numerous steps to assure that our high standards of quality, safety and

We hold our suppliers to rigorous safety and quality standards. Here, workers at Southern Packaging Co, in Guangzhou, China, make a pre-packing safety check of scoops for children's nutrition products that will be sold in China, Malaysia, Thailand and elsewhere.

transparency are upheld at all stages and in all countries where we conduct trials.

Clinical Trials Transparency

Abbott is committed to being transparent about the clinical trials we sponsor.

We recognize that there are important public health benefits to making clinical trial information available to health care providers, patients, and the public. We voluntarily abide by the PhRMA Principles on Conduct of Clinical Trials and Communication of Clinical Trial results.

Our registrations and results disclosure adhere to all relevant state and federal laws.

In addition, Abbott respects the influence of the following organizations regarding registrations and results disclosures. However, where policies of these organizations conflict with the above laws, Abbott will defer to the laws.

- WHO Technical Consultation on Clinical Trial Registration Standards (April 2005)
- Joint Position Statement on the Disclosure of Pharmaceutical Clinical Trial Information (November 26, 2008)
- International Council of Medical Journal Editors (ICMJE), *Uniform Requirements for Manuscripts*

Abbott applies the same exacting quality standards in manufacturing our products throughout the world.

Abbott registers all applicable clinical studies, regardless of outcome, in a publicly accessible clinical trials registry (www.ClinicalTrials.gov). For drugs, we register all phase 2–4 interventional trials. For medical devices, we register prospective interventional clinical studies of health outcomes, except feasibility studies, and FDA-designated pediatric post-marketing surveillance studies. Registration information is provided according to the laws and policies mentioned above.

Abbott discloses the results of all applicable clinical trials, regardless of outcome, in a publicly accessible clinical trials results database (www.ClinicalTrials.gov). For pharmaceuticals, we report results for all phase 2–4 interventional trials for our approved products. Consistent with the Joint Position Statement on the Disclosure of Pharmaceutical

Clinical Trial Information, we also report the results of any exploratory pharmaceutical clinical trials if we deem the findings to have significant medical importance (e.g., an important safety finding). For medical devices, we report results for prospective interventional clinical studies of health outcomes, except for feasibility studies. In addition, we post results for FDA-designated pediatric post-marketing surveillance studies of medical devices.

Serious Adverse Events Consortium

Abbott is a founding member of the International Serious Adverse Events Consortium, a non-profit multi-stakeholder research collaboration. It aims to discover genetic markers that may enable clinicians to predict the risk of serious adverse events, thus improving drug safety.

Safety in Manufacturing

Abbott applies the same superior quality standards in manufacturing our products throughout the world. Our product quality efforts are led by our Corporate Regulatory and Quality Science organization, which reports to our Chairman and CEO. This group is also accountable to our Board of Directors' Public Policy Committee.

We use a common quality management system throughout the company. This system is supported by policies, processes, procedures and resources to ensure that our products are designed and manufactured to be safe and effective.

All our processes are regularly monitored, and our products are assessed against approved specifications before distribution. We conduct a rolling, three-year program of audits covering all of our 55 manufacturing sites, assessing each site against our quality standards.



Labeling pharmaceuticals with high-tech, color-shifting ink is one of several advanced security features that Abbott uses to foil drug counterfeiting. Viewed from one angle, the ink appears as either brown or violet; from a different angle, it shifts to green.

The Abbott Quality system is itself routinely challenged and assessed through internal audits and regulatory inspections.

Addressing Concerns

Abbott responds proactively whenever there are safety concerns involving one of our products and a recall becomes necessary. Recalls typically result from non-compliance with packaging or labeling specifications; very rarely do they stem from product quality or safety concerns. Nevertheless, we view even one such incident as one too many.

We thoroughly investigate each instance and communicate findings and lessons learned to the appropriate regulators, to others in our industry, if appropriate, and across all our business divisions. Global product recalls declined from about 100 in 2007 to fewer than 60 in 2008.

Safety in Sourcing

In 2008, Abbott purchased an estimated \$13.5 billion in goods and services from more than 20,000 suppliers worldwide. When it comes to safety in sourcing, Abbott treats suppliers as an extension of our own company. We seek suppliers who share our commitment to product safety and quality.

Abbott's Supplier Guidelines help our suppliers understand Abbott's expectations with regard to quality and other issues. We have management systems in place to review and audit the quality and safety of incoming goods and services. We also conduct regular supplier-risk assessments and audits.

Abbott's quality management framework extends to third-party companies that manufacture products on Abbott's behalf. Where appropriate, we assist important suppliers in implementing quality initiatives.

Product Protection

Abbott's Global Product Protection Team works to protect patients and the public against the dangers of product counterfeiting, illegal diversion and product theft. We do so by constantly analyzing our global supply chain for weak points and reducing the possibility of product interference; by developing overt and covert security features on product packaging, such as special inks and foils; by working with local law enforcement to dismantle criminal enterprises involved in tampering and theft; and by advocating stricter laws and regulations to deter counterfeiting. In 2008, our work with local government agencies resulted in more than 300 raids on counterfeiting enterprises worldwide.

(Top) Protecting patients and consumers is our foremost concern. Here, solids packaging operator Silvia Picard carefully inspects finished goods at our manufacturing plant in Campoverde, Italy, near Rome. Abbott applies the same exacting safety and quality standards wherever we operate.

(Bottom) Here, Salome Williams (back to camera), a nursing lecturer at the University of the West Indies, addresses first-year students at Bustamante Hospital for Children in Kingston, Jamaica. Abbott's commitment to patients includes helping train health care providers to administer our products properly.



Responsible Advertising, Sales and Marketing Practices

Our responsibility to protect patients and other consumers also extends to communicating with them about health and diseases, as well as our products and treatment options. We subscribe to voluntary industry guidelines on sales and marketing practices, including direct-to-consumer (DTC) advertising. These include the recently updated PhRMA Code on Interactions with Health Care Professionals, which took effect in January 2009, and the new AdvaMed Code of Ethics on Interactions with Healthcare Professionals.

To address increased public concern about the interaction between sales and marketing personnel and members of the medical community, we continually work to ensure that our employees meet the highest ethical and professional standards through our Ethics and Compliance program.

As a leading manufacturer of infant formulas, we comply with all relevant laws, regulations and promotional standards around the world, including principles of the World Health Organization's (WHO) International Code of Marketing of Breast Milk Substitutes where they have been implemented by governments. These principles cover appropriate labeling and promotion of breast milk substitutes. We conduct audits of our marketing and sales practices in each market where our infant formula is sold, to ensure compliance with these provisions. Three countries have not implemented the WHO Code – the United States, Canada and Japan. Local standards in these countries are robust and broadly align with the WHO Code.

Read more online

- Clinical Trials
- Responsible Advertising to Consumers
- Sales and Marketing Practices
- Global Product Protection
- Protecting Patients



www.abbott.com/citizenship/patients



15%

Reduction in CO₂ Emission

from manufacturing in 2008, representing significant progress towards our 2011 goal. This 250-kilowatt installation helps us save 470,000 pounds in CO₂ emissions per year.

Safeguarding the Environment

Abbott has a long-standing commitment to minimize its impact on the global environment. We have identified climate change, water use and product stewardship as our most significant environmental impacts and we treat them as strategic priorities.

Addressing Global Climate Change

Climate change is one of the most pressing challenges of our time. It affects the patients and communities we serve, as well as our business, and we are committed to playing our part in addressing it. Our approach covers both our direct and indirect impacts. We continue to measure and monitor our progress and to report on it both internally and externally. We are:

- Setting aggressive reduction targets for energy use and greenhouse gas emissions in our manufacturing operations;
- Pursuing carbon neutrality for our sales vehicle fleet;
- Revising product features and designs to limit the environmental impacts; and
- Working with employees, suppliers and distributors to achieve further reductions.

Manufacturing Operations

The primary measure Abbott uses in tracking its progress is the quantity of

As part of our aggressive program to cut energy use and greenhouse gas emissions, Abbott is investing heavily in solar power. Here, utilities supervisor Giuseppe Stradella, inspects newly installed photovoltaic cells at our Campoverde, Italy, manufacturing center near Rome.

carbon dioxide (CO₂) emitted from our energy consumption in manufacturing, normalized by sales. In 2008, Abbott set a new target to reduce CO₂ from manufacturing operations by 30 percent in 2011, compared to 2006 levels. We made solid progress toward this goal last year by achieving a 15 percent reduction in CO₂ emissions from 2007.

We are achieving these reductions in a variety of ways, including cogeneration projects, alternative energy installations and system upgrades. In 2008, for example, we upgraded the cogeneration installation at our plant in Campoverde, Italy, enabling the production of chilled water in addition to steam and electricity generation, further enhancing energy efficiencies. Similar improvements are under way at our plant in Tlalpan, Mexico, to enable on-site power generation.

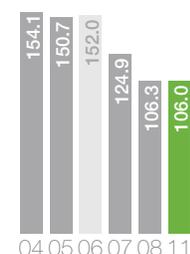
Going Carbon Neutral with Our Fleet

Abbott achieved carbon neutral status with our 6,500-vehicle U.S. vehicle fleet, representing about five percent of our total global greenhouse gas emissions.

In 2008, we provided employees a variety of fuel-efficient hybrid vehicles, offering them financial incentives to choose the more environmentally friendly options.

CO₂ Emissions from Manufacturing Operations

pounds per \$1,000 sales



- Goal Year
- Baseline Year

Data has been adjusted from last report based upon subsequent verification.

We have improved average vehicle fuel efficiency by nearly 20 percent since 2006 and reduced gasoline usage by more than 400,000 gallons per year, due in part to this approach. We are now assessing our international sales fleet to set a baseline against which similar improvements can be made globally.

Chicago Climate Exchange

Abbott is a member of the Chicago Climate Exchange (CCX), the world's second-largest carbon market. Abbott used the exchange to purchase the supplemental

credits necessary to fully offset our annual domestic fleet-vehicle emissions, achieving the “carbon neutral” status.

Other Initiatives

We respond annually to the Carbon Disclosure Project, publishing our GHG emissions data and information on the business risks and opportunities presented by climate change. We also participate in the U.S. EPA Climate Leaders Program and the Business Roundtable Climate Resolve Initiative.

Water

Abbott is committed to managing its water use in an efficient and sustainable manner and to improving access to clean water in communities where we play a part. We are now implementing a water policy that includes:

- Continuous improvement in water use efficiency in our operations – with the goal of reducing water use by 40 percent by 2011 (indexed to sales, on a 2004 baseline);
- Understanding and mitigating risks of water stress and scarcity for our businesses;
- Facilitating access to high-quality water in our communities; and
- Educating community members about water conservation.

In 2008, our manufacturing water intake decreased 15 percent from 2007 to 451 gallons per \$1,000 sales. We also achieved a three percent reduction in absolute terms, while increasing production at many of our plants. This was achieved through a range of site-level initiatives and engineering projects.

During 2008, we evaluated local water stress at all our manufacturing sites worldwide to help us prioritize our water-reduction efforts. Casa Grande (Arizona), Campoverde (Italy), Temecula (California) and Singapore were identified as high priorities. Our Casa Grande plant reduced



In 2008, Abbott Nutrition reduced the amount of plastic in its 8-oz. reclosable bottles by 8.3 percent. Through better design, we cut plastic usage by 2.7 million pounds. The reduced-weight bottles help save 436,000 gallons of gasoline used for transportation per year.

total water intake by 11 percent during 2008. At our Campoverde plant in Italy, we have reduced water consumption by more than 20 percent in the last two years, while increasing overall production.

At our new Abbott Nutrition manufacturing facility in Singapore, which opened in early 2009, Abbott is implementing several initiatives to reduce the environmental impact of its operations, including programs to conserve water and to use environmentally responsible building practices. Based on these efforts, Abbott received the Green Mark “Gold” certification from the Singapore Building and Construction Authority.

Product Stewardship

We are revising product features and designs to limit the adverse environmental effects throughout the product life cycle of manufacturing, storage, distribution and disposal.

Sustainable Packaging

In 2008, we developed new packaging guidelines to help packaging and purchasing professionals make more sustainable choices. A sustainable packaging team, representing all areas

of our company, drives our efforts. Our initial goal is to reduce by five percent the amount of packaging used in key products by 2013.

Our approach begins with designing packaging that uses less material. We also look for opportunities to purchase corrugated packing materials from certified sustainable sources. Our guidelines call for careful management in the use of such materials as PVC, which has become a matter of concern in recent years. We are committed to reducing its use, where possible, in our packaging.

Abbott works with a number of industry and independent groups in the area of sustainable packaging, including the Sustainable Packaging Coalition and the European Organization for Packaging and the Environment (EUROPEN). We also engage with major retail customers like Wal-Mart, sharing information on the packaging reductions we have achieved in our consumer products.

Pharmaceuticals in the Environment

The impact of pharmaceutical residuals in the environment is a growing concern. We continue to investigate the potential impact of key compounds and support improved product labeling to ensure that distributors and consumers of our pharmaceuticals dispose of all unused product properly and safely. In 2008, we partnered with Teliosis Institute to pilot innovative solutions at the community level that will foster responsible disposal of unused pharmaceuticals.

Read more online

- Management, Policies and Standards
- Climate and Energy
- Green Fleet Program
- Water
- Green Chemistry

www.abbott.com/citizenship/environment



Performance and Operational Review

Responsible Research

Public Policy Engagement

Governance and Ethics

Supply Chain Management

Environment, Health & Safety

Our Global Workforce

Global Community

Responsible Research

Biomedical research often raises ethical questions about the conduct of clinical trials, the use of new technologies, animal welfare practices and other matters. We abide by national and international regulations and standards, and enforce our own high standards in all research endeavors.

Clinical Trials

The safety of our clinical trial study subjects is one of our highest priorities. We have rigorous operating procedures and training for all employees involved in conducting trials, and we take numerous steps to ensure that high standards of quality, safety and transparency are upheld.

In addition to rigorous internal review, Abbott studies are reviewed by independent external review boards to ensure our studies meet local, national or international guidelines. These independent review boards also check the informed consent document. Additionally, studies may be reviewed by an Independent Data Monitoring Committee to assess safety data and to recommend whether to continue, modify or stop a trial.

Animal Welfare

Before human testing begins, U.S. and international law requires the testing of all drug candidates in biological systems, including animals. It would be impossible to determine the ultimate safety of many pharmaceutical products without the use of tests involving laboratory animals.

Abbott is committed to the highest standards of humane care and treatment of our laboratory animals. Our laboratory animal research programs and facilities

meet or exceed U.S. and European Union regulations, as well as those of other countries. Our animal research efforts are guided by our Global Animal Welfare Policy, which ensures that



Abbott's *Xience V* sets a new standard for drug eluting stent systems used in treating coronary artery disease. *Xience V* combines market-leading stent design with a coating of the effective drug, everolimus, being applied here, to open narrowed arteries and improve blood flow.

Abbott is committed to the highest standards of humane care and treatment of our laboratory animals.

our animal programs, as well as our animal-related suppliers and contract laboratories, meet our standards.

We maintain voluntary accreditation for all our animal programs from the Association for Assessment and Accreditation of Laboratory Animal Care, International (AAALAC). In 2008, Abbott's Lake County animal research program was validated by AAALAC, which pronounced our animal care program "exemplary," a designation awarded only to those programs considered best-in-class.

Bioethics

Bioethics deals with the complex interaction of human life, science and technology. Abbott conducts business in accordance with the highest

standards of bioethics and promotes these standards in all our activities.

Our bioethical principles are embodied in our corporate policies related to the welfare of our patients, the conduct of clinical trials, treatment of animals, confidentiality of personal information, and ethical use of new biological and medical knowledge.

To assure that high standards of bioethics will remain at the core of Abbott's activities, we have established policies that both define our practices and enforce their implementation.

Read more online

- Clinical Trials
- Animal Welfare
- Bioethics

www.abbott.com/citizenship/research



Public Policy Engagement

As a company committed to improving global health care, we seek to express our views on public policy issues that matter to our patients, shareholders, employees and communities – and we want to understand the concerns of those affected by our business and engage with our stakeholders to solve problems.

Abbott's public policy role includes contributing information and expertise, convening forums and discussions, briefing policymakers and advancing new solutions to serious challenges in health care. Our participation in public policy dialogue is especially important when it comes to improving patient access to innovative medicines and affordable health care.

Engaging with Governments

Abbott is committed to transparency and is guided by our Code of Business Conduct in all public policy engagement. We approach governments as partners in improving global health care and seek to learn from them about the needs of their communities. For example, in 2008, Abbott worked with industry trade organizations and the U.S. Congress to support the reauthorization and expansion of the State Children's Health Insurance Program (SCHIP). The legislation provided an additional four million children from lower-income families with access to health care coverage. There are also times when we do not agree with governments. We continue to object to the imposition of compulsory licenses on a range of patent-protected medicines. (For further details, please see page 18.) We believe compulsory licenses undermine the patent system. The way to sustain patient access is to ensure affordability, while preserving the system that enables the discovery of new medicines.

Activity in 2008

In 2008, Abbott was pleased to work with the U.S. Chamber of Commerce as it launched its new Global Intellectual Property Center recognizing the importance of intellectual property rights.

We are also collaborating with two international bodies – the International Conference on Harmonization and the World Health Organization – to develop a uniform set of international manufacturing quality standards and help move our industry toward it.

Our participation in public policy dialogue is especially important when it comes to improving patient access to innovative medicines and affordable health care.

Trade Group Engagement

Abbott participates in numerous U.S. and international bodies representing the business community and the pharmaceutical, medical devices and nutrition industries, including:

- Advanced Medical Technology Association (AdvaMed);
- Biotechnology Industry Organization (BIO);
- European Federation of Pharmaceutical Industries (EFPIA) ;
- International Association of Infant Food Manufacturers (IFM);
- International Federation of Pharmaceutical Manufacturers and Associations (IFPMA);
- International Formula Council (IFC);
- Partnership for Quality for Medical Donations (PQMD);



Ophelia Orum, a Zambian infected with HIV, produced a moving book and documentary film about her experience with the disease, illuminating Africa's need for better treatment. Abbott helped launch Ms. Orum's film at a major 2008 AIDS conference in Washington, D.C., and introduced her to numerous policymakers.

- Pharmaceutical Research and Manufacturers of America (PhRMA); and
- U.S. Chamber of Commerce

These groups play a vital role in articulating and advocating industry viewpoints. Abbott engages with these groups and helps to develop policy solutions to better the lives of patients, as well as define their policy positions.

Please see www.abbott.com for a full list of organizations supported by Abbott during 2008.

Political Donations

Abbott participates in the political process by contributing to state and local candidates and political organizations.

Abbott's 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. See www.abbott.com for details on Abbott's 2008 corporate contributions.

Read more online

- Public Policy Engagement
- Engaging Our Stakeholders
- Business and Industry Organizations

www.abbott.com/citizenship/publicpolicy



Governance and Ethics

To fulfill our mission, Abbott must inspire the trust of investors, patients and society. Therefore, we practice strong and independent corporate governance and insist that all employees and suppliers abide by the highest standards of ethics and compliance.

Corporate Governance

Our Board of Directors has long had a majority of independent directors; 13 of the current 14 directors are independent. Directors are elected annually through majority voting, which means our shareholders exercise considerable influence over board composition. In 2008, two new directors joined the board.

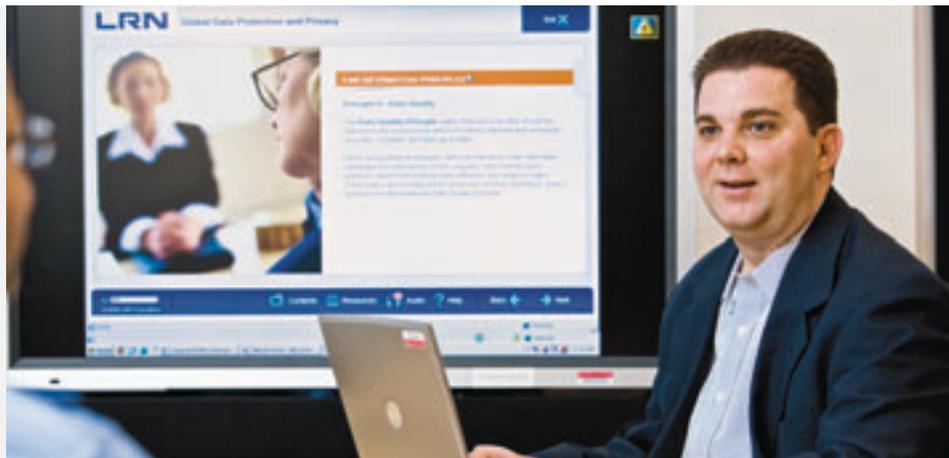
Ethics and Compliance

The integrity of our company depends upon the actions, decisions and behavior of every Abbott employee in matters large and small. Our actions must be guided by a clear understanding of legal and regulatory requirements, company policies and procedures, and shared ethical principles and values. To support this commitment, we have a long-standing Ethics and Compliance program, supported by a global staff of 60 professionals.

Code of Business Conduct

The basic guidelines of our program are set forth in the Abbott Code of Business Conduct. All employees are required to read, understand and certify their adherence to this Code annually.

The Code makes it clear that we do not tolerate illegal or unethical behavior in any of our business dealings. It stresses the importance of ethical and honest conduct, appropriate treatment of confidential information, avoiding conflicts of interest,



The Abbott Code of Conduct, available in 35 languages, sets forth the principles and behaviors to which all Abbott employees must commit themselves. Here, compliance manager Chris Bolyard, conducts a Code of Conduct training class for employees in the Office of Ethics and Compliance.

Our Code of Business Conduct makes it clear we do not tolerate illegal or unethical behavior in any of our business dealings.

and the accuracy and integrity of Abbott's books and records. In addition, the Code requires timely and accurate public disclosure and compliance with relevant laws, including food and drug laws, laws relating to government health care programs and antitrust laws.

The policies and procedures supporting the principles outlined in the Code are updated to reflect changes in our industry's codes, including rules regarding gifts, meals and education.

Employee training and education programs increase awareness of the legal and ethical implications of business decisions. In 2008, all Abbott employees received ethics and compliance training.

In 2008, we piloted a new e-learning training module on Code-related issues in Spanish and Portuguese. We will extend this program to 30 countries outside the United States in 2009.

A Global Approach

Our Affiliate Compliance Program was designed to formalize our international compliance programs, and incorporated distinct policies and procedures pertaining to every country where we operate.

Monitoring Performance

A successful ethics and compliance program depends upon two-way communication. In 2008, we received approximately 1,000 inquiries and allegations. We analyze each allegation, take corrective actions where warranted, and generate metrics that allow us to spot and respond to trends as needed.

We collect information on breaches of the Code and report as appropriate to senior management. We take each incident seriously and engage in appropriate legal or disciplinary action – if necessary, terminating employees or supplier relationships as a result.

Read more online

- Corporate Governance
- Ethics and Compliance
- Affiliate Compliance Program
- Training and Performance

www.abbott.com/citizenship/ethics



Supply Chain Management

We hold suppliers to high standards of ethics and performance and have management systems in place to ensure the integrity of our global supply chain.

Our Suppliers

Abbott's suppliers are integral to our success and to everything we do. In 2008, Abbott purchased an estimated \$13.5 billion in goods and services from more than 20,000 suppliers worldwide, with more than \$10.5 billion of these purchases supporting our work in the United States.

Supplier Management

We hold suppliers to high ethical and performance standards and have management systems to review and audit them. Abbott's Supplier Guidelines



19+ thousand

of our employees have been trained in various aspects of supply chain management, including in the use of diverse suppliers.

In 2008, Abbott received the Supplier Diversity of the Year Award from Premier Inc., a group purchasing organization. We also collaborate with our employee networks on raising awareness about supplier diversity.

address our expectations for ethical behavior, business integrity and fair competition, human rights, privacy, labor rights, worker protection, animal welfare, environmental stewardship, and health and safety practices. We communicate these guidelines to all our suppliers and translate them into multiple languages.

Engaging with Suppliers

We have robust processes with respect to quality standards for engaging with suppliers. For further details, see Protecting Patients on page 21. In 2008, Abbott further strengthened supplier engagement on social responsibility issues by asking 205 of our most important suppliers to review their policies and procedures for compliance with the social responsibility expectations set forth in Abbott's Supplier Guidelines. This was followed up by a self-evaluation form.

This new initiative supports a broader program of audits for a number of our suppliers' social responsibility practices – from environment, health and safety to child-labor practices.

Selecting New Suppliers

We have established an even more intensive screening process for suppliers in emerging markets, where risk levels may be higher. It includes site visits,

questionnaires and audits. We also conducted 23 social responsibility audits with potential new suppliers throughout the world in 2008.

Green Purchasing

During 2008, we began using only paper certified by the Forest Stewardship Council (FSC) in our U.S. office copiers and worked to eliminate paper catalogs for office supplies. We also offer green products as alternatives within the office supply category. We estimate that these initiatives have helped us to avoid 100,000 pounds of CO₂ emissions.

During the year, our pharmaceutical division converted more than 1,000 tons of promotional paper supply to FSC or Sustainable Forestry Initiative-certified sources. In addition, the division is working with its printing suppliers to reduce paper use by 30 percent, saving nearly 30,000 trees and reducing seven million pounds of CO₂ emissions over five years.

We are now developing a green procurement policy to formalize our approach. This policy will provide guidance on incorporating sustainable sourcing principles into the purchasing process.

Training

In 2008, Abbott Corporate Purchasing trained more than 19,000 employees in various aspects of supply chain management, including the use of diverse suppliers, the Abbott Code of Conduct and Abbott Supplier Guidelines.

Read more online

- Supplier Diversity
- Supplier Guidelines

www.abbott.com/citizenship/supplychain



Environment, Health & Safety



Water is essential to our manufacturing, but the quality of the water we return to the environment is equally important. Here, at Abbott's Environmental and Industrial Hygiene Laboratory in Campoverde, Italy, Marco Marchioni (foreground) and Mauro D'Amario prepare to analyze samples from our wastewater treatment plant.

Abbott's approach to protecting human health, safety and the environment is underpinned by rigorous standards, based on ISO 14001 environmental management standards. We also set regular performance improvement goals for ourselves. Abbott's Global Environment, Health and Safety (EHS) Policy sets forth our key objectives.

Management and Governance

Improving our performance requires clear lines of accountability, senior-level leadership and support. Our Vice President for Global Engineering Services, a corporate officer, reviews performance with our Chairman and CEO on a regular basis.

Regular Assessments

Our global standards include technical program requirements, metrics and audit and reporting mechanisms that serve as baseline expectations for EHS performance worldwide. Every Abbott plant implements a plan based on these standards and is evaluated regularly. During 2008, Abbott conducted 28 environmental site audits, compared with 24 in 2007, placing greater emphasis on our manufacturing facilities outside the United States.

Targets for 2010 and 2011

We have 2010 targets for our key performance measures. We set more aggressive 2011 targets for water usage and CO₂ emissions in manufacturing, as we achieved them early. We use an annual review process and routine performance reporting to help us set appropriate targets.

We aim to reduce:

- Water intake by 40 percent by 2011;
- CO₂ by 30 percent by 2011;
- Hazardous waste by 20 percent by 2010;
- Employee injuries by 33 percent by 2010; and
- Commercial fleet-vehicle accidents by 30 percent by 2010.

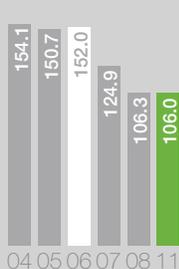
(Targets are for normalized performance on a 2004 baseline, except for CO₂, which has a 2006 baseline.)

Performance and Goals

Total Water Intake
gallons per \$1,000 sales



Total CO₂ Emissions from Manufacturing Operations
pounds per \$1,000 sales



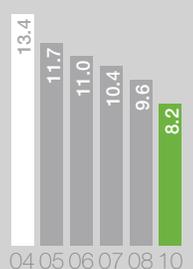
Hazardous Waste
pounds per \$1,000 sales



Lost Workday Case Rate
cases per 100 employees



Global Fleet Accident Rate
accidents per million miles driven



Key
■ Goal Year
■ Baseline Year

Data has been adjusted from last report based upon subsequent verification.



155

million gallons

of water saved in manufacturing in 2008 through water-reduction projects.

Our Performance

Eco-efficiency in Manufacturing

During 2008, we achieved reductions in each of our key performance measures except hazardous waste, which increased (see bar charts).

- CO₂ from energy: We achieved a 15 percent reduction (normalized to sales) bringing us very close to our 2011 target.
- Water use: We achieved 15 percent reduction in water intake (normalized to sales) through aggressive conservation and recycling projects at key sites.
- Hazardous waste: Our disposal of hazardous waste increased slightly during 2008. This was largely due to extraordinary production growth at our chemical plant in Campoverde, Italy, paired with final disposal of residual materials from other sites that were closed during the year. We will continue to work towards our 2010 target.

Employee Health and Safety

In 2008, we improved two key performance measures (see bar charts):

- Our Lost Workday Case Rate measure reflects the number of incidents resulting in time off-work. In 2008, we met and exceeded our 10 percent reduction target, achieving 0.28 cases per 100 employees. We are now setting a new 2011 target.
- Our Global Vehicle Accident Rate decreased by eight percent from the 2007 rate to 9.6 accidents per million miles driven, representing good progress toward our 2010 goal, which now includes our international fleet.

We achieved these improvements through a range of initiatives.

Health and Safety Initiatives

Moving to Zero

We expanded our Moving to Zero Incidents program to many international sites. This behavior-based initiative encourages employees to adopt good safety habits in the workplace and at home.

Safe Driving

To promote safe and responsible driving, Abbott established a requirement for hands-on, behind-the-wheel training for all new hires, managers and high-risk drivers throughout the company. The year 2008 was a record year for training, with a total of 5,210 training sessions conducted worldwide, a 63 percent increase from 2007. In addition, capture of international fleet data from all affiliates and on-site program reviews at commercial offices worldwide has increased the focus on vehicle safety.

Improving Occupational Health

We added preventive screenings to our occupational health monitoring

programs at key sites. On average, 42 percent of employees who were offered voluntary screenings participated, with some international sites reaching more than 90 percent participation. Based on the success of this offering, the number of sites now participating in the program was expanded early in 2009.

In addition, we developed and piloted a series of occupational health performance measures at manufacturing sites around the world, with 94 percent of manufacturing sites participating. During the six-month pilot, more than 20,000 medical surveillance screenings were conducted by Abbott Occupational Health professionals.

Commercial OHS

In 2008, we carried out a survey of field employees who commute between a variety of clinical facilities such as doctors' offices, operating rooms and medical laboratories. The survey was carried out to identify occupational health needs in 60 countries. The top issues raised were work-life balance, ergonomics and health promotion. To address these, we will develop new programs and policies in 2009.

Data Assurance

The Chicago Climate Exchange (CCX) provided independent assurance of our U.S. greenhouse gas emissions inventories for 2006 and 2007 and will do so again for the 2008 reporting year.

Read more online

- Management, Policies and Standards
- 2010/2011 Goals
- Our Performance
- Awards and Recognition

www.abbott.com/citizenship/environment



Our Global Workforce

We are committed to helping Abbott employees fulfill their potential and build rewarding careers. We choose our people carefully and guide them toward meaningful career paths, focusing on four key objectives:

- Finding a diverse mix of people for the right roles across global cultures and areas of expertise in which we operate;
- Aligning the growth of our workforce with our global strategies;
- Supporting our people with strong organizational values and ongoing career development opportunities; and
- Retaining them with proper rewards and opportunities for personal growth.

Abbott's Value-Based Culture

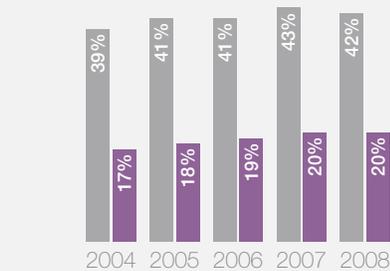
Abbott's four core values – pioneering, achieving, caring and enduring – guide and support our employees in every aspect of their work. We engage employees globally with values workshops and our statement of purpose, the *Abbott Promise for Life*, published in six languages.

5,600+

U.S. managers attended Abbott-sponsored leadership development programs.

Minorities and Women in Management

Percentage of U.S. Workforce



- Women in management
- Minorities in management

Employee Learning and Development

Ongoing learning and training programs for employees at all levels help them realize their potential. In 2008, more than 5,600 U.S. managers attended Abbott-sponsored leadership development programs. In addition, we launched an 18-month management program for frontline leaders in the pharmaceutical products division. The program was attended by 2,764 U.S. managers and 400 in Latin America.

In 2008, we also continued to enhance our online mentoring program, the use of which has increased by 25 percent over the past two years. The number of mentoring partnerships since the program's inception in 2005 now exceeds 1,900.

A Diverse, Inclusive Workplace

Abbott's long-standing commitment to employee diversity and inclusion is reflected in the work of our Executive Inclusion Council. Its focus is on the

hiring and advancement of women and minorities and building an inclusive work environment.

Our employee networks' concentration on career development and networking, our robust mentoring program, work-life support and myriad of other offerings further attest to this commitment.

Diversity Management

Abbott's Executive Inclusion Council, led by our Chairman and CEO, monitors the hiring and advancement of women and minorities in management and supports programs that promote an inclusive work environment. In both 2007 and 2008, Abbott met or exceeded 100 percent of the U.S. gender-minority-placement goals established by the Council in 2000. Representation of women and minorities in management has increased 70 percent and 82 percent, respectively, over the past 10 years. Women now make up nearly half of the U.S. workforce (49 percent), and 32.5 percent of our workforce are members of minority groups.

Recruitment and Hiring

A number of hiring and development programs are available to help employees begin or enhance their careers, starting with the Abbott internship program. In 2008, we increased our hiring of interns by 16 percent, 57 percent of whom were women and 41 percent minorities. In 2008, 48 percent of our interns became Abbott employees, an increase over the 39 percent intake of 2007.

Inclusion and Culture

Employee Networks

Employee networks play a vital role in building an inclusive culture at Abbott.



Our new flex-time program, Freedom to Work, is important to senior chemist Pramilia Bhatia, who travels to her native India regularly. A 22-year Abbott veteran, she says the program gives her the freedom to enjoy both her work and her family.

By focusing on career development, mentoring, informal networking and developing leadership skills, our networks continue to expand opportunities for women and minorities. More than 8,000 U.S. employees now participate in employee networks.

.....

86%

of our workers have access to flexible time schedules, and 87% have the tools to telecommute.

.....



Leadership Development

Our Professional Development Programs allow employees to gain diverse experiences by rotating through three or four assignments within the company, including in international affiliates. These programs are an effective leadership pipeline with nearly a quarter of alumni going on to senior leadership positions within Abbott. In 2008, Abbott hired 112 people through these programs. Of these hires, 45 percent were women and 34 percent were minorities.

Abbott is increasingly focused on the challenges of defining and achieving a more diverse workforce outside North America. We intend to intensify this focus in 2009.

Work-Life Management

Abbott makes a priority of helping employees manage their work, while raising their families and pursuing other interests. Employees can choose among numerous flexible work options, including

flexible start/stop times; job sharing; telecommuting; compressed workweek; reduced workweek; shift trade; head count share; and informal flextime. Some 86 percent of our United States workers have access to flexible time schedules, and 87 percent have the tools to telecommute.

Productive Retirement

We are especially mindful of the complex and changing definition of retirement today. In 2008, we launched Freedom to Work: Retirement on Your Terms. This program offers employees considering retirement the option to scale back their hours and/or change their responsibilities without affecting their benefits, allowing for knowledge transfer.

Employee Well-Being

As a health care company, we are committed to the well-being of our employees along with that of the general public. In 2008, we expanded the resources offered under LiveLifeWell, our integrated wellness program, which motivates employees to adopt healthier lifestyles. Some 65 percent of Abbott's U.S. employees are participating in this program, which includes an online health assessment and access to a health coach. We offer a variety of wellness programs worldwide and are continuing to strengthen and expand these programs. For example, in 2009, we will be launching additional employee assistance program (EAP) offerings in several European countries.

Restructuring

Abbott's global workforce has grown modestly over the past few years. However, like many companies, we

Our Global Workforce

continuously assess our business to assure it has the right resources in the right places to support growth worldwide. In instances where reductions are necessary, our approach is to always treat impacted employees with dignity and support them with transitional assistance, which may include pay and/or health care continuation and outplacement services.

Employee Survey

Employee feedback provides us with valuable insight as we continue to shape our culture to achieve our business strategy. This year, Abbott conducted a biannual survey of its employees to understand employee perceptions of our key cultural attributes. Approximately 70 percent of employees worldwide participated in the survey. Specifically, employees see strengths in how we live the Abbott values and conduct ourselves ethically. Employees see a line of sight to the customer, with 93 percent understanding how their work impacts the lives of patients and 93 percent knowing how their role contributes to the success of the divisions. Employees also believe we are producing high-quality products in a safe environment – products that meet patient and customer needs. Finally, employees feel positive about their jobs and their opportunities for development.

Our 2008 results indicate that we need to continue our focus on setting expectations with managers to communicate their vision and create a culture of employee development and recognition. We are aligning these expectations with existing management and leadership development programs around the world.



Employee Fred Conforti is an enthusiastic participant in Abbott's integrated employee well-being program, LiveLifeWell. Some 65 percent of Abbott's workforce also participates. The program gives employees online health assessments, access to a health coach and a myriad of resources for healthier living.

Awards and Recognition

Abbott is recognized as one of the best places to work around the world – including Belgium, Brazil, Canada, Denmark, Germany, Greece, Ireland, Italy, the UK, Korea and the United States. Abbott continues to be recognized for our innovative programs that help our employees find success at work and home. Recent honors include:

- *BusinessWeek* magazine's "Best Places to Launch a Career" list for three consecutive years;
- *DiversityInc* magazine's "50 Best Companies for Diversity" for five straight years; and
- *Working Mother*: "100 Best Companies for Working Mothers" list for eight straight years.

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. In December, Abbott and more than 230 other companies that have made a public commitment to human rights were recognized by the Realizing Rights and Business & Human Rights Resource Centre on the 60th anniversary of the Universal Declaration of Human Rights.

Read more online

- Diversity and Inclusion
- Training and Development
- Work-Life and Healthy Living Benefits
- Compensation and Benefits
- Human Rights

www.abbott.com/citizenship/workforce



Global Community

In communities both large and small, we want to make a significant and long-lasting difference in people's lives.

Central to Abbott's responsibilities as a corporate citizen is the role we play in helping to build healthier communities around the world. We seek to have a positive impact on people's lives and to use our resources and expertise where we can make a difference that is significant and long-lasting. Recognizing that we cannot do this work alone, we also work with a wide array of credible community-based organizations, supporting and encouraging them in their efforts. We ask all our employees and affiliates to join in this commitment to communities both large and small.

Our community initiatives are focused on four areas where we can best apply our knowledge, expertise and resources:

- Advancing community health care and wellness;
- Lending medical expertise and promoting scientific knowledge;
- Engaging Abbott employees in community vitality; and
- Safeguarding the local environment.

Community Health Care

The United Nations estimates that a third of the world's population lacks access to essential health services. Abbott works to alleviate this problem in a variety of ways. In 2008, Abbott and the Abbott Fund invested more than \$460 million in programs and product donations aimed at disadvantaged communities and disaster relief worldwide. For example, we provide financial, product and volunteer support to Feeding America and its School BackPack program to feed chronically hungry children. The extensive list of initiatives we support is available at www.abbott.com and www.abbottfund.org.



Giving back to the community is part of Abbott's culture. Participation in our Employee Giving Campaign rose to 73 percent in 2008 from 65 percent the year before – even though most large corporate employee giving drives experienced declining participation.

.....

\$12.6+

million dollars

Giving back is an essential part of Abbott's culture, and our employees' generosity mirrors that of our company.

.....

Medical Innovation and Science Education

The world urgently needs more well-trained scientists, and Abbott is committed to the challenge. We support a variety of programs such as Family Science and Operation Discovery that promote science education throughout the world and foster broader understanding of the science behind health care and nutrition. Our Abbott employees actively volunteer their scientific knowledge and excitement in local schools and through other community programs.

Employee Engagement

Giving back is an essential part of Abbott's culture, and our employees' generosity mirrors that of our company. In 2008, Abbott employees contributed more than \$12.6 million through our Employee

Giving Campaign and Matching Grant program, and these donations were matched by \$4.6 million in contributions from the Abbott Fund. At a time when employee giving campaigns at most large corporations experienced diminished participation, employee participation in the Employee Giving Campaign rose to 73 percent from 65 percent the previous year. Our employees also helped us leverage Abbott's core skills and competencies by volunteering their skills to a variety of important community-based initiatives.

Safeguarding the Local Environment

As a global company focused on health and well-being, we work with local governments and community organizations worldwide to help enhance and preserve the environment. For example, we are partnering with Arizona Project WET to develop and integrate enhanced water conservation and management practices throughout water-scarce Maricopa County, where we manufacture nutritional products.

Read more online

- Global Access Programs
- Science and Medical Innovation
- Community Vitality
- Employee Giving and Volunteerism

www.abbott.com/citizenship/community



Country
Profile:

China

1994

Established representative offices in Beijing, Shanghai, Guangzhou and Shenzhen

1998

Established Abbott Pharmaceutical Co., Ltd in Shanghai

2000

Completed Abbott Pharmaceutical Manufacturing – Shanghai plant, a joint venture between Abbott and Shanghai Meiyou Pharmaceutical Co., Ltd

2008

Opened nutrition plant in Guangzhou

Set up five more branch offices in Chengdu, Nanjing, Hangzhou, Xiamen and Shenyang



The People's Republic of China has one-fifth of the global population and is perhaps the fastest-growing economy in history. China is also important to Abbott's future business plans and to our evolving obligations as a global citizen.

Abbott's strategic presence in China has grown sharply over the past 14 years. We employ 1,500 people there, the vast majority of them are Chinese citizens. They are engaged in manufacturing, marketing and distributing a wide range of Abbott health products – everything from pediatric nutrition and pharmaceutical products to medical devices, many of them specially tailored to local needs.

Advancing Research

We have invested in local research and development facilities. We recently completed renovation of a Research Center in the Zhangjiang Hi-Tech Park near Shanghai. Located in China's largest hub of pharmaceutical and biotech activity, our team will conduct biological research on early stage pharmaceutical compounds and strategically partner with top Chinese organizations and local

(Clockwise from left) Team members at our Shanghai Research & Development Center are making significant progress on a number of important fronts – progress that's important to China and to Abbott's growing presence there.

An Abbott representative visiting a Chinese supermarket speaks with a young mother about proper usage of infant nutrition products.

Wuxi AppTec (Shanghai) Co., Ltd. is one of Abbott's many Chinese suppliers. A leading pharmaceutical, biotechnology and contract research organization, AppTec provides Abbott with an integrated portfolio of laboratory and manufacturing services, meeting the same high standards that Abbott requires of its suppliers worldwide.

This 10-year-old rural Chinese boy visits a nutrition fair at Shanghai Children's Medical Center with his grandmother. They received nutrition counseling. The fair is sponsored by Project HOPE with support from the Abbott Fund.

We are committed to delivering quality and safety and to making all our products accessible for both urban and rural areas throughout China.

academic centers to advance new drug discovery programs. We also opened in late 2008 a nutrition product dry blend and package facility in Guangzhou.

Our commitment to China goes well beyond making and distributing our products there. We are equally engaged in transferring our knowledge and experience to the nation's health care professionals and in using our resources to help create a better quality of life. Abbott is committed to delivering quality and safety and to making all our products accessible for both urban and rural areas throughout China.

Abbott works with China's government, its health authorities and leading NGOs to train and educate the nation's health care providers and the public. We believe the work we do with Chinese doctors, nutritionists, local product sales advisors and other health care intermediaries will make a lasting difference, as we help enhance their understanding of best practices and key health issues.

In 2008, the global reputation of the Chinese dairy industry suffered a major blow from the discovery that many products were contaminated by melamine. Although none of Abbott's products were affected, we wanted to be part of the solution. Abbott and the Abbott Fund in partnership with the Chinese government and the not-for-profit organization Project HOPE, responded quickly to the melamine crisis. Abbott Nutrition scientists and their Chinese counterparts came together to



While none of Abbott's products was affected by discoveries of melamine in Chinese products during 2008, we shared our testing expertise with Chinese authorities and published this informational pamphlet to help the Chinese public gain better understanding of the melamine problem.

share the latest advancements in the area of nutrient testing and analysis. Through a partnership with the Shanghai Children's Medical Center and Project HOPE, we established a 24-hour hotline for concerned parents and expanded the hospital's ability to screen more patients. In addition, an information pamphlet was created by Abbott and distributed by the Ministry of Health in an effort to help the Chinese public better understand the issue.

Affordability and Accessibility

In a nation of 1.25 billion people, creating broader access to health care products and services poses a significant challenge, one that we approach with the same values and commitment to quality that we apply in every other country.

We provide a full range of Abbott products at prices that the Chinese public can afford. Affordability and accessibility of health care products remain key issues in China, as they do in other developing nations, and we are working hard to address these issues. For example, *Premilac* is a nutrition product for infants, which meets high standards for quality at affordable prices.

China Fact File

Working with Suppliers

Abbott sources many materials locally in China, as we do elsewhere, while ensuring that Chinese suppliers meet high standards for quality and sustainability. We do this in two ways – first, through education and, second, by auditing our suppliers. We audit to ensure not only quality, but also our suppliers’ pursuit of corporate social responsibility goals. We have learned from our suppliers there, and they have learned from us.

Our presence in China and our desire to be good citizens globally entails a responsibility to reach out to victims of epidemics and natural disasters.

Environmental Protection

With China’s rapid industrialization come concerns about protecting its environment. Abbott’s environmental commitments are the same in China as in the rest of the world. We are determined to improve the environment, health and safety performance of our manufacturing operations. Local sites are exploring energy-efficiency and renewable energy technologies. Employees at our site in Shanghai undertook an innovative project to equip the exterior facility lighting with hybrid wind/solar energy cells demonstrating this commitment. Abbott is also committed to reducing water usage and is working to improve access to high-quality water in every community where we do business.

Year Incorporated	1995
Total Employees	1,500
Divisions	Abbott International, Abbott Nutrition International, Abbott Diagnostics Division, Abbott Diabetes Care, Abbott Point of Care, Abbott Molecular, Global Pharmaceutical Operations, Global Pharmaceutical Research and Development
Head Office	Shanghai
Branch Offices	Beijing, Guangzhou, Shenzhen, Hangzhou, Wuhan, Xianmen, Chengdu, Nanjing, Shenyang
Manufacturing Plants	Guangzhou and Shanghai
Key Awards, Recognition	<ul style="list-style-type: none"> 2006, 2007 Best Foreign Investment Company Award by Huangpu District Shanghai Charity Foundation Appreciation on Earthquake Relief Donation from Abbott China employees
Citizenship and Local Community Relations Programs	<ul style="list-style-type: none"> Abbott developed and implemented the Steps to Health program in collaboration with the Chinese Government and others to strengthen health care delivery in rural areas through staff training and community education outreach. Training sessions have reached 2,800 health care providers across nine provinces, and community education has reached more than 130,000 people. Abbott Diabetes Care’s Community Physicians Training Academy provides continuous education for the treatment and management of diabetes for more than 1,500 community physicians in 12 cities to support health care reform and strengthen Community Health Care Service Centers. Abbott Nutrition and the Abbott Fund hosted technical exchanges with scientists from China’s Institute for Nutrition and Food Safety and China’s Administration of Quality Supervision, Inspection and Quarantine as part of a unique public-private partnership to strengthen nutrition science and testing capabilities and to share technical expertise on food safety.

Earthquake Relief

Our presence in China, our relationship with local NGOs and our critical health care products such as rehydration fluids and antibiotics allow us to reach out to victims of epidemics and natural disasters in the country. In May 2008, for example, a terrible earthquake occurred in Sichuan Province. Abbott and the Abbott Fund teamed up with many of our humanitarian aid partners to provide more than \$1 million in disaster relief. We donated critical pharmaceutical and nutrition

products during the crisis and also funded the work of Project HOPE and other agencies there. In addition, Abbott employees in China teamed up with the Shanghai Charity Foundation to rebuild a kindergarten in Dujiangyan.

Read more online

- Improving Maternal and Child Health in China

www.abbott.com/citizenship/china



Data Summary Table

		2004	2005	2006	2007	2008	% Change (08 vs. 07)
Net Sales Worldwide							
Net Sales Worldwide	Unit Millions	19,680*	22,338	22,476	25,914	29,528	14
Income Taxes Paid							
Income Taxes Paid	Unit Millions	949.8*	1,247.9	559.6	836.3	772.0	-8
Cash Contributions and Product Donations							
Cash Contributions and Product Donations	Unit Millions	300	340	300	385	460	19
Energy							
Total energy consumption	Unit 1,000 gigajoules	14,753	16,395	16,357	15,741	15,540	-1
Normalized by sales	Megajoules per \$1,000	749.6	734.0	727.8	607.5	526.3	-13
CO₂e Emissions†							
CO ₂ e from stationary combustion	Unit Million lbs.	1,374	1,573	1,509	1,453	1,440	-1
Normalized by sales	Lbs. per \$1,000 sales	69.8	70.4	67.2	56.1	48.8	-13
CO ₂ e from purchased energy	Unit Million lbs.	1,660	1,793	1,905	1,782	1,699	-5
Normalized by sales	Lbs. per \$1,000 sales	84.3	80.3	84.8	68.8	57.5	-16
CO ₂ e from process air emissions	Unit Million lbs.	ND	ND	60	75	33	-56
Normalized by sales	Lbs. per \$1,000 sales	ND	ND	2.7	2.9	1.1	-62
CO ₂ e from global sales fleet	Unit Million lbs.	412	420	429	407	361	-11
Normalized by sales	Lbs. per \$1,000 sales	21.0	18.8	19.1	15.7	12.2	-22
Total CO ₂ e Emissions	Unit Million lbs.	3,446	3,786	3,903	3,717	3,533	-5
Normalized by sales	Lbs. per \$1,000 sales	175.1	169.5	173.8	143.5	119.6	-17
Air Emissions							
VOCs	Unit Million lbs.	3.5	4.5	2.4	2.1	1.6	-24
VOCs normalized by sales	Lbs. per \$1,000 sales	0.18	0.20	0.11	0.08	0.05	-38
Total process air emissions	Unit Million lbs.	4.5	5.3	3.2	2.8	2.4	-21
Normalized by sales	Lbs. per \$1,000 sales	0.23	0.24	0.14	0.10	0.08	-20
Waste Generation							
Hazardous waste	Unit Million lbs.	36.5	41.8	42.2	36.5	49.1	35
Normalized by sales	Lbs. per \$1,000 sales	1.9	1.9	1.9	1.4	1.7	21
Non-hazardous waste	Unit Million lbs.	176.9	194.9	212.2	208.3	216.4	4
Normalized by sales	Lbs. per \$1,000 sales	9.0	8.7	9.4	8.0	7.3	-9
Water							
Total water intake	Unit Billion gallons	14.3	15.1	15.1	13.7	13.3	-3
Normalized by sales	Gallons per \$1,000 sales	730	675	670	530	450	-15
Water consumed	Unit Billion gallons	0.8	1.1	0.8	0.9	0.7	-22
Normalized by sales	Gallons per \$1,000 sales	40.6	49.3	35.6	34.7	26.9	-22
Water discharged (impaired)	Unit Billion gallons	2.8	2.9	3.1	2.9	2.4	-17
Normalized by sales	Gallons per \$1,000 sales	142	130	138	112	80	-28
Water discharged (nonimpaired)	Unit Billion gallons	10.7	11.0	11.2	10.0	10.0	0
Normalized by sales	Gallons per \$1,000 sales	544	492	498	386	344	-11
Health & Safety							
Recordable injury or illness incident rate	Unit Incidents per 100 employees	1.17	0.98	0.97	0.84	0.76	-10
Lost time case rate	Cases per 100 employees	0.46	0.40	0.35	0.33	0.28	-15
Global vehicle accident rate	Unit Accidents per million miles driven	13.4	11.7	11.0	10.4	9.6	-8

ND = No data, NA = Not applicable

Data has been adjusted from last report based upon subsequent verification.

* In 2004, Abbott spun off Hospira, Inc., and as a result, prior years' statements of income and cash flows have been adjusted to reflect the effects of the spinoff.

†CO₂e means carbon dioxide equivalent. Abbott's greenhouse gas (GHG) emissions have been accounted for and reported as CO₂e in accordance with the World Resources Institute (WRI) GHG Protocol.

Please contact us with your questions and comments:
Abbott Global Citizenship and Policy
100 Abbott Park Road, Department 0383, Abbott Park, IL 60064-6048
847.937.1608
globalcitizenship@abbott.com
www.abbott.com/citizenship

