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Front Cover: Jomi Babatunde-Omoya
 Jomi Babatunde-Omoya, a 16-year-old Abbott biomedical engineering intern, realized she could follow her passions in math and science. Learn more about Jomi on [page 138](#). For more information about our STEM Internship Blueprint, see the Valuing Our People section on [page 51](#).



FROM OUR PRESIDENT AND CEO

DEAR ABBOTT STAKEHOLDER,

If there's one thing that this extraordinary year has made very clear, it's how closely interconnected we all are – around the world and across society. The idea of sustainability – of how we build better systems to support the long-term welfare of our society and our planet – has rarely been brought to public life and discourse with such power and urgency.

Our company exists to help people live their fullest lives. Implicit in this purpose is the recognition that all people – *all* people – deserve the opportunity to thrive. To us at Abbott, that means health – primarily the better physical health that we help people achieve through our products and technologies. But we recognize that thriving requires health in multiple dimensions. Environmental degradation is a public health challenge. Racial inequity is a public health challenge. Social disparity is a public health challenge. And we're dedicated to addressing needs at all of these levels.

In our core mission of creating life-changing healthcare technologies, we've risen to the challenges of this year. Thus far, Abbott has produced five different tests to help in the fight against COVID-19, and our work on this urgent need continues. At the same time, we've continued to advance our work in the other critical areas of healthcare in which we have technological leadership, such as diabetes and heart disease. And we're committed to designing new products for maximum affordability and accessibility for the people who need them.

In terms of environmental health, we continue to work to reduce our impact through improvements in water use, packaging, waste generation and emissions. And in terms of social and health equity, we're working in partnership with communities and governments around the world to improve access to health information and care through programs such as the rural health center model we've established with the government of Rwanda and our Future Well™ programs, which address social determinants of health and help educate kids about noncommunicable diseases and how to decrease their chances of getting them. Our 2030 Sustainability Plan, which we're introducing later this year, will lay out our goals and efforts across these areas at greater length.

At the foundation of our work and our culture at Abbott is the recognition that all our lives are intertwined and that we have commitments to one another. That understanding gives us purpose and makes us stronger. Thank you for your interest in the work that purpose inspires.

Best regards,

ROBERT B. FORD

PRESIDENT AND CHIEF EXECUTIVE OFFICER



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40
MILLION
TESTS

DELIVERED TO 85 COUNTRIES
AS OF JULY 2020

COVID-19 TESTING

REVEALING A NEW NORMAL

The coronavirus revealed to the world a new normal. The virus spread quickly and caught the world off guard. In this new normal, where we can produce millions of COVID-19 tests per month — many of which are designed to give results in minutes instead of days — it doesn't seem like enough. Getting resources and tests into the hands of the people who need them has been critical to fighting this evolving threat. We have a saying, "We make our products as if they were for our own families." Everything that we have done up to this point is for this moment: to create a healthier world. That is why we do what we do.

> m2000® RealTime SYSTEM

Our m2000® RealTime system, found in healthcare systems across the United States, increases the volume of COVID-19 testing.



OUR BUSINESS

Abbott is a global company with a straightforward purpose: We help people live more fully with life-changing health technologies and products. With leadership positions in every market we serve, Abbott is prepared for continued above-market growth and consistently strong shareholder returns.

- Our nutrition products build and maintain health at every stage of life.
- Our diagnostic solutions provide the information to guide effective treatment decisions.
- Our branded generic medicines help people get and stay healthy.
- Our medical devices use the most advanced technologies to keep hearts and arteries healthy, to treat chronic pain and movement disorders, and to give people with diabetes more freedom and less pain.

In each of these four core businesses, we innovate early, moving quickly to address developing health needs. Our ability to respond in this way ultimately depends upon our sustainability as a business. For Abbott, sustainability includes operating ethically and responsibly, ensuring quality and safety, valuing our people, building a resilient supply chain, delivering results for our shareholders, and being there for the people we serve.

Our core values of Pioneering, Achieving, Caring and Enduring are the foundation of our identity as a company. They define how we do our work and serve our stakeholders. Aligning our organization around this cohesive set of values is critical to the fulfillment of our mission and the achievement of our business goals.

- Pioneering: Bringing life-changing health technologies to the people who need them
- Achieving: Delivering customer-focused outcomes and world-class execution
- Caring: Helping people live fuller lives through better health
- Enduring: Managing the company to ensure its long-term success

In this report, we share our progress in delivering sustainable and responsible growth that improves lives and creates value in communities around the world.

 <p>\$31.9 BILLION NET SALES WORLDWIDE</p>	 <p>\$2.2 BILLION RETURNED IN DIVIDENDS TO SHAREHOLDERS</p>
 <p>\$2.4 BILLION INVESTED IN RESEARCH AND DEVELOPMENT</p>	
 <p>NEARLY \$71 MILLION INVESTED IN COMMUNITIES</p>	

CORPORATE GOVERNANCE

Abbott is committed to strong corporate governance that is aligned with our stakeholders' interests. Abbott's Board of Directors spends significant time with the company's senior management to understand dynamics, issues and opportunities for Abbott. During these interactions, directors provide insights and ask probing questions that guide our management's decision-making. This collaborative approach to risk oversight and emphasis on long-term sustainability is ingrained in our culture. The Board also regularly monitors leading practices in governance and adopts measures that it determines are in the best interest of Abbott and our stakeholders.

Board Leadership

Abbott's Board of Directors consists of our Executive Chairman, Miles D. White, our President and CEO, Robert B. Ford, and 12 independent directors.

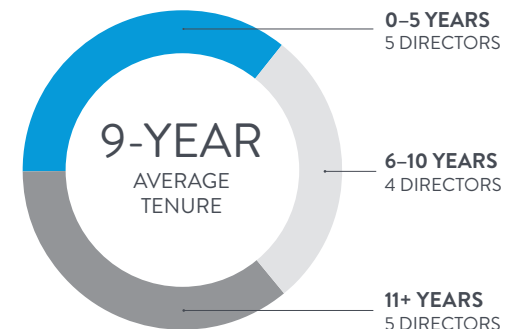
In November 2019, Abbott announced that Mr. White would step down as Chief Executive Officer on March 31, 2020, after a remarkable 21-year tenure. The Board of Directors appointed Mr. Ford, Abbott's then-President and Chief Operating Officer and 24-year Abbott veteran, to succeed Mr. White as Chief Executive Officer. Mr. White remains Executive Chairman of the Board. With this transition, Mr. Ford became the 13th CEO of Abbott in our 131-year history, all having been

appointed from within the company. This is a testament to Abbott's strong management philosophy and succession-planning discipline.

The Board is actively involved in succession planning and is focused on ensuring leadership continuity. The Board believes that the continuation of Mr. White's service as Executive Chairman is facilitating a successful leadership transition and is in the best interests of Abbott and our stakeholders.

The Board also has a Lead Independent Director. Currently, the Chair of the Nominations and Governance Committee, William A. Osborn, is the Lead Independent Director. As Lead Independent Director, Mr. Osborn has distinct responsibilities, which include liaising between the Executive Chairman and independent directors, consulting and engaging directly with major shareholders, authority to call meetings of independent directors, reviewing matters such as meeting topics and schedules, and presiding over executive sessions of independent directors at each regularly scheduled Board meeting. The Lead Independent Director is elected annually by the independent directors.

The Board reviews its leadership structure on at least an annual basis. The Board has determined that this leadership structure ensures the appropriate level of oversight, independence and responsibility is applied to all Board decisions, including risk oversight.



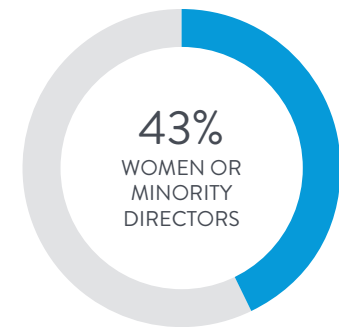
Board Composition and Diversity

In the process of identifying nominees to serve as members of the Board of Directors, the Nominations and Governance Committee considers the Board's diversity of relevant experience, areas of expertise, ethnicity, gender and geography and assesses the effectiveness of the process in achieving that diversity.

The process used to identify and select nominees has resulted in a balanced, diverse and well-rounded Board of Directors that possesses the skills, experiences and perspectives necessary for its oversight role.

Six of the 14 directors are women or minorities. Five new directors have been appointed since 2017, two of whom are women or minorities. The Board's diversity ensures the company's thinking is informed by a wide range of perspectives. It is part of a commitment to diversity that applies to every level of our company. Thirty-nine percent of Abbott's management positions were filled by women in 2019, and the company was named one of the year's Top Companies for Executive Women and one of the Top 50 Companies for Diversity for the 16th time. In 2019, the 2020 Women on Boards campaign again recognized Abbott as a leader for our efforts to increase women's participation on corporate boards to 20 percent by 2020. Abbott has exceeded this target since 2010.

To learn more about our Board members' experience and qualifications, visit the Governance section of our [website](#).



5 NEW DIRECTORS SINCE 2017,
2 OF WHOM ARE WOMEN OR MINORITIES

DIVERSITY OF BOARD EXPERIENCES

- Healthcare and Medical Device Industry
- Finance
- Risk Management, Including Data/Cybersecurity
- Global Strategy and Operations
- Regulatory/Compliance
- Consumer Products
- Senior Leadership With Multinational Corporations and Diverse Business Models
- Global Supply Chain Operations
- Government and Military Leadership

Board Committees

The Board has four key committees: Audit, Compensation, Nominations and Governance, and Public Policy. Each of these Board committees is fully independent.

- **Audit Committee** assists the Board of Directors in fulfilling its oversight responsibility with respect to Abbott's accounting and financial reporting practices and the audit process; the quality and integrity of Abbott's financial statements; the independent auditors' qualifications, independence and performance; the performance of Abbott's internal audit function and internal auditors; certain areas of legal and regulatory compliance; and enterprise risk management (ERM), including major financial and cybersecurity risk exposures. Each year, the committee receives a full report from our ERM leadership and discusses the topic at both the committee and Board levels. To learn more about [Abbott's approach to ERM](#), see [page 10](#).

- **Compensation Committee** assists the Board of Directors in carrying out the Board's responsibilities relating to the compensation of Abbott's executive officers and directors; annually reviews the compensation paid to the members of the Board and gives its recommendations to the full Board regarding both the amount of director compensation that should be paid and the allocation of that compensation between equity-based awards and cash; reviews, approves and administers the incentive compensation plans in which any executive officer of Abbott participates and all of Abbott's equity-based plans; and engages compensation consultants to provide counsel and advice on executive and nonemployee director compensation matters.
- **Nominations and Governance Committee** assists the Board of Directors in fulfilling its oversight responsibility with respect to governance matters, including helping the Board identify individuals qualified to become Board members and executive officers of Abbott; develops and recommends to the Board the corporate governance guidelines applicable to Abbott; and serves in an advisory capacity to the Board and the Chairman of the Board on matters of organization, management succession plans, major changes in the organizational structure of Abbott and the conduct of Board activities.

- **Public Policy Committee** assists the Board of Directors in fulfilling its oversight responsibility with respect to certain areas of legal and regulatory compliance; government affairs; and healthcare compliance issues that affect Abbott, sustainability and citizenship, and Abbott's public policy.

A full description of the functions carried out by each Board committee is available in the Governance section of our [website](#).

Board Evaluation

Each year, Abbott’s directors evaluate the effectiveness of the Board and its committees in performing their governance and risk oversight responsibilities. Directors assess the performance of their peers, as well as the full Board of Directors and each of the committees on which they serve, as shown at right.

PEER, BOARD AND COMMITTEE EVALUATIONS	
Written evaluations solicit feedback on the performance of:	
Each individual director, including: <ul style="list-style-type: none"> • Independent thinking and action • Contributions to discussions and decisions • Ethical standards and values • Professional competence in matters of oversight and governance 	The full Board and Board committees, including: <ul style="list-style-type: none"> • Structure and composition • Effectiveness of oversight and other responsibilities • Encouragement of open communication and differing viewpoints
COLLECTION AND REVIEW OF RESULTS	
<p>To ensure candid feedback, directors submit their evaluation responses to an independent third party, which anonymizes all responses and compiles them into reports for the Board and committees.</p> <p>The Nominations and Governance Committee reviews the peer and full Board reports, and each committee reviews its respective report. All evaluation responses are shared with the full Board.</p>	
INCORPORATION OF FEEDBACK	
<p>Feedback requiring additional consideration is addressed at subsequent Board and committee meetings, and opportunities for additional enhancements are identified, considered and implemented, as appropriate.</p> <p>The Chair of the Nominations and Governance Committee discusses peer evaluation results with individual directors, as needed.</p>	

SUSTAINABILITY AT ABBOTT

Abbott's approach to sustainability starts with the people we serve and our purpose to help people live better and healthier. We achieve this through the way we operate and by innovating life-changing technologies and products. We aim to deliver sustainable, responsible growth that improves lives and creates value in communities around the world.

We believe that sustainability is built on systems thinking, collaboration and applying our unique strengths. The following principles inform our approach and help amplify the inherently positive social impact that a healthcare business, such as ours, should have:

- We drive a system of governance that puts sustainability at the heart of our business. From Research and Development (R&D) to Supply Chain, Manufacturing Operations and Product Marketing, we manage our environmental, social and governance impacts to maximize efficiency and effectiveness.
- We recognize that the healthcare environment is complex and interconnected. We invest in understanding the changing needs of different countries and cultures and the impact of a changing external and operating environment. By identifying the most material issues for our business and the developing needs of the people we serve, we can make purposeful, intentional decisions about how best to position our business for the future.
- We build together by listening to the stakeholders most impacted by our products. We work with patients, consumers, healthcare practitioners, caretakers, external partners and suppliers to deliver sustainable impact.
- We apply our unique strengths as a business in a focused way by identifying and investing in the most impactful, life-changing innovations, evolving our business to meet emerging healthcare needs, and finding measurable ways to address social challenges through our scientific and technical expertise.



“Sustainability is embedded into everything we do at Abbott, even in the most challenging circumstances. Inspired by our values, we think and act long term, which informs how we develop partnerships, conduct business and deliver healthcare.”

MELISSA BROTZ

VICE PRESIDENT AND CHIEF MARKETING
AND EXTERNAL AFFAIRS OFFICER

Our commitment to sustainable business starts with the Board of Directors and senior management and is integrated throughout our global enterprise.

Sustainability Governance

Abbott's commitment to sustainable business starts at the top of our organization and is integrated across the company:

- Our Board of Directors and senior management lead our sustainability activities. The Board's Public Policy Committee is responsible for reviewing and evaluating our policies and practices regarding corporate responsibility.
 - Our Global Citizenship Advisory Council (GCAC), a group of independent expert advisors and thought leaders in the area of sustainability, provides Abbott with guidance on strategic sustainability issues. This includes identifying risk and opportunities across our organization. The GCAC members include:
 - Margaret Flaherty, Senior Advisor, FSG, and Professor, Business School Lausanne
 - David Logan, Co-Founding Director, Corporate Citizenship
 - Jane Nelson, Senior Fellow and Director, CSR Initiatives, Harvard Kennedy School
 - David Vidal, Emeritus Fellow, The Conference Board
- Abbott's Global Sustainability team works with colleagues across our global enterprise to implement our sustainability strategy, working with our four businesses, key functional areas and affiliates around the world. The Global Sustainability team reports to our Vice President and Chief Marketing and External Affairs Officer, who reports directly to our President and CEO.
 - The Global Operations Council (GOC) oversees execution of the strategy for all Abbott operations (Manufacturing; Supply Chain; Engineering; and Environment, Health and Safety), leveraging internal assessment, risk profiles and industry best practices to continuously improve Abbott's performance. The council is chaired by our Senior Vice President, Quality Assurance, Regulatory and Engineering Services, and includes three corporate officers and 26 divisional vice presidents, representing division and corporate operations. For more information on our management of operational sustainability, see the [Safeguarding Our Environment, Strengthening Our Supply Chain](#) and [Valuing Our People](#) sections of this report.
 - Abbott's cross-functional Sustainability Working Group leads the integration of sustainability within our business and oversees Abbott's reporting of environmental, social and governance (ESG) performance. The team includes representatives from Global Environment, Health and Safety; Ethics and Compliance; Quality and Regulatory Affairs; Cybersecurity; Human Resources; Supply Chain; Legal; Corporate Governance; Research and Development; Investor Relations; External Public Affairs; Government Affairs; Corporate Purchasing; and Commercial Operations. It also includes representatives from our affiliate operations in key markets around the world.
 - Several of our global affiliates have formed their own local cross-functional sustainability working groups, which embed responsible business practices and drive stakeholder engagement initiatives tailored to local needs.

Managing Sustainability Risks and Opportunities

Our sustainability strategy reflects changing healthcare needs, emerging challenges and priorities, as well as the changing nature of Abbott's business. Our enterprise risk management (ERM) process focuses on risks that have the capacity to impact our business performance. Our analysis of materiality broadens our perspective to consider all our stakeholders' expectations of a sustainable business and the risks and opportunities that relate to meeting those expectations.

Enterprise Risk Management

Our ERM process is designed to evaluate risks on a consistent basis, measuring likelihood, impact and velocity to ensure the largest risks to Abbott have the appropriate focus and attention of our management team. In late 2017, we formed a new ERM network team with eight functional experts, led by Abbott's Vice President, Internal Audit, a corporate officer. The network brings additional structure and consistency to risk evaluation and works to integrate ERM within our business. This group engages with a number of stakeholders who are subject-matter experts on various enterprise risks, helping to identify additional mitigating actions that may be required to ensure risk management keeps pace with business strategy. Abbott's Vice President, Internal Audit, presents an overall ERM update to the Audit Committee of the Board of Directors once a year and completes detailed reviews of specific enterprise risks with the Board of Directors or its committees throughout the year.

Emerging Risk — Disruptive Technologies

The role of technology has never been more important in healthcare. Technology is advancing at a pace we have not seen before and is fast becoming a natural part of how we manage our health. We see a near future in which implantables, wearables and diagnostics data, powered by artificial intelligence (AI), come together seamlessly, altering how people manage healthcare in an increasingly self-directed way.

These trends create the potential for new entrants to disrupt the diagnostics industry and restate the competitive landscape. Devices and applications that aid in prevention, early stage detection and management of health issues are becoming prolific. Consumer access to data and products that are highly tailored to individuals and their needs not only allows people to have a larger say in the management of their health, but it also can result in faster, more accurate diagnoses and better compliance with treatment plans.

Technology leaders, such as Apple, Amazon and Google, all have announced initiatives that are disrupting the traditional healthcare business model and allowing consumers to leverage technology to self-diagnose before seeking traditional healthcare providers.

As patient-driven healthcare expands and the use of direct-to-consumer devices for managing health increases, Abbott, as well as other healthcare companies, is evolving some traditional products and services to meet changing customer needs. Our products must keep pace with these expectations. Additionally, our industry must be faster at bringing to market emerging technologies in order to maintain leadership and growth amidst the backdrop of nontraditional technology competitors with strong consumer engagement.

To remain competitive, we need to continue innovating new technologies that are science-driven, consumer-friendly and relevant in the changing model of healthcare. We benchmark ourselves against both technology and health companies. We're focused on innovations in health that fit easily into a person's life.

One focus of ours is on connected sensor technology and smaller, less-invasive devices that have the potential to replace medicines as the first or only line of defense. For people with diabetes, for example, our *FreeStyle Libre*[®] continuous glucose monitoring system uses a sensor that can be scanned using a smartphone. This lets patients track glucose levels without sticking their fingers. Our insertable cardiac monitor — the size of a paperclip, inserted just below the skin in the chest through a quick outpatient procedure — monitors heart rate and rhythm and connects people with their doctors to more accurately detect and diagnose irregular heartbeats.

The changing landscape of healthcare poses new opportunities, as traditional healthcare and technology companies work to improve care for patients. Increased collaboration may be the key to success. We believe technology companies can learn much from the healthcare industry and vice versa. By combining our collective expertise and perspectives, we can put the right technologies together with the right sets of data to improve patient health and safety, decrease medical errors, protect patient data and privacy, and ultimately, improve the quality of healthcare delivery.

Impact of Pandemics

As a global healthcare company, public health crises, such as the widespread outbreak of infectious diseases, may negatively impact our operations. Disease outbreak has become increasingly more common due to population growth, globalization and international travel, as well as the growing interconnection between human, animal and environmental health. Trends such as climate change and deforestation act as risk multipliers, driving an increased risk of future pandemics while heightening uncertainty as to the location, type and severity of future outbreaks.

Health concerns and significant changes in political or economic conditions caused by such outbreaks can lead to significant reductions in demand for routine diagnostic testing and medical device procedures or disrupt manufacturing and supply chains, negatively affecting our operations, as well as the operations of our suppliers, distributors and other third-party partners.

Furthermore, such widespread outbreaks may impact the broader economies of affected countries, including negatively impacting economic growth, financial and capital markets, foreign currency exchange rates, and interest rates. Depending on the severity of the health crisis, all of these factors have the potential to disrupt our operations, employees, customers, patients and the communities we serve.

Abbott's mitigation approach for disruptive events, such as a global pandemic, is both tactical and strategic. Our global Executive Crisis Management Team (ECMT) coordinates our comprehensive emergency preparedness and business continuity plans across our global businesses.

Our ECMT is a cross-functional group of leaders representing key areas of global business operations and corporate support functions to ensure complete and efficient decision-making and facilitate consistent guidance, communications and support throughout the world. We continuously monitor suppliers, logistics and distribution channels to ensure minimal disruption to our business, and we have comprehensive pandemic response plans in place for all manufacturing and distribution sites. As part of our pandemic planning, we also evaluate and engage key logistics suppliers to ensure continuity of supply from our distribution centers to our customers.

In addition to our response capabilities, we have mitigated pandemic risk through our business and geographic diversification. Our four business groups and 10-plus business units are impacted differently in the event of a pandemic.

From a demand perspective, pandemics may impact businesses, countries or regions at different times and to varying degrees. For example, elective surgical procedures may decline in some regions while demand for nutritional products may increase during the same time. Our sales presence in more than 150 countries, with no country making up a disproportionate share of revenues, also provides insulation from a localized demand shock. In addition, from a supply perspective, Abbott's network of 92 owned manufacturing plants in more than 25 countries — plus many more third-party manufacturers — ensures that localized disruptions are unlikely to materially impact our ability to supply our critical products to the patients and consumers who need them.

Our diagnostic capabilities also play a critical role in pandemic response. Abbott has long been a leader in infectious disease testing, including the development of the first HIV test in 1985. Additionally, we recognize that addressing a pandemic requires different diagnostic solutions for the different stages of infection and recovery (as well as maximizing the venues available for testing).

In the case of the COVID-19 pandemic, we leveraged our unique scientific capabilities to quickly develop diagnostic tests for the virus that could help protect frontline healthcare providers, first responders and employees of companies providing essential services (including Abbott) and facilitate an eventual return to normal economic activity around the world. We assembled four discrete teams of research and development (R&D) experts to focus on five different types of tests for COVID-19: two molecular lab tests, a molecular point-of-care test and two serology tests.

Working together with regulators, we were able to create, launch and scale up manufacturing for five different tests across our technology platforms, and we were able to deliver those solutions in an unprecedented time frame.

The course of any global pandemic is unpredictable, as the world has seen during the COVID-19 crisis. We have the experience, track record and scientific expertise to not only successfully manage business disruption but also participate as a major contributor to combating the spread of a global pandemic.

Developing a Sustainability Strategy Based on Materiality

Abbott takes a deliberate approach to shaping our business to reflect changing healthcare needs and opportunities. An important element in moving our company forward involves the development of a new sustainability strategy to reflect the way our business and the external environment are evolving.

In late 2018, our executive management team launched an in-depth materiality analysis of the most important environmental, social and governance (ESG) issues for our business as the basis for developing a new sustainability strategy. We partnered with an external consultancy, Corporate Citizenship, to develop and conduct a robust five-stage materiality process:

1. We conducted extensive research on potential issues that included engaging ratings and rankings organizations, customers, peers and competitors; tracking emerging issues; and consulting best practices from across different industries.
2. Abbott's executive leadership team, which represents all of Abbott's divisions and corporate functions, met several times and then convened to prioritize the 17 ESG topics that should inform our strategy over the next 5–10 years.

3. We conducted more than 40 hours of interviews with 57 internal and external stakeholders to refine these topics down to seven areas of focus.
4. We convened working groups for each priority issue and engaged with our Finance and Corporate Audit teams to ensure our priorities and targets are integrated with Abbott's business strategy and financial plan.
5. We held an all-day summit with 90 working group members and our executive management team, which helped to define our 2030 goals, targets and key performance indicators (KPIs), which will drive Abbott's future competitiveness.

Through this process, we have identified 17 priority ESG issues with the greatest significance for Abbott in terms of long-term value, risk and opportunity.

TIER 1

- Innovation
- Data and Data Privacy
- Access and Affordability
- Talent
- Government and Regulation
- Product Quality and Safety

TIER 2

- Supply Chain (Including Packaging and Waste)
- Ethics and Compliance
- Cybersecurity
- Corporate Governance
- Climate Change (Including Water)
- Transparency and Reporting

TIER 3

- Executive Compensation
- Human Rights
- Antimicrobial Resistance
- Animal Welfare
- Clinical Trial Transparency

Engaging Stakeholders

Abbott is an active participant in the global dialogue on health and the broader role of business. We know that listening to our stakeholders is vital to our success. It enables us to respond with relevant, local solutions that meet people's changing needs and tackle the world's most important health challenges.

Our stakeholder engagement is conducted formally through the many associations and partnerships of which we are members. We also seek to engage with stakeholders more informally through networks and organizations in which we participate.

Our local country businesses play an important role in forming relationships with stakeholders. We have defined a stakeholder engagement methodology to be used by each Abbott business and affiliate, which guides Abbott leaders in setting their local engagement strategies. We also require our local teams to review their stakeholder engagement strategies on a regular basis. We report the outcomes of local stakeholder engagement in country-level citizenship reports or at local stakeholder forums. Through our engagement, we aim to stay well informed on the major issues of concern to all stakeholders, wherever we operate.

Customer Satisfaction



Our Net Promoter Score® (NPS) is an externally recognized metric for customer satisfaction, and we see it as an important measure of our success in meeting our customers' needs. As an example of our performance, NPS for our diagnostics business increased from 32.1 in 2010 to 51.8 in 2019.

STAKEHOLDER GROUP	ENGAGEMENT METHODS	
Investors	<ul style="list-style-type: none"> • Investor calls • In-person meetings • Annual Shareholders' Meeting, quarterly earnings calls and conferences (full investor calendar webpage) • Investor newsletter • Annual Report 	<ul style="list-style-type: none"> • Global Sustainability Report • Investor section of Abbott.com • Social media (Twitter®, Facebook®, Instagram®, YouTube® and LinkedIn®) • Email alerts
Customers	<ul style="list-style-type: none"> • Customer meetings • Customer call centers • Sales ambassadors and customer relationship managers • Field service representatives • Business and country representatives (Worldwide Contacts webpage) 	<ul style="list-style-type: none"> • Consumer and healthcare professional sections of Abbott.com • Brand websites • Social media (Twitter®, Facebook®, Instagram®, YouTube® and LinkedIn®) • Focus groups • Clinical trials
Suppliers <i>For more details on supplier engagement, see Strengthening Our Supply Chain (page 98).</i>	<ul style="list-style-type: none"> • Strategic partnerships • Procurement specialists • Supplier Guidelines published in multiple languages • Supplier Diversity Policy and Program • Supplier Social Responsibility Program, including surveys 	<ul style="list-style-type: none"> • Supplier audit programs • Supplier scorecards • Active leadership in the Diverse Manufacturing Supply Chain Alliance (DMSCA) • Suppliers section of Abbott.com
Employees <i>For more details on employee engagement, see Valuing Our People (page 51) and Supporting Communities (page 43).</i>	<ul style="list-style-type: none"> • Annual Employee Living Fully survey • Division Culture surveys • Ease of Working With HR survey • Annual All-Employee Meeting with our Chairman and CEO • Business and functional town hall meetings • Employee networks 	<ul style="list-style-type: none"> • Abbott World intranet • Abbott World Today daily email articles • aLIVE smartphone app • Yammer® groups • Employee Giving Campaign • Internal employee volunteering website
Governments <i>For more details on government engagement, see Promoting Ethics and Integrity (page 22) and Supporting Communities (page 43).</i>	<ul style="list-style-type: none"> • Government affairs liaisons • Trade associations/organizations • Abbott Employee Political Action Committee 	<ul style="list-style-type: none"> • Global Citizenship programs • Corporate Political Participation webpage of Abbott.com



SUPPORTING THE SUSTAINABLE DEVELOPMENT GOALS

In assessing what sustainability means to Abbott, we monitor how our priorities and material issues align with the Sustainable Development Goals (SDGs) published by the United Nations (UN). The following examples represent some of the many ways in which our work to help people live better and healthier lives intersects with the SDGs.




SUSTAINABLE DEVELOPMENT GOALS	EXAMPLE
 <p>GOAL 1 End poverty in all its forms everywhere</p>	<p>For Abbott, local sourcing is an important part of building a more inclusive business that reaches more people in more places than ever before. Through our partnership with 1,500 dairy farmers in India, we have provided training and key resources required to produce greater quantities of higher-quality milk. As a result, the farmers’ income is more than double that of nonparticipants while their costs have remained the same. For more information, see the Shared Impact page on our website.</p>
 <p>GOAL 2 End hunger, achieve food security and improved nutrition, and promote sustainable agriculture</p>	<p>Our partnership with PATH has transformed a bowl of rice into a micronutrient-rich meal. We combined a century’s worth of Abbott science-based nutrition expertise and the Abbott Fund investment with PATH’s innovative <i>Ultra Rice</i>® formulation technology and on-the-ground expertise to create a scalable solution to malnutrition. For more information, visit the <i>Ultra Rice</i> page on our website.</p>





“The private sector plays a critical role in achieving transformational change through the SDGs. At Abbott, we see our social investments and responsible business practices as fundamental for creating a healthier environment that enables our business growth in markets around the world.”

JENNA DAUGHERTY
DIVISIONAL VICE PRESIDENT,
GLOBAL CITIZENSHIP AND SUSTAINABILITY

SUSTAINABLE DEVELOPMENT GOALS

SUSTAINABLE DEVELOPMENT GOALS	EXAMPLE	
 <p>GOAL 3 Ensure healthy lives and promote well-being for all at all ages</p>	<p>By focusing on innovation, we continually offer new solutions to help people get and stay healthy:</p> <ul style="list-style-type: none"> • Abbott’s diabetes care business has revolutionized continuous glucose monitoring with <i>FreeStyle Libre</i>®, while our rapid diagnostic tests are helping to fight malaria in the Indian state hit hardest by the disease. • In Rwanda, Abbott is working with the Ministry for Health and Society for Family Health to create a financially sustainable 	<p>model for primary care in rural areas, which can be scaled across Africa and beyond.</p> <ul style="list-style-type: none"> • In 2019, we launched our Future Well™ initiatives — a series of programs and collaborations with leading organizations and communities focused on outsmarting the drivers of noncommunicable diseases. <p>You can read more about these programs at Abbott.com.</p>
 <p>GOAL 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	<p>By promoting science, technology, engineering and math (STEM) education, Abbott and the Abbott Fund are inspiring the next generation of innovators. Since the inception of our STEM programs, we have leveraged employee expertise to deliver engaging educational programs in more than 1,000 schools and community partnerships, reaching more than</p>	<p>325,000 kids. Our Future Well partnership initiatives inspire young people to make changes today that will tackle chronic disease and secure a healthier and more fulfilling tomorrow. Read more about our STEM programs on the Science Education page of our website.</p>
 <p>GOAL 5 Achieve gender equality and empower all women and girls</p>	<p>Gender equality is a fundamental element of Abbott’s shared-value strategy. Women make up 43 percent of Abbott’s global workforce, and we are committed to doing better. We continue to invest in our high school internship program, providing hands-on, creative experiences that encourage girls to engage in STEM. We choose students from diverse schools</p>	<p>near where we work, and more than half of our U.S. students are women. We are excited to share our STEM Internship Blueprint, a model of what’s worked for us for any business looking to increase STEM opportunities for underrepresented groups, such as women and minorities. You can read more about our STEM programs on our website.</p>

SUSTAINABLE DEVELOPMENT GOALS

SUSTAINABLE DEVELOPMENT GOALS	EXAMPLE	
 <p>GOAL 6 Ensure availability and sustainable management of water and sanitation for all</p>	<p>Access to water is essential to Abbott’s manufacturing operations and business continuity, and it also plays a critical role in the use of many of our products. We are committed to managing our water use in an efficient, responsible manner, as well as to improving access to clean water for our customers and the communities in which we operate. We have set a target to decrease Abbott’s total water intake by 30 percent by 2020,</p>	<p>compared to 2010 and adjusted for sales. We are progressing toward this target by increasing the water efficiency of our operations and reducing our water-related impacts. Since 2010, we have reduced our water intake by more than 3.6 percent on an absolute basis and 28 percent when adjusted for sales. See page 87 in Safeguarding Our Environment for more details.</p>
 <p>GOAL 13 Take urgent action to combat climate change and its impacts</p>	<p>Abbott is committed to identifying and mitigating climate-related risks that impact our operations, supply chain and distribution network. A core part of Abbott’s business strategy includes reducing the energy and carbon footprint of our operations. We have set a target to reduce our Scope 1 and 2 carbon emissions by 40 percent by 2020 against 2010 levels, adjusted for sales. In 2019, we achieved a 43 percent reduction on this basis.¹ We have also set an aggressive target to reduce</p>	<p>the total weight of our packaging by 10 percent by 2020, compared to our 2010 baseline. We surpassed our initial goal in 2017 and continued this trajectory of progress by achieving total annualized reductions of 14 percent in 2019. Through this achievement, we have eliminated approximately 41.8 million pounds of packaging since 2010. See page 95 in Safeguarding Our Environment for more details.</p>

1. Scope 1 and 2 emissions were calculated using the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP). To calculate our Scope 2 emissions, we use the GHGP market-based methodology. Where market-based information is not available, location-based results have been used as a proxy. For full details on our carbon emissions, including market- and location-based calculations, please see [pages 117–118](#) and [121](#) in the [Reporting on Sustainability](#) section.

COVID-19: MEETING A GLOBAL HEALTH CHALLENGE HEAD ON

An Evolving Pandemic

Meeting the world's most urgent health challenge head on requires determination, expertise, compassion and responsibility.

Fighting the coronavirus pandemic has become an evolving battle, one that demands to be fought on multiple fronts: providing supplies to frontline workers, supporting families and communities affected by the virus, and the key to better understanding this disease — advancing access to testing.

Combating COVID-19 Through Testing

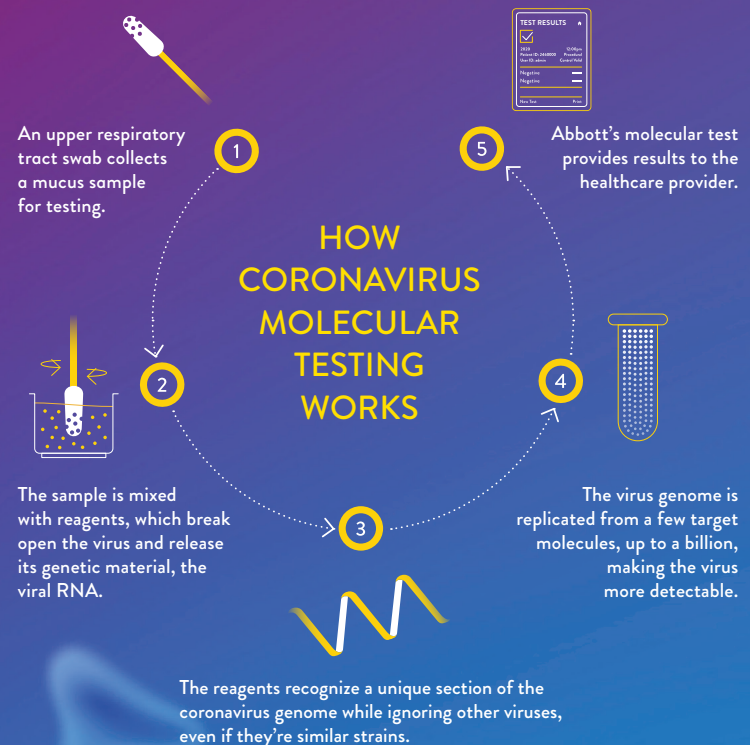
As the world continues to combat COVID-19, one thing has become clear: Testing is critical to solving the complex puzzle of an infectious disease outbreak. What's needed, specifically, is testing to see if someone has an active infection or has previously been infected (antibody testing). To meet global needs, different kinds of tests are needed for different purposes in different environments.

Abbott has a long history of stepping up to help meet the world's urgent health needs, such as when we scaled up penicillin production during World War II and when we developed the first licensed test for HIV in 1985. The COVID-19 crisis was no different. Abbott mobilized to quickly meet the need.

“When we saw the seriousness of COVID-19, we knew we needed to develop all types of testing that could help curb the spread and support care for patients,” said Chris Scoggins, Senior Vice President, Rapid Diagnostics.

Abbott's decades of experience tracking viruses and developing diagnostic testing allowed us to swiftly create tests for different settings and stages of a person's COVID-19 infection. Beyond the five diagnostic and antibody tests we've developed so far, our scientists are continuing work on additional COVID-19 tests across the spectrum of our diagnostic platforms.

Molecular Testing



GLOBAL LEADER IN DISEASE TESTING

Testing for Active Infection

We have developed three molecular tests for detecting active infection and two serology tests for detecting antibodies. Our rapid point-of-care (POC) COVID-19 molecular test is used on our *ID NOW*TM system. Around the size of a toaster, *ID NOW* has become a vital weapon in this battle because it can detect the virus in just 13 minutes or less. It is used in physicians' offices, urgent care clinics and other POC settings.

As of July 2020, we've shipped more than 6 million of our rapid *ID NOW* tests to all 50 U.S. states, Washington, D.C., Puerto Rico and the Pacific Islands. The majority of these tests have been sent to outbreak hotspots.

We have also launched two lab-based molecular COVID-19 tests, which are used on our *m2000*[®] *RealTime* system (currently in hospitals and molecular labs around the world) and with our new *Alinity*[®] *m* platform. In a 24-hour period, the *Alinity* *m* system can run up to 1,080 tests, and our *m2000* system can run up to 470 tests.

Testing for Antibodies

An important next step in addressing the COVID-19 outbreak is serology testing, also called antibody testing. These blood tests can provide a greater understanding

of the virus, including how long antibodies stay in the body and how much of the population has been infected. This information can help public health officials learn how widespread the outbreak is and can support the development of treatments and vaccines.

We've shipped more than 12 million *ARCHITECT*[®] *i1000*^{SR} and *i2000*^{SR} and *Alinity* *i* COVID-19 tests to customers across the United States. We received the CE mark for the *ARCHITECT* test and are shipping to several other countries. Many of these instruments are already located in hospitals and medical labs where patients go for care.

Ramping Up Manufacturing

As of July 2020, we have delivered more than 40 million tests to 85 countries around the world. This was made possible by the strength and resilience of our supply chains and the effectiveness of our continuity planning long before the pandemic struck. This readiness allowed us to obtain the supplies we and our customers needed without interruption.

Our teams have been working 24/7 as we continue to ramp up production of our COVID-19 tests and our testing instruments, working with our suppliers and manufacturing teams to ship to more customers around the world.

History of Diagnostic Testing Leadership

Developing accurate and reliable tests normally takes years; however, our team of scientists and experts literally worked around the clock to compress the time frame down to just weeks.

More than 25 years ago, we created a Global Surveillance Program to monitor HIV and hepatitis viruses. We have a long-standing discovery program to identify new or unknown pathogens, which just last year led to our scientists discovering a new strain of HIV. Our library contains more than 78,000 virus strains, making it one of the largest libraries in the world, and we're continuing to collect more data in the field.

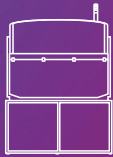
***ID NOW* HAS BECOME A VITAL WEAPON
IN THIS BATTLE BECAUSE IT CAN DETECT
COVID-19 IN JUST 13 MINUTES OR LESS.**



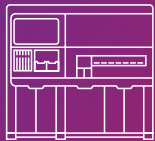
OUR SCIENTISTS CONTINUE TO WORK ON ADDITIONAL COVID-19 TESTS ACROSS THE SPECTRUM OF OUR DIAGNOSTIC INSTRUMENTS.



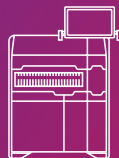
ID NOW



m2000
RealTime System



Alinity m



Alinity i



ARCHITECT
i1000SR AND i2000SR

STRENGTHENING HEALTH SYSTEMS AND COMMUNITIES

The COVID-19 pandemic has not only posed new challenges; it has revealed weaknesses and limitations in the world's health systems. Communities already struggling with affordable access to healthcare, treatment and resources around the world are now all the more vulnerable. There is no one solution.

We know that beating this virus requires a comprehensive approach that includes partnerships and local expertise and targets the most vulnerable populations. In collaboration with the Abbott Fund, Abbott's philanthropic foundation, we've given more than \$23 million in cash and product donations to date across every region where we operate.

Here are just a few of the ways we are helping strengthen health systems and communities to take on this global challenge:

- In Africa, healthcare systems are overburdened, creating gaps in COVID-19 treatment. We're partnering with the African Federation for Emergency Medicine (AFEM) to provide virtual trainings on COVID-19 care to 2,000 frontline providers in Africa.
- A smartphone app developed by the Emergency Medicine Association of Tanzania (EMAT) with a grant from the Abbott Fund now enables remote consultation between patients and physicians, easing overcrowding in outpatient departments. EMAT is sharing the app framework with other countries across Africa.
- The Direct Relief + Abbott Fund COVID-19 Community Grant Program is providing \$5 million to support 25 federally qualified health centers in the hardest hit U.S. states. The program is helping community health centers across the United States that serve predominantly Black and Latino populations by strengthening their capabilities

to screen, test, triage and treat COVID-19 cases and provide clinical education. Our funding is also helping distribute PPE and other critical supplies to healthcare workers in Italy, Spain and the United Kingdom.

- In partnership with CARE, we are helping train and support frontline workers in countries such as Afghanistan, Colombia, India, Uganda and Yemen.
- In China, we have provided nutrition products and funding for medical supplies.
- In Canada, Colombia, Poland, the United Kingdom and the United States, we donated our continuous glucose monitoring (CGM) technology, the *FreeStyle Libre*[®] 14-day system, for use in hospitals to remotely monitor patients with diabetes.
- Through our Future Well™ Communities program, we're offering grants to our partner organizations in Stockton, California, to provide resources, food and frontline support to vulnerable populations.
- During the pandemic, families faced challenges finding important products, including infant formula. To help families in greatest need, we worked with Feeding America and others to donate more than 1.6 million feedings of *Similac*[®] infant formula in eight cities in the United States.
- We're coordinating with Partners In Health to provide the Navajo Nation — one of the communities hardest hit by COVID-19 in the United States — with tests and nutrition products, as well as resources to conduct virus contact tracing.

CARING FOR OUR EMPLOYEES

Caring is one of our core values — and battling this pandemic also means caring for our own colleagues and providing them with resources and support to help them stay healthy.

As a healthcare company, Abbott has been designated an essential business, so we can continue providing an uninterrupted supply of vital diagnostics, medical devices, medicines and nutritional products to our customers. Critical production of our nutritional and other healthcare products not only has continued during the pandemic but has ramped up.

Protecting our employees' health has been fundamental to Abbott's continuation of our product development and manufacturing processes. We've established an infrastructure to procure and distribute personal protective equipment (PPE) to employees to support our ability to contribute to the fight against the virus and keep our business operational. We've also taken steps at our sites to limit exposure, implement social distancing and further enhance the safety of our facilities for the employees on site. We have been testing employees and contractors directly involved in the manufacture of our COVID-19 tests in the United States and have begun expanding to other facilities.

Many of our colleagues also have been working remotely during this time. We've offered flexible working hours and a dedicated intranet site with tips and resources to help employees stay connected, healthy and active. We also sent regular "Great Leader" emails to managers, providing tips, resources and support to help them better manage and connect with their remote teams.

Also, at the beginning of the school year in the United States this fall, we introduced new ways to make the remote experience better for both students and parents than it was in the spring. We created several new benefits (and highlighted other existing programs) that employees can use to make life a little easier. The new services will improve access to childcare and elder care, including

backup care. Plus, we offer several at-home tutoring options, including two hours per week of tutoring at no cost to our employees and their families.

Additionally, at some locations where employees remained on site, we've partnered with the cafeteria provider to offer food staples and hard-to-get items. We've also delivered wellness kits to employees at U.S. sites and distributed more than 24,000 kits to colleagues across the globe.

Abbott has 107,000 employees in more than 130 countries, and to date, there have been no pay cuts and we have not laid off or furloughed any employees due to COVID-19. We are offering our colleagues flexible working hours to help them manage their home and work schedules. Employees can also take paid sick leave if they are ill or quarantined as a result of COVID-19. For colleagues in the United States who took advantage of our program to buy extra vacation days, we gave them the option to reduce the extra days if they were unable to use them.

Our childcare center at our Abbott Park headquarters has remained open under a government-issued emergency order to provide childcare for essential workers. This includes operating under all required Illinois Department of Public Health criteria. The Clara Abbott Foundation, a not-for-profit organization managed and funded independently from Abbott, which exists solely to help Abbott employees and retirees who are experiencing financial hardship, is providing financial grants to those who are struggling to afford their basic needs due to increased expenses and/or loss of household income resulting from COVID-19.

Our health plan activities have been updated as part of the CARES Act. We also implemented mid-year dependent-care flexible spending account elections that allow participants to make changes at any time, rather than only following a life event. This provision was granted by the U.S. Internal Revenue Service for Section 125 plans in the United States to allow more flexibility due to the COVID-19 outbreak.

Employee Assistance Programs

As a result of the virus, we expanded employee assistance programs (EAPs) that offer health and wellness resources to at least 16 more of our country affiliates to provide:

- Counseling services for physical, financial and emotional care
- Ways to manage stress and anxiety during uncertainty
- Local community resources, including where to find childcare and elder care
- Help with making the transition from working at home to back in the office

In April, more than 900 employees from around the world joined our "Stay Focused No Matter What" webinar to help manage stress, and in May, 470-plus employees globally took part in live meditation sessions. Additionally, more than 4,400 people have visited the COVID-19 support page at [iLiveLifeWell.com](https://www.abbott.com/ILiveLifeWell), Abbott's resource for well-being programs.

Beginning in China and working our way around the world, we deployed webinars to managers and employees within five days of shelter-in-place orders to help people adjust to the change to remote working and remain engaged and productive. We reached more than 7,000 colleagues via these webinars.

We also continued our focus on professional development, converting 63 instructor-led courses to virtual courses between January and July. Additionally, there has been a 203 percent increase in eLearning participants in the first half of 2020 compared to 2019. We held 118 virtual classes globally between January and June, with more than 1,760 virtual attendees.

Abbott people have been relentlessly battling the COVID-19 pandemic while we've been continuing to meet the needs of our customers through our resilient supply chain, prioritizing our employees' well-being and safety and supporting communities around the world.

3-YEAR PROGRAM

IN MARAWI CITY, PHILIPPINES

NCD PROGRAM

INCREASING ACCESS TO CARE

In times of disaster or a humanitarian crisis, it is difficult to access basic care like food, water and shelter. For people living with noncommunicable diseases (NCDs), such as diabetes and heart disease, however, basic needs also include critical medical supplies. Accessing care can be challenging under normal circumstances, but it's even more difficult when there's a crisis. So when an armed conflict in Marawi City, Philippines, left much of the area destroyed, people struggled to find the care they needed.

In 2019, we began a partnership with CARE to provide care, treatment and education on chronic diseases and their prevention. We're honored to be a part of this program, which is among the first of its kind to address this issue in areas affected by humanitarian challenges.

> CARE HEALTH WORKER

In the midst of a humanitarian crisis, CARE health workers in Marawi City, Philippines, are assisting people living with noncommunicable diseases.



INTEGRITY IN ALL THAT WE DO

Abbott exists to enable people to live fuller, healthier lives. We strive to make an impact on policies and priorities that have a positive effect on people's health and well-being. This includes enabling broader access to healthcare and life-changing technology.

We must demonstrate that our advocacy is always ethical and responsible and that we operate all aspects of our business fairly, honestly and with integrity. We are committed to adhering to all applicable laws and regulations in every aspect of our work as a global healthcare company.

We have a clear strategy for building a culture of compliance at Abbott that engages all of our employees and emphasizes the importance of ethical behavior. In this section, we describe the channels we use to promote ethics and integrity and the systems we have in place to embed ethical behavior and manage compliance risks.

GOVERNANCE

Abbott's Chief Ethics and Compliance Officer (CECO) is the Vice President responsible for leading our ethics and compliance program and managing our Office of Ethics and Compliance (OEC). The CECO regularly reports on compliance matters to our President and CEO and senior-level leaders and our Board of Directors and its committees.

Abbott's Business Conduct Committee (BCC), which is chaired by the CECO, assists in implementing the compliance program. This group meets regularly to discuss the changing legal and regulatory environment, monitor best practices, and refine Abbott's approach. The BCC consists of senior-level leadership and is directly accountable to our President and CEO.

Each Abbott business and function has dedicated OEC staff members who support the business in implementing our ethics and compliance program. Outside the United States, we operate an affiliate compliance program that is managed by local affiliate compliance committees. The committees include top executives from all of Abbott's businesses within a country and are responsible for the day-to-day execution of the compliance program. The committees monitor compliance, provide training, and ensure employee awareness and engagement. They meet regularly to discuss emerging issues and work with local OEC staff to implement new programs.



“We incorporate ethics and compliance into every part of our business. At Abbott, we work with our leaders to build this culture throughout all levels of our organization, and it remains a critical part of how we operate.”

JAMES YOUNG
VICE PRESIDENT AND
CHIEF ETHICS AND COMPLIANCE OFFICER

OUR COMPLIANCE PROGRAM

We have designed our global ethics and compliance program to align with the elements of an effective program set out in the voluntary *Compliance Program Guidance for Pharmaceutical Manufacturers*, which the Office of Inspector General, U.S. Department of Health and Human Services (HHS-OIG), published in 2003, as well as other guidance documents published by government agencies in the United States and other countries. Our policies also incorporate code of conduct guidelines from relevant medical technology trade associations, including AdvaMed, APACMed, MedTech Europe and Mecomed.

The laws of several countries require additional transparency and restrict how businesses can interact with healthcare providers. Abbott complies with all such requirements, including providing additional certification and tracking and reporting payments and transfers of value. This includes complying with federal and state-level transparency laws in the United States.



Policies and Standards of Conduct

Our Code of Business Conduct is the foundation for ethical conduct at Abbott. We have made our code available in 29 languages, both in print and online. Every year, we require every Abbott employee to read the code and certify that he or she adheres to it.

The code explains Abbott's values and that it is every employee's responsibility to live them every day. The expectations it sets out include employees holding themselves to the highest ethical standards, keeping a watchful eye on our activities, reporting concerns in good faith, and always operating with honesty, fairness and integrity. The code highlights key areas such as the importance of adhering to policies and procedures, treating confidential information appropriately, avoiding conflicts of interest, and maintaining accurate books and records. The code clearly states that Abbott does not

tolerate illegal or unethical behavior in any aspect of our business and that employees are required to ask questions and/or report any concerns.

We have developed a decision-making AID (Assess Impact Decide) framework to help our employees apply the code's principles. In addition to guiding their actions, this helps them monitor behavior, ask questions and report concerns.

We also have a written policy, called Employee Problem Solving, that provides a system for employees to report concerns and enables the open exchange of information. It applies to all Abbott employees worldwide, except where local laws or collective bargaining agreements dictate otherwise.

We have made ethical interactions with healthcare professionals a key focus of our ethics and compliance program, as well as a focus of our Code of Business Conduct. We monitor our interactions with healthcare professionals and carry out periodic audits to track compliance with our policies. We assess compliance risks for different regions and business areas and use these assessments to determine the frequency of our audits. We have a system in place for tracking action items from audits to ensure that business processes are quickly updated when required.

We also offer specific training on interactions with healthcare professionals as part of our Legal and Ethics Resource Network (LERN) training program. See the section [Training and Awareness](#) on [page 27](#) for more details.

Our commitment to ethical interactions with healthcare professionals, patients and consumers includes the obligation to communicate responsibly about our products and services and the alternatives that exist. Our policies and procedures align with the regulatory licenses and approvals that we obtain to promote, sell and import medical devices, diagnostics, nutrition products and medicines.

We update our ethics and compliance policies regularly to reflect changes to the law or industry codes, including rules on interactions with healthcare professionals. In 2018, we rolled out the Code of Business Conduct and compliance policies and procedures to our newly acquired rapid diagnostics business.

Process for Reporting Concerns

Our Code of Business Conduct emphasizes our employees' responsibility to report concerns. This requires us to create an environment where they can do so in good faith, without fear of retaliation. The code outlines Abbott's responsibilities for handling employee grievances and complaints in an ethical way and strictly forbids any retaliation against any person who raises a complaint.



TRANSPARENCY ON NUTRITION

Our nutrition business is dedicated to developing science-based nutrition products for people of all ages. We are committed to marketing these products ethically and ensuring that our practices comply with all local laws and regulations. We have well-established systems for ensuring that conduct at every level of the business conforms to our Global Infant Formula Marketing Policy, as well as the laws of the countries in which we operate.

We have clearly defined systems and processes for asking questions and reporting suspected or actual violations of our code, policies or procedures. These include our Speak Up tool, which allows employees and external parties to raise concerns of potential misconduct in a manner that is confidential and (where permitted) anonymous, either by email, by telephone or through a website. The Ethics and Compliance Officer for Investigations enters every report that is received into the investigations database or delegates somebody else to do so. He or she assigns an investigator from the appropriate function to gather evidence, so the OEC can determine if action is required. We aim to conduct investigations as quickly as possible without compromising thoroughness and integrity, and we carry out periodic audits of the investigations process.

We also have a web-based Ethics and Compliance helpline with live telephone support and translation services for non-English speakers. The helpline is available 24 hours a day, seven days a week. Employees may also contact OEC staff or the CECO directly. We have additional systems in place for reporting through social media channels, which include reporting concerns, responding to questions on ethics, and handling reports of suspected or actual violations.

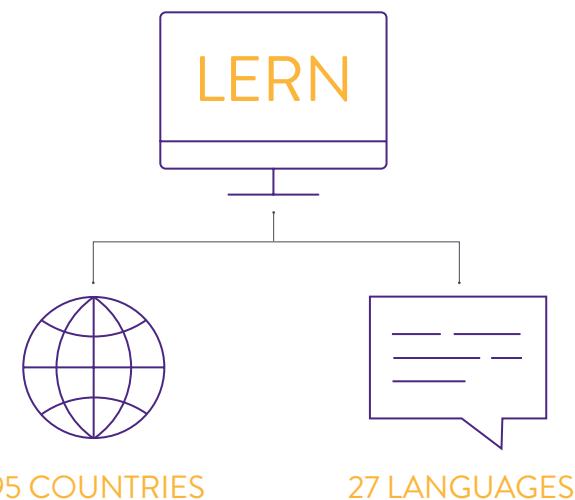
We use a comprehensive reporting and investigations case management database to process, track and resolve all concerns that are reported.

Training and Awareness

Abbott's employees participate in a global online LERN training program, which is available in 95 countries and 27 languages. LERN educates our employees on all aspects of the code and provides practical guidance on how to recognize and respond to legal and ethical issues. The OEC assigns LERN courses to each full-time and part-time Abbott employee, based on his or her role and responsibilities and the specific training that he or she requires. The courses assigned to each employee are reviewed twice each year. In 2019, 100 percent of Abbott employees completed the LERN courses assigned to them.

The LERN curriculum includes certifications covering the Code of Business Conduct and Conflicts of Interest, with a key focus on interactions with healthcare professionals. All Abbott employees, full-time and part-time, review and sign these certifications every year. It also forms part of our ethics and compliance training for new employees.

LEGAL AND ETHICS RESOURCE NETWORK (LERN) TRAINING



We supplement training with communications designed to raise awareness of compliance issues and ensure engagement with our policies. These include emails, newsletters, videos and issue highlights on our OEC intranet site. Our OEC staff also participates in global, national and regional sales meetings, as well as local site meetings, creating the opportunity to discuss compliance issues face to face.

Managers and supervisors have a heightened responsibility for leading by example on compliance and making Abbott's expectations clear.

Risk Assessments

The OEC regularly assesses compliance risks by reviewing the results of internal investigations, audits and monitoring programs and pays close attention to the external risk environment. This includes changes to industry codes and best practices, guidance from governments, and enforcement actions taken against other companies. Our Anti-Corruption Compliance Enhancement (ACE) program evaluates the commercial practices of countries in depth in order to identify potential compliance risks.

The OEC develops improvement plans for our policies and procedures in response to any emerging compliance risk that it identifies. We then track progress toward implementing these plans.

Monitoring and Accountability

We use our compliance risk assessments to guide our international program of audits and monitoring. This program assesses compliance with our code, as well as with our ethics and compliance policies and procedures. Our risk assessments determine the frequency and scope of audits for different businesses and countries. We track all action items resulting from our audits and make any improvements to our business processes in a timely manner.

Managers and supervisors have a heightened responsibility for leading by example on compliance and making Abbott's expectations clear. It is part of their role to ensure that employees understand and are held accountable to the code.

Investigations and Corrective Actions

Adhering to our Code of Business Conduct is a condition of continued employment at Abbott. We investigate all reports of potential violations of our code, policies or procedures and take appropriate corrective action.

Any Abbott employee who violates our code, policies or procedures is subject to appropriate disciplinary action, which may include termination. Corrective action may also include terminating third-party relationships. Any Abbott employee who refuses to cooperate in an investigation may also be subject to disciplinary action, as may any employee who reports a concern that is knowingly false or intended to threaten, intimidate or retaliate.

Abbott does not tolerate retaliation against anyone who reports a violation in good faith. We publicize these guidelines widely and enforce them throughout the company.

We regularly report information about investigations to our Board of Directors and senior management and communicate the results of investigations, audits, assessments and monitoring to the appropriate OEC staff and business leaders. When an area for improvement is identified, the OEC collaborates with Abbott's business leaders to take corrective action.

COMBATING CORRUPTION AND BRIBERY

Abbott adheres to the U.S. Foreign Corrupt Practices Act (FCPA), the U.K. Bribery Act, and all other applicable anti-corruption and anti-bribery laws. We also require that every third-party company with which we do business or which performs work on our behalf must act in accordance with these same laws.

We expect third parties that work with Abbott to hold themselves to the same high standards of legal and ethical compliance that we as a company hold ourselves to. We have detailed these requirements in our Third-Party Guidelines and our Supplier Guideline and make these available to third parties in 18 languages through our website.

Third-Party Compliance

The OEC has developed a Third-Party Compliance Process to identify and address corruption and bribery risks that occur when third parties interact with government officials or healthcare providers on Abbott's behalf.

The Third-Party Compliance Process requires Abbott businesses, subsidiaries and affiliates outside the United States to conduct due diligence before they engage third parties. It sets down centralized processes for screening third parties, identifying high-risk business partners, and monitoring and mitigating the risks involved. The process also requires that our businesses sign written contracts with all third parties that include compliance requirements. Additionally, the process provides guidelines for training, monitoring and auditing third parties.

We routinely update our Third-Party Compliance Process tools and resources to mitigate third-party risks and better equip our business to prevent bribery and corruption.



SECTION 2

ENSURING QUALITY AND SAFETY

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> PALOMA GUERRERO

Diabetes blogger Paloma Guerrero in Scottsdale, Arizona, was one of the first people to try the FreeStyle Libre[®] system.¹



FREESTYLE LIBRE

PROTECTING CONSUMER DATA

Technology has transformed healthcare in ways we could not have imagined. Whether it's checking glucose levels on the go without a fingerstick or getting lab test results in minutes, we're grateful that our products and devices can provide critical information to help people and their doctors manage their health.

We take robust measures to protect consumer data and keep it private and secure. We have a responsibility to those who use our systems, and we take this responsibility seriously, building consumer trust so that people can go on living, doing the things they love with the people they love.

DELIVERING QUALITY AND SAFETY

Our purpose of enabling fuller lives through the power of health depends on trust, and trust in Abbott depends on our ability to consistently deliver safe, effective, high-quality products. We are proud of the trust that our business has established over the past 130 years. We recognize that the process of earning that trust never ends, and it's the responsibility of everyone at Abbott.

As we evolve Abbott to meet emerging global healthcare needs and opportunities, we must ensure that our approach to quality and safety keeps pace with a constantly changing regulatory landscape. As a global healthcare company, we must monitor and adapt quickly to changing local regulations in the more than 160 countries where we operate. We have rigorous processes for embedding quality by design in all new products, and we closely monitor compliance on a global basis. As we respond to opportunities to change lives for the better through connected care and digital health, we focus on developing an equally responsive approach to cybersecurity risk management.

GOVERNANCE

Responsibility for quality and regulatory matters across Abbott sits with our Senior Vice President, Quality Assurance, Regulatory and Engineering Services, a corporate officer who reports directly to our President and CEO. Dedicated quality and regulatory leaders within each Abbott business report to the presidents of the businesses they support and are accountable to the Senior Vice President, Quality Assurance, Regulatory and Engineering Services.



“Trust in Abbott depends upon our consistent delivery of high-quality and safe products. We work every day to maintain that trust and provide people around the world with the products and devices they need to help them get and stay healthy.”

AGNES ORTEGA

DIVISIONAL VICE PRESIDENT,
COMPLIANCE AND QUALITY OPERATIONS

MANAGEMENT APPROACH

We take a holistic view of quality across our organization and beyond, with systems and policies to drive consistency, compliance and continuous improvement. These include programs to embed quality, safety and sound product stewardship throughout our value chain.

Our senior quality, regulatory and operations leaders meet at least quarterly to analyze trends, elevate concerns and review best practices for quality and compliance. Their input ensures that our quality management systems align with global industry standards and the changing regulatory landscape in our key global markets.

Quality Management Systems

We have developed a multicomponent model and proprietary metrics to track the quality system performance of our businesses and individual manufacturing sites. We review our model and metrics at least annually to ensure that they continue to assess relevant quality and compliance risks. We challenge ourselves with aggressive metric targets to continuously improve and identify early warning signals.

When we identify a change in performance at a site or a business, we analyze the causes of the change, take action when required, and capture best practices and key learnings to apply elsewhere in our organization.

We are introducing predictive analytics to our performance tracking with machine learning models to identify and enhance our ability to predict potential performance, quality and compliance risks.

Our systems focus on assessing two types of quality attributes: those related to the product design and those related to the manufacturing process. We use risk assessments and failure mode effect analysis (FMEA) to ensure robust processes and embed quality by design.

We map our critical outputs to process and design inputs and monitor quality throughout the full product life cycle. When developing new products, we conduct rigorous product safety tests that are tailored to the product requirements.

Abbott's nutrition business ensures food safety through a tightly controlled manufacturing process that runs from our procedures for accepting materials from suppliers through to final product distribution. We monitor and verify microbiology, packaging integrity, and nutrient and lot control and test product extensively before releasing it for commercial distribution.

Safety requirements are some of the core design inputs in the development of new devices by Abbott's devices and diagnostics businesses. We perform design verification and design validation studies to ensure that every device meets its defined design inputs. These include human factor assessments and risk assessments, such as safety factors for both patients and those working in clinical laboratories. We focus on the safety and performance of a device throughout its lifetime and continue to confirm safety and performance once a product is released. We do so through batch release testing, analyzing feedback from users, and reviewing scientific and performance data.

Our global internal audit programs assess compliance with both regulatory standards and our own internal standards and processes. Internal processes are assessed, such as design, production processes, supply chain, data integrity, corrective and preventive actions (CAPA), and complaint handling. Each of our operating businesses also performs internal quality audits in line with local regulatory requirements and then highlights any findings in management reviews. We develop correction plans to address any compliance issues our audits identify.

We focus on the safety and performance of a device throughout its lifetime and continue to confirm safety and performance once a product is released.

Abbott's branded generic medicines business uses a single pharmacovigilance (PV) system for all of its marketed pharmaceutical products. The PV system monitors instances of safety reports worldwide, provides a framework for collection and ensures reporting to the relevant authorities. We provide PV system training for all employees in this division, and our division's senior management regularly reviews the system to ensure our products are fully compliant.

One Abbott Approach to Commercial Quality

Our commercial quality assurance (QA) focuses on ensuring that the processes we have in place across Abbott's supply chain are sufficient to maintain the quality and compliance of our products.

The One Abbott global commercial QA initiative is an ongoing program that focuses on establishing common procedures and processes for quality management. It emphasizes four key areas:

- Organization and professional development
- Operational excellence
- Customer satisfaction
- Supply chain assurance

Since the launch of the One Abbott initiative in 2016, we have aligned our quality systems for managing suppliers, documentation, warehouse controls, nonconformance and CAPA. The One Abbott team also has hosted three global conferences that brought together representatives from Abbott businesses and affiliates worldwide. These conferences are an opportunity to share best practices, challenge the status quo and move QA forward.

Quality Certifications

Abbott maintains certification to global industry standards, and we have achieved independent quality certifications across our Global Manufacturing, Research and Development (R&D), and Commercial Operations. Not all of our certifications are regulatory requirements. However, we embrace all of them as opportunities to drive continuous improvement and operational excellence.

Our standards include:

- ISO 9001, ISO 14001, ISO 17025, ISO 22000 and ISO 90013
- ISO 13485 (Medical Devices – Quality Management Systems), with 100 percent of device facilities certified
- NSF (National Sanitation Foundation) International
- GFCO (Gluten-Free Certification Organization)
- GMP+ FSA (Good Manufacturing Practices Plus and Food Safety Assurance)
- FSMA (Food Safety Modernization Act)
- Safety Assurance Certification
- HACCP (Hazard Analysis and Critical Control Points)
- Halal
- QAI (Quality Assurance International)
- Organic Certification
- Kosher
- Class A Certification

Every Abbott nutrition manufacturing operation is certified to ISO 22000 and GMP+ standards.

MEDICAL DEVICE SINGLE AUDIT PROGRAM (MDSAP)



Product Stewardship

We have developed a product stewardship program to minimize the impact of our products and their packaging throughout the product life cycle. The program tracks and addresses regulations regarding restricted chemicals and ensures due diligence regarding conflict minerals. We carefully monitor and document regulatory changes, and we inform all the affected areas of our company about the potential business impacts of these changes through regular product stewardship business meetings.

We offer product stewardship training on conflict minerals, medical device regulations and substances of concern. We also offer training to relevant teams on the use of our global data composition repository. These teams include R&D, Supply Chain, Procurement, and Environment, Health and Safety.

Hazardous Chemicals

Responding to regulations on hazardous chemicals is a key element of our product stewardship program, with significant implications for how our products can be used, recycled and disposed of. We ensure that the way Abbott products are marketed and sold complies with current regulations and not just the regulations in place at the time they were developed.

Conflict Minerals

We have defined a due-diligence process for understanding the use and sourcing of conflict minerals in our products and our supply chain. This includes the 3TG minerals: tantalum, tin, tungsten and gold.

We file a Form SD² and Conflict Minerals Report each year with the U.S. Securities and Exchange Commission, in compliance with the Dodd-Frank Act. The form, the report and our position statement on conflict minerals can be found on our [website](#). We are a member of the Responsible Minerals Initiative, which provides

companies with tools and resources to support compliant, responsible sourcing from conflict-affected and high-risk areas.

We use the Responsible Minerals Initiative's standardized Conflict Minerals Reporting Template to survey our suppliers on conflict minerals. We also use an automated conflict minerals analysis tool to help assess risk in our supply chain.

Product Quality Training

We provide education and training, based on current regulatory requirements and industry standards for good manufacturing, laboratory, clinical and distribution practices, to all of our employees who have responsibility for product quality. We offer more than 350 quality courses in multiple languages on a broad array of regulatory and compliance topics.

Key topics for training are determined by a review of current course offerings; inspection outcomes; target audience training needs; and emerging industry topics, such as cybersecurity. Subject-matter experts from across Abbott are engaged to ensure training is relevant and includes an appropriate depth of learning for identified audiences.

In addition to computer-based and instructor-led training courses, a monthly global webcast is held to share key information impacting operations and to provide a direct connection between learning, knowledge and performance. This creates a forum for exchanging knowledge and leveraging information globally within key areas, such as quality, compliance, operations, regulatory and medical affairs.

New Acquisitions

New acquisitions play an important role in expanding our product portfolio and supporting innovation, diversity and choice for our customers. We have a well-defined process for assessing risk when integrating new acquisitions into our business and aligning acquired products with Abbott's quality requirements.

Following acquisitions, a cross-functional team assesses, identifies and prioritizes risks in order to develop integration action plans. We focus on ensuring compliance with country requirements, with the Abbott quality system, and with the need to provide safe, quality products to our customers. We also identify opportunities to learn from best practices at the businesses we acquire and to integrate these into our global policies and procedures.

A critical part of our process is ensuring that new employees from the acquired company receive Abbott quality training, continue to expand their knowledge and benefit from development opportunities. This provides a foundation for good quality management throughout the transition.

PERFORMANCE UPDATES

Product Quality Indicators

Abbott manufactures products at 92 sites across North America, Latin America, Europe and the Asia Pacific, crossing many different jurisdictions and involving oversight from a range of different regulatory agencies. Our understanding of global regulatory trends leads us to expect increased oversight from each of these different regulatory agencies. One of our key product quality indicators is the percentage of site visits from our regulators that result in zero observations. Our sites received more than 600 visits from global regulators and health authorities in 2019, 75 percent of which resulted in zero observations. Our objective is to continuously improve this number.

We also respond proactively to all FDA warning letters and product recalls that relate to Abbott products. During 2019, Abbott had zero new warning letters. There were two Class I and 28 Class II FDA recalls for our products.

Our management of Abbott's Tier 1 suppliers includes monitoring the percentage of these suppliers that participate in third-party audit programs for manufacturing and product quality. At the end of 2019, 98 percent of our Tier 1 suppliers were active participants in these programs.

QUALITY INSPECTIONS AND AUDITS	2019
Number of quality/regulatory inspections of Abbott sites by worldwide health authorities	647
Percentage that resulted in zero observations	75%
Number of Food and Drug Administration (FDA) inspections of Abbott sites	18
Percentage that resulted in zero observations	72%
Average number of observations per FDA inspection	0.61
Number of internal independent audits to ensure compliance with Abbott quality standards	71 (global compliance)

FDA WARNING LETTERS ISSUED	2019
Total number of letters issued for Abbott	0

Aligning With Global Standards

In 2017, the European Union (EU) published its Medical Devices Regulation (MDR) and In Vitro Diagnostics Regulation (IVDR). Both the MDR and IVDR include multiyear implementation periods, which take effect on May 26, 2021 (MDR), and May 26, 2022 (IVDR). We work to ensure that Abbott's global quality management system is fully aligned with the new regulations by the end of these implementation periods.

During 2019, the leaders of our affected businesses and functions continued to work on identifying necessary product and process changes to comply with the new requirements (e.g., updating impacted corporate quality system procedures, establishing the role of the person responsible for regulatory compliance, evaluating sufficiency of clinical evidence). We also have launched new training courses aligned with the requirements of the MDR and IVDR.

In addition, our businesses took action in early 2019 to prepare for the United Kingdom's (U.K.'s) eventual withdrawal from the European Union (Brexit) to ensure continuity of supply to both the EU and U.K. markets.

Regulators worldwide are putting increased emphasis on data integrity. We are responding by continuing to ensure compliance of our quality and critical electronic systems with Good Manufacturing Practice (GMP). Every Abbott business is assessing its manufacturing process records and support systems for data integrity compliance in order to ensure the continued safety and conformity of our products.

Training and Certification

In 2019, we launched new quality training courses on data integrity, data analytics and visualization, and economic operator responsibilities. All employees will receive this training every three years. During the year, the American Society for Quality (ASQ) and the Regulatory Affairs Professionals Society (RAPS) certified 33 of our quality and regulatory professionals as Hazard Analysis and Critical Control Points (HACCP) auditors, biomedical auditors, quality engineers and regulatory affairs auditors.

EXTERNAL RECOGNITION



SHINGO PRIZE

2019 Shingo Prize recipients:

- Abbott Nutrition Supply Chain, Sturgis, Michigan, United States
- Abbott Nutrition Supply Chain, Singapore

The Shingo Prize is an internationally recognized symbol of excellence that denotes organizations where principles of operational excellence are deeply embedded in culture, thinking and behavior.

SECURITY AND BRAND PROTECTION

Protecting Product Authenticity

Ensuring the authenticity of products is critical for maintaining trust in our brand. We take action to identify and eliminate counterfeit products in the marketplace through a strategy focused on four key areas:

- Securing the global supply chain is done through continual analysis focused on finding weak points and using advanced investigative tools to identify and prevent suspicious activities.
- Overt and covert security features are included to identify authentic Abbott products. These include customized security labels, tamper-resistant seals and security features for cartons.
- Collaborating with local law enforcement and regulatory organizations, we aim to identify and disrupt the criminal organizations involved in counterfeiting, diversion and theft.
- Working closely with industry, governments and other organizations, we share insights and strategies and formulate joint action plans.

Since 2018, our Global Security team has been using state-of-the-art analytical techniques to identify and eliminate illicit internet sales. Over the course of 2018 and 2019, this technology helped us remove more than 487 websites selling counterfeit, diverted, outdated and stolen products and more than 7,000 individual product listings.

In 2019, we formed partnerships with local and federal law enforcement organizations in four countries in Latin America and Asia. Through these partnerships, we are educating officers about the risks of illicit goods entering the marketplace, and we are working together to identify, seize and destroy unauthorized and illegal products. These proactive measures have enabled Abbott businesses to reestablish brand trust and presence in these markets and improve overall sales.

At Abbott, the need to deter, detect and mitigate the risk of counterfeit and diverted products while maintaining a competitive advantage across our global supply chain drives constant innovation.

Key innovative programs developed by Abbott's Global Security (GS), Legal, Trademark, Regulatory, Public Affairs and Business Unit (BU) teams, along with other internal and external entities, include the following:

- Our innovative supply chain security efforts ensure Abbott exceeds the United States Customs and Border Protection (CBP) enhanced Customs-Trade Partnership Against Terrorism (CTPAT) Minimum Security Criteria (MSC).
 - By partnering with CBP and an external vendor, Abbott has implemented a low-cost, highly effective surveillance system to assess and mitigate the risk from theft, counterfeit and/or diversion of Abbott's products.

- By ensuring that Abbott remains a Tier 3 partner of the CTPAT (the highest level), our products move in and out of the United States with expedited processing and 80 percent fewer customs exams, which saves Abbott millions of dollars annually.

- Abbott's BUs and Business Support Teams (BSTs) also have developed playbooks for the BUs' key products. These playbooks document key-product-identifying data (e.g., pictures of authorized packaging, authorized manufacturing locations and typical shipping lanes).
 - The program coordinates, integrates and aligns Abbott's anti-counterfeiting and anti-diversion efforts with external agencies.
 - The result is Abbott detects counterfeit and diverted products earlier, fosters awareness with government entities (involved in the import and export of our products) and amplifies investigative opportunities.
- Abbott's BSTs and BUs work together with ministries of health and law enforcement entities worldwide to identify counterfeit and diverted products and competitors' products falsely claiming that they contain key active pharmaceutical ingredients (APIs) contained in Abbott products.
 - These efforts remove products that harm consumers, negatively impact the Abbott brand and reduce revenue.

In 2019, our Global Security team provided training, including situational awareness training, to more than 10,100 employees worldwide.

- Abbott's Legal and Trademark teams, BSTs, BUs, and an outside vendor have partnered to implement a wide-ranging, highly effective online enforcement program. This program removes fraudulent listings for counterfeit and diverted products from online marketplaces. This protects our customers, brand and revenue.
 - Hundreds of listings are removed every month, and hundreds of thousands of dollars in revenue are protected each month.
 - The value of protecting consumers from counterfeit products stored, shipped and handled outside of Abbott-controlled supply chains is incalculable.

Safeguarding Intellectual Property

We are intent on developing a culture that protects our intellectual property and trade secrets from growing international threats. We focus our efforts on three fronts:

- We educate key employees to raise awareness of intellectual property protection and train them in risk-reduction strategies.
- We conduct on-site vulnerability analyses and threat assessment to identify risks to Abbott's intellectual property and create mitigation strategies.
- We conduct protective technical security countermeasure (TSCM) sweeps and inspections at the facilities and operations that we identify as at risk. Our TSCMs examine the physical and electronic environment to ensure that an area is free of covert monitoring devices and other vulnerabilities.

In 2019, our GS team continued to expand our intellectual property protection, carrying out risk assessments and mitigation discussions across every Abbott business segment. The U.S. government invited Abbott to serve as part of a U.S. Customs and Border Protection working group on improving the protection of intellectual property rights.

Protecting the Working Environment

Safety in the workplace is a critical aspect of Abbott's responsibility to our employees and is essential for our people to be able to perform at their best. Our GS team has responsibility for minimizing the personal risk to our employees as a result of external threats. This takes place on several levels:

- Situational Awareness For Everyone Everywhere (SAFE) training is designed to strengthen our employees' vigilance and security awareness.
- Abbott's Global Communications Center (GCC) is a state-of-the-art command center where our analysts monitor world events 24 hours a day, 365 days a year. The GCC provides advance warnings of emerging and immediate threats, ensuring employees are safe and accounted for.
- Our extensive network of regional security experts, whom we have located strategically around the world, offers assistance to regional businesses and to employees when traveling.
- Abbott's Travel Safety program offers comprehensive support to our employees, from booking travel to their safe return home.

In 2019, our GS team provided training, including SAFEE training, to more than 10,100 employees worldwide. Our travel safety program supported more than 110,000 international trips by more than 24,500 of our employees.

Securing Our Supply Chain

We are committed to eliminating criminal activities, such as drug trafficking, terrorism, human trafficking, forced child labor, cyber threats and illegal contraband from our supply chain. We comply with all international customs laws, and we carefully screen our business partners to guard against unethical practices and security threats.

Since 2003, Abbott has participated actively in the CTPAT program run by CBP, which applies security standards to the global supply chain. Many Abbott businesses also participate in the Authorized Economic Operator program, which is modeled after the World Customs Organization's SAFE Framework of Standards.

In 2019, we worked with CBP on the development of the CTPAT program, providing feedback on new measures and security criteria that will take effect in 2020. In anticipation of the new CTPAT security criteria, we have partnered with a third-party vendor on a system for electronically tracking compliance among our importers, and we worked with external security experts to train and certify our Global Security team to the new standards. We have also updated our contract language to ensure that suppliers fully comply with all of the policies, procedures and guidelines.

CYBERSECURITY

Data technologies are transforming modern medicine through the growth of connected medical devices, products, diagnostic platforms and systems. Living up to the trust that our customers place in Abbott requires a strong focus on cybersecurity. We take a comprehensive approach to protecting the devices, products and systems we offer that connect patients to healthcare professionals and institutions, ensuring their safety and that of their data. We are also committed to evaluating and evolving our approach on a regular basis. We comply with local regulations for reporting and notification of security breaches involving customers' personal information in all locations where Abbott operates.

Cybersecurity Governance and Management Approach

We have evolved our approach to cybersecurity governance to enable greater focus on two equally important areas for our business: enterprise and product cybersecurity. By entrusting cybersecurity governance to separate organizations for each of these areas, we identify and mitigate risks to the security and safety of our products and the security of the data collected through them.

- Responsibility for enterprise cybersecurity, including the security of Abbott data on servers, websites and mobile devices, and the cyber resiliency of Abbott's network, business systems and manufacturing sits with our Enterprise Cybersecurity organization.

- Responsibility for product cybersecurity, including secure design, development and ongoing cybersecurity surveillance for products in the customer environment, sits with our Product Cybersecurity organization.

Abbott's Chief Information Officer (CIO) has overall responsibility for both cybersecurity organizations and for ensuring a holistic approach to cybersecurity across Abbott. The Cybersecurity program is governed by the Cybersecurity and Privacy Oversight Committee, which advises on and monitors the strategic direction of Abbott's cybersecurity programs. The committee comprises officers of the company in the areas of Legal, Compliance, Finance, Human Resources, Quality and Information Technology.

Our overall approach to cybersecurity governance is designed to protect Abbott devices, products and systems through a focus in four areas:

- Cybersecurity-embedded design: This involves a cybersecurity review and analysis as new products are built and systems are updated.
- Constant threat and risk analysis, which is used to identify new threats and deploy cybersecurity controls: This is informed by collaboration with external experts and information-sharing agreements with specialists in the healthcare and cybersecurity fields.

- Security testing by both internal and independent external experts: This ensures our devices, products and systems meet or exceed current cybersecurity standards.
- Partnerships to assess trends, share threat information, and establish standards that protect patients and maintain trust in the healthcare system: Abbott's cybersecurity partners include other members of the healthcare industry, trade associations, security experts, academic institutions and the research community.

Abbott recognizes the continuous evolution of technology and all its possibilities, as well as the threats associated with that technology use. Because of this, we constantly evaluate and adapt our security tools, people and processes with the goal of ensuring our patients receive the highest quality care. The Cybersecurity and Quality organizations work closely together to incorporate cybersecurity considerations throughout the product life cycle, including design, development and manufacturing, as well as the integrity of our quality data systems.

1. The *FreeStyle LibreLink* app is only compatible with certain mobile devices and operating systems. Please check our compatibility guide for more information about device compatibility before using the app. Use of the *FreeStyle LibreLink* app requires registration with *LibreView*, a service provided by Abbott and Newyu, Inc. Important safety information: <https://www.freestylelibre.us/safety-information.html>.

2. A Form SD is an Exchange Act form used to satisfy special disclosure requirements implemented under the Dodd-Frank Wall Street Reform and Consumer Protection Act.



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FUTURE WELL™ COMMUNITIES

REMOVING BARRIERS TO HEALTH

The place someone lives should not determine how healthy he or she can be. In many communities around the world, people lack access to medical care, fresh foods and transportation — just a few of the many things that are needed to get and stay healthy.

Our new program, Future Well Communities, applies a holistic approach to removing these types of social and economic barriers that make it hard to live a healthy lifestyle. Starting in Stockton, California, we're helping develop urban gardens, provide nutrition education, coordinate medical transportation and more, with the hope of creating a model of community health that can be used in other places.

> JESSICA BRYANT

Urban-farming advocate Jessica Bryant launched Corn Poppy Produce in Stockton, California, in 2019.



IMPROVING ACCESS TO HEALTHCARE

At Abbott, we know that innovative health technology is only life changing when it reaches those people who need it most. From testing more than half of the world's blood supply to innovating wearable devices that monitor your health remotely to supplying our quality, trusted medicines in emerging markets, we aim to help people live not just longer but better. Our approach to global citizenship and shared impact is based on this belief and shapes how we work with communities around the world.

As a healthcare leader, we strive to make a positive social impact on helping people live longer and better. We apply our unique strengths to identify and invest in life-changing innovations, design new business models to meet emerging healthcare needs, and find measurable ways to address social challenges through our scientific and technical expertise.

MANAGEMENT APPROACH

Just one example of how we manage our approach to increasing access is through our unique branded generic medicines business model, which focuses on emerging markets. We know that while incomes are rising globally, people often pay out of pocket for healthcare. They deserve quality care that is affordable.

Our intense focus on innovation is improving medicine in emerging and underserved markets and offering new solutions to help people get and stay healthy. We listen, learn and partner in each country and use local insights to make good medicines better, using new technology and services. We take a globally driven, locally focused approach that addresses health needs through meaningful innovation and improvement guided by patient needs.



“The COVID-19 pandemic reminded us that the world is bigger than all of us. With our vast experience in testing and infectious disease, we’re relentlessly focused on helping people, and we’re willing to take big, bold moves to do so.”

ANDREA WAINER
EXECUTIVE VICE PRESIDENT,
RAPID AND MOLECULAR DIAGNOSTICS

SHARED IMPACT

Shared value is an integral part of Abbott's strategy for delivering health solutions in both emerging and developed economies. Our approach is based on access and innovation: new products to meet local healthcare needs, new business models that create value for communities and new systems that can deliver healthcare to those who need it most. Through this work, we tie the growth of our business to meeting social needs.

Bringing Healthcare Closer to Home in Rural Africa

According to World Bank data, 60 percent of people in sub-Saharan Africa live in rural areas where access to healthcare is limited. These limits on the accessibility of healthcare constrain the potential of people and society. In Rwanda, Abbott has identified an opportunity to create shared impact by supporting the Ministry of Health's program to close the rural healthcare gap.

The Rwandan government has a bold vision to deliver quality primary care and testing within a 30-minute walk of every Rwandan home. Through an innovative health post model, Abbott is working in partnership with the Ministry of Health and the Society for Family Health Rwanda to help build a connected health network and make it financially sustainable.

By equipping the posts with rapid diagnostics, supporting nurses with testing and business training, and demonstrating the impact of the network on patients' lives, we can help establish a model for primary care in rural areas that could be scaled across Africa and beyond.

Beginning with eight pilot locations in the Bugesera district in 2019, our new second-generation health posts provide much-needed maternity wards and antenatal care. The new health posts also offer HIV testing, treatment for infectious diseases (such as malaria, respiratory infections and intestinal parasites), pharmacy services and health education. The posts are also quickly becoming a destination for the management of common noncommunicable diseases, such as diabetes and hypertension.

In addition, Abbott is actively working with the Rwandan Ministry of Health and the Society for Family Health Rwanda to evaluate the expansion of services to include addressing nutritional deficiencies.

In 2019, we worked in support of the Rwandan Ministry of Health and the Society for Family Health Rwanda to pilot second-generation health posts that address gaps in primary care and testing. These new health posts are designed to expand essential health services in rural communities.

EARLY RESULTS SHOW BROADER ACCESS TO CARE AND SUSTAINABLE OPERATIONS

Though the first eight health posts have been operational for just six months, early results are promising. The data shows that when there is better access to care, there is an increase in healthcare-seeking behavior and people receive needed testing and treatment.

The second-generation health posts are attracting more patients and resolving more cases than first-generation health posts, with the following results:

- Patient volume is increasing by 32 percent.
- So far, about 1,000 patients are being seen per month at the new health posts — totaling more than 54,000 patients from October–April.
- The new health posts detected three times the number of malaria cases on a monthly basis, with more than 3,800 people receiving treatment.
- The number of diagnosed respiratory infections was 11 percent higher, with a total of 15,900 people treated during the six-month pilot.
- 9,800 cases of intestinal parasites were resolved — double the number achieved at first-generation posts.



Investing in Dairy Farmers in India

Faced with the growing demand for nutrition products in India, we joined forces with Prabhat, an Indian dairy company that was acquired by Lactalis in 2019, and TechnoServe, the international nonprofit that supports farms and businesses in the developing world, to ensure a dependable supply of high-quality milk. Abbott launched a program with the potential to transform the lives of farmers and their families, as well as strengthen our nutrition business in an important market.

Often referred to as shared value, this approach delivers social value to dairy farming communities and economic value to companies like Abbott. Through this program, we developed a quality-focused demonstration model to strengthen our local dairy supply chain while empowering local farmers to produce increased volumes of higher-quality milk, thereby helping them build their small dairy businesses and communities.

Our approach is making a difference. The program results for participating farmers have been dramatic. Their production nearly doubled, and the milk had higher levels of protein, vitamins, minerals and fat — all key measures of high-quality milk. As a result, the farmers' income is more than double that of nonparticipants, while their costs have remained the same.

Participating farmers were more likely to adopt standardized dairy practices, including only selling milk from healthy animals, using steel cans to hold milk and cleaning the animals properly. Adopting these practices increased the quality and cleanliness of the milk, meeting Abbott's strict quality standards and allowing the company to source milk locally for our nutrition products in India. To date, Abbott has made a difference in the lives of more than 1,500 dairy farmers — half of whom are women — developing an empowered, more sustainable supply chain.

LONG-TERM SUSTAINABLE ACCESS TO HEALTHCARE

For two decades, Abbott and the Abbott Fund have worked closely with the government of Tanzania to strengthen the country's healthcare system, including upgrading patient testing and care at the country's largest public hospital, Muhimbili National Hospital (MNH).

Over the course of our 20-year partnership, we have:

- Established emergency medicine as a new medical specialty at MNH and three regional emergency rooms. While training more than 300 physicians, nurses and students through its residency program, this department provides emergency care to approximately 60,000 people per year and has reduced the mortality rate at the hospital by 50 percent.
- Built infrastructure, supported professional capacity and established a lab IT system for a network of 23 regional public laboratories, which supports more than 120 district laboratories, providing accurate and timely diagnosis for millions of people.
- Supported a strategy for financial sustainability at MNH, including cost recovery from patients with health insurance or the ability to pay. This helped two departments generate a surplus of more than \$14 million in the first six years, which supports the hospital's commitment to providing critical care, regardless of ability to pay.



We are tackling the global NCD crisis on multiple fronts.

MAKING A POSITIVE IMPACT: COMMUNITY OUTREACH

A Focus on Noncommunicable Diseases

Finding new solutions to treat chronic diseases has long been a part of our work to help people live better, healthier lives. As noncommunicable diseases (NCDs) have emerged as a growing challenge, our work to find answers today — whether through prevention, diagnosis or treatment — is at the center of what we do.

In 2019, we launched our Future Well™ initiatives: a series of programs and collaborations with leading organizations and communities focused on outsmarting the drivers of NCDs. The school-based Future Well Kids program helps encourage young people to develop lifelong healthy habits at an early age. This program served 33 classrooms in 2019 in underserved communities in Ireland, Mexico and the United States and will expand to more schools in other locations in 2020 and beyond.

Future Well Communities employs a holistic community health approach to breaking down the social and economic barriers to good health. These factors are known as the social determinants of health (SDOHs) and include access to healthcare and education, the environment, economic opportunity, and social factors like social support and discrimination.

In 2019, we launched Future Well Communities in Stockton, California, where nearly 60 percent of adults have diabetes or prediabetes and 33 percent are obese. Through strategic partnerships with local governments and community groups, Future Well Communities is helping residents address diabetes in a variety of ways:

- **Healthcare worker pipeline:** Collaborating with the University of the Pacific in California to provide scholarships for students committed to working locally, as well as to create a diabetes certificate program for community health workers and a diabetes track for graduate degree programs in nursing and social work
- **Healthy families:** Engaging families in healthy eating, exercising and disease awareness
- **Urban farms:** Supporting microbusinesses that grow and distribute healthy produce
- **Medical transportation services:** Supporting a local nonprofit that provides free door-to-door nonemergency transportation to medical care
- **Group medical visits:** Combining medical care, a health class and a support group into one visit to encourage consistency in diabetes care

ENGAGING EMPLOYEES AND COMMUNITIES

Managing NCDs in Emergency Situations

In 2019, we announced a three-year partnership with CARE and the Abbott Fund to screen, diagnose, prevent and manage NCDs for people who remain displaced two years after an armed conflict in Marawi City, Philippines. This partnership is among the first of its kind to address NCDs in areas affected by disasters, conflict and other humanitarian challenges, where managing NCDs is difficult but critical.

Launched in June 2019 with a local forum to engage key stakeholders, this partnership aims to improve lives and establish a new model for the effective prevention and care of chronic diseases in challenging settings. Program work in Marawi City includes screening to identify people with NCDs and those at risk of developing NCDs. Nurses and other healthcare providers are trained to lead “NCD clubs” to advance disease prevention and management through lifestyle changes and compliance with ongoing treatment.

The program also focuses on expanding access to needed clinical care and strengthening the ability of local healthcare systems to manage NCDs. In addition, campaigns are raising awareness and educating on the prevention and control of NCDs from the community to the national government level.

To support this partnership, the Abbott Fund is providing \$1 million in funding, and Abbott is donating rapid-testing technology, diabetes monitors and test strips to help advance these efforts to address diabetes in affected communities. Our direct investment in communities takes the form of cash and in-kind donations, as well as employee time. The value of our community investment was nearly \$71 million in 2019.

Employee Donations and Matched Giving

Abbott's commitment to supporting communities is demonstrated through our employees' passion for giving back. Abbott employees give generously of their time, expertise and resources, supporting numerous community-based initiatives worldwide. Our annual Employee Giving Campaign gives our employees an opportunity to donate. In 2019, 88 percent of Abbott employees donated to more than 7,161 nonprofit organizations. In the United States, the Abbott Fund Matching Grant Program matches our employees' contributions to qualifying causes on a dollar-for-dollar basis. When these matching donations were included, the Employee Giving Campaign pledged a total of \$6.71 million, surpassing 2018's total of \$6.58 million, to become the highest dollar amount raised in the history of our campaign.

Throughout the year, Abbott employees are also able to donate to the thousands of organizations listed on our online employee giving portal. Abbott pays all fees associated with processing these donations, so that every cent our employees give goes to the charity of their choice. During 2019, our employees contributed a total of \$4.64 million to nonprofit organizations, including the Abbott match.

2019 SOCIAL INVESTING

Cash contributions	\$ 46,716,624
Time, employee volunteering	1,280,994
In-kind giving, product or service donations	16,092,024
Management oversight	6,556,411
Total	\$70,646,052

Employee Volunteering

In 2019, Abbott employees contributed a combined 37,734 volunteer hours, supporting causes in Australia, Belgium, Brazil, Canada, China, Colombia, Costa Rica, Germany, India, Indonesia, Ireland, Israel, Japan, Malaysia, Mexico, the Netherlands, Peru, the Philippines, Russia, Rwanda, Singapore, Spain, Switzerland, Taiwan, Tanzania, Turkey, the United Kingdom and the United States.



1,725

UNITS OF BLOOD
DONATED BY EMPLOYEES
IN 2019 SUPPORTED

5,175

PEOPLE IN NEED

By inspiring young people to explore careers in science, technology, engineering and math (STEM) today, we can produce innovators for our industry tomorrow. We work with schools, governments, educational organizations and nongovernmental organizations (NGOs) around the world to contribute to the STEM pipeline, leveraging the philanthropic resources of the Abbott Fund, as well as our employees' time, skills and passion for volunteering.

During 2019, 397 of our people volunteered more than 2,886 hours to our Operation Discovery and Family Science programs. Operation Discovery has had 1,820 volunteers since its inception in 2002. Since 2006, 6,716 Abbott scientists, engineers and other employees have now shared their expertise to support programs that advance STEM education around the world. The Abbott Fund has supported these efforts with donations of more than \$59 million during this time.

Strengthening Communities at Risk from Hurricanes

Since 2006, Abbott and our partners, Feeding America and Direct Relief, have been working to prepare communities for hurricane season, positioning crucial supply packages in at-risk areas. Over the last 14 years, these packages have supplied desperately needed nutrition and healthcare to more than 640,000 people.

In 2019, Abbott employee volunteers worked closely with Feeding America to prepare 4,000 disaster relief packs with Abbott nutrition products for adults and children. We store these packs at regional food banks ready for deployment in the hours following a hurricane, targeting heavily impacted regions like Florida, Louisiana, Puerto Rico and Texas. Abbott products within the packs include *Pedialyte*[®] rehydration solutions, *Ensure*[®] and *PediaSure*[®] nutrition drinks, and *ZonePerfect*[®] bars.

Abbott's partnership with Direct Relief provides community health clinics with rehydration solutions and nutrition products that are distributed, along with first aid supplies and medicines following a disaster. First pioneered by Abbott, this initiative now includes contributions from many other healthcare companies, providing 75 clinics in the southern United States, Puerto Rico and the U.S. Virgin Islands with the supplies required to treat 100 patients for three to five days.

Providing Relief When Natural Disasters Strike

Besides working to prepare communities, Abbott aims to respond rapidly when natural disasters or other emergencies strike. In 2019, Abbott and the Abbott Fund donated more than \$1.7 million in funding and in healthcare and nutritional products to address both immediate needs and longer-term recovery efforts following devastating events. These included hurricanes throughout the United States, Hurricane Dorian in the Bahamas and Cyclone Idai in southeast Africa. Over the past decade, our rapid response to earthquakes, typhoons and flooding worldwide has involved providing more than \$50 million in funding and medical supplies.

EXTERNAL RECOGNITION

DOW JONES SUSTAINABILITY INDEX

We were named the global Industry Leader in Health Care Equipment and Supplies for seven consecutive years (2013–2019) for our strong environmental, social and economic performance.

FORTUNE'S CHANGE THE WORLD LIST

The success of our local supply chain shared impact program led to Abbott being named to *Fortune* magazine's 2019 Change the World list, which recognizes companies that are delivering an important social or environmental impact through their core business strategy and operations.

FORTUNE'S MOST ADMIRABLE COMPANIES

We were ranked No. 1 for Social Responsibility in our industry sector on *Fortune*'s Most Admired Companies list for six consecutive years (2014–2019).

BEST CORPORATE CITIZENS

Corporate Responsibility magazine named us among the top 100 companies for 11 consecutive years (2009–2019) and the healthcare sector leader in 2017.



SECTION 4

VALUING OUR PEOPLE

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> STEM INTERNSHIP BLUEPRINT

Our STEM Internship Blueprint is a model for increasing STEM opportunities for underrepresented groups, such as women and minorities.



STEM BLUEPRINT

SHAPING THE FUTURE OF STEM

Women are a critical factor in solving the world's biggest problems. Yet, in the United States, they make up only 24 percent of the workforce in science, technology, engineering and math (STEM). At Abbott, women make up about 40 percent of our workforce, but we can do better. We're excited to share our STEM Blueprint —

a model of ideas and best practices for launching a high school STEM internship program. With our “each one, reach one” focus, we know the impact even one positive experience with STEM can have on a young person. Our STEM Blueprint is shaping a future in which girls will have opportunities around the world.

97%

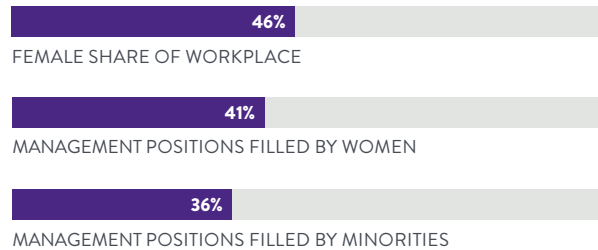
OF OUR HIGH
SCHOOL INTERNS
STUDY STEM IN
COLLEGE

DEVELOPING TALENTED PEOPLE

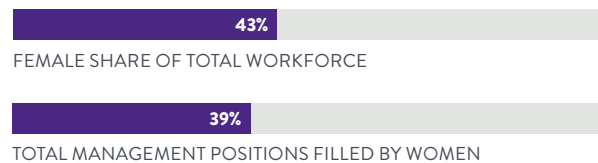
The sustainability of Abbott's business depends on attracting, engaging and developing talented people who share our vision and values. That's why we offer innovative programs, benefits and resources that address the diverse needs of our employees, reward their efforts, help them build their best careers at Abbott and provide solid financial security.

We take a collaborative approach, listening to our employees to understand their needs and connect with them to build a working environment that meets those needs. One of our key priorities is to enable our employees in such a way that working at Abbott gives them the opportunity to become the best people they can be, to receive competitive compensation and benefits for their work, and to feel part of a community, doing meaningful work side by side with committed colleagues.

WORKPLACE DIVERSITY IN THE U.S.*



GLOBAL WORKPLACE DIVERSITY



*These percentages are as of December 31, 2019. Percentages represent a count of U.S. employees, excluding the rapid diagnostics business.



“Abbott is recognized for being a great place to work. Many factors influence that, including our commitment to diversity and inclusion of all forms. We’re a caring organization, and our employees count on us for support. Our employees work hard every day to make a difference, and we take pride in helping them reach their potential.”

MARY MORELAND
EXECUTIVE VICE PRESIDENT,
HUMAN RESOURCES

GOVERNANCE

Responsibility for Abbott's talent management sits with our Executive Vice President, Human Resources, a corporate officer who reports directly to our President and CEO and receives reports from senior leaders specializing in different aspects of human resources. Abbott's President and CEO leads our Executive Inclusion Council, reflecting the fact that our commitment to diversity and inclusion begins at the top. The council monitors the hiring and advancement of women and minorities in U.S. management positions and works to promote an inclusive work environment for people with disabilities at all our businesses and locations.

OUR WORKPLACE ENVIRONMENT

Abbott has approximately 107,000¹ employees serving people in 160 countries. Our promise to each of these employees is to provide a workplace environment that:

- Promotes diversity and inclusion
- Offers extensive professional development, mentoring and training programs

- Encourages and supports work-life harmony
- Offers competitive compensation and benefits tailored to each market
- Protects human rights
- Offers wellness programs
- Contributes to employee health and safety

Protecting Human Rights

Abbott believes in the dignity of every human being and respects individual rights, as set forth in the United Nations Universal Declaration of Human Rights. Our mission and core values reflect these principles, and they are reinforced through our employment, ethics and procurement policies, which also apply to all our suppliers. We believe that governments have the primary responsibility for respecting, protecting and promoting the human rights of their citizens. However, Abbott recognizes that companies play a supporting role in promoting human rights within their spheres of influence.

We contribute to the fulfillment of human rights through compliance with laws and regulations wherever we operate, as well as through our policies and programs.

Our global guidelines include:

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

Every Abbott employee in the United States is required to take anti-harassment training every two years. Our employees last took the training in 2018 and will do so again in 2020.

TALENT MANAGEMENT APPROACH

Succession Planning

Abbott's Board of Directors and senior management teams place a strong emphasis on succession planning and talent planning and on ensuring diversity and inclusion through this process. The Board conducts an annual Talent Management Review (TMR) to assess critical positions, identify succession plans and create development plans. We intentionally identify destination roles that align with an employee's career trajectory. This helps us make sure current and future leaders are building the skills they will need for success.

Similar succession planning takes place at every level of the company. The senior leadership team holds divisional, functional and regional TMRs, each of which sets out to identify "Ready Now" and "Ready Future" successors. Our people managers also have annual talent development goals.

Career Development

We have an integrated global talent management process that is designed to identify talented people at any level of our organization, assess them accurately, and provide equal and consistent opportunities for them to develop their skills. It incorporates mentoring, skills assessments, performance appraisals and career pathing.

All employees participate in our annual performance management process and work with their managers to create talent profiles and development plans that support their particular career objectives. We provide job-specific training, broader leadership training and other development opportunities to help our employees meet these objectives.

Every Abbott employee has access to Career Connect, a personalized career and development planning tool. Career Connect helps employees to identify their career priorities, have more productive conversations with managers, gain the experience and skills they need through on-the-job learning, and draw up clear development plans for achieving their goals.

Due to the global scope of our business, many of our employees work or travel outside of their home countries. Cultivating the ability to engage people across different cultures is therefore a priority for our business. It's also an important development opportunity for our employees. Abbott's Cultural Navigator® internet-based toolkit is free for all employees. It increases their understanding of different countries and cultures and provides guidance on business practices and social etiquette for more than 100 countries.

Recruitment

Abbott is committed to building a diverse talent pipeline that can meet the needs of our businesses.

Our integrated approach includes building a compelling employer brand, both through our own digital properties and through other channels; reimagining our candidate and employee experiences; partnering with academic institutions and associations that align with our needs; and providing opportunities for talented college students to develop their careers at Abbott.

We build our employer brand through targeted social media platforms, such as LinkedIn®. These enable us to reach and engage with talented people who have an appetite for innovating with a purpose. Our career site uses artificial intelligence (AI) to simplify the experience of searching for roles at our company through tailored content, recommended opportunities and a personalized chatbot that helps candidates identify the most relevant opportunities for them.

The academic partners and institutions that help Abbott identify talent include:

- Association of Latino Professionals in Finance and Accounting (ALPFA)
- Black Engineer of the Year Award (BEYA)
- IMT Ghaziabad and NITIE in India
- Nanyang Technological University in Singapore
- National Association of Colleges and Employers (NACE)
- National Society of Black Engineers (NSBE)
- Reaching Out MBA (ROMBA)
- Society of Hispanic Professional Engineers (SHPE)
- Society of Women Engineers (SWE)
- Zhejiang University and Shanghai Jiao Tong University in China

Our internship program helps Abbott identify and recruit talent at an early career stage, giving students hands-on experience working with Abbott employees on real-life business projects. Each of our U.S. interns is now paired with a mentor who has a similar discipline of study and background and can help the intern navigate Abbott's organization, understand the company vision and prepare for a career with our company. We have set a goal of converting at least 50 percent of interns into full-time Abbott employees.

Our cooperative education program extends the experience of working with Abbott to students prior to graduation. The program invites promising students to alternate their classes with full-time employment in Abbott's medical devices business.

Performance Updates

Employee Development

Our performance and career progression data continue to show that employees who participate in our talent programs outperform their peers at Abbott, are more frequently promoted and are identified as successors more often.

In 2019, we strengthened our career and development planning tool, Career Connect, with the launch of two new features. An employee can now use Career Connect to facilitate interviews with colleagues working in a role he or she has an interest in. These discussions help employees learn what skills they need to develop to succeed in that role. Employees can also apply for short-term LearningGigs, part-time assignments that offer the opportunity to develop and apply relevant new skills through their work at Abbott. All Abbott employees now have access to our global training site, which offers technical and soft skills through online courses from LinkedIn LearningSM, Skillsoft[®], EBSCO and MindTools[®].

We have set a goal of converting at least 50 percent of interns into full-time Abbott employees.

Talent Pipeline

Our career site continues to drive increases in engagement and user satisfaction through AI-driven recommendations. In 2019, the site had more than 2.7 million visits, a 37 percent increase compared to the previous year. The personalized chatbot that we launched on the site in 2019 generated an 85 percent satisfaction rating among users. We also launched a new app to guide candidates through our interview process, which provides real-time updates on schedules and logistics.

We have also invested in improving the candidate journey by elevating the skills of our hiring managers. More than 2,000 hiring managers completed additional training courses during 2019, with our training program receiving a 95 percent satisfaction rating. Our new HiringManager app provides access to resources, such as videos on interview best practices, interview guides and online learning courses tackling unconscious bias.

Our internship program for students has been ranked as the No. 1 healthcare internship program in the United States for the fourth consecutive year and is also certified as the top internship program in Ireland. In 2019, more than 60 percent of undergraduate interns and 70 percent of our MBA interns in the United States took up full-time roles at Abbott, exceeding our conversion target for the program.

Our mobile app for interns, which helps them navigate life at Abbott, is now available in 12 countries. In 2019, the app was used by 600 Abbott interns, who published 956 unique posts and generated more than 13,000 clicks and just under 14,000 comments.

Abbott's science, technology, engineering and math (STEM) internship program has promoted STEM careers to high school students since its launch in 2012. Its objective is to increase the number of students pursuing STEM-related careers and contribute to a more diverse talent pipeline for Abbott. Of the initial group of interns from 2012, 11 of them are working for Abbott, and our goal is to increase that number every year. In 2019, 70 percent of those participating in the program were female and 68 percent were from minority groups, up from 66 percent female and 58 percent minority groups in 2018.

In 2019, we created our STEM Internship Blueprint, offered it to companies and provided insights from our experience. This Blueprint is a first-of-its-kind resource for any business looking to increase diversity in STEM through high school internships. In addition to our high school STEM program, each summer, Abbott partners with iBIO to host a STEM girls summer camp, with the goal of improving girls' interest and engagement in STEM-related fields.

DIVERSITY AND INCLUSION

Abbott is committed to developing a workplace that is inclusive for all, regardless of race, gender, age, sexual orientation, disability or nationality.

Our nine employee networks play a vital role in building an inclusive culture across all Abbott operations. They help expand visibility and opportunity for their more than 8,500 members from minority and other potentially disadvantaged groups, working with our Diversity and Inclusion team to help tackle unconscious bias. An Abbott corporate officer serves as an executive sponsor for each of these networks, helping to align their objectives with Abbott's business strategies.

We operate the following employee networks:

- Advancing Professionals Network (APN)
- Asian Leadership and Cultural Network (ALCN)
- Black Business Network (BBN)
- Flex Network (employees with part-time and flexible schedules)
- LA VOICE Network (supporting Hispanic and Latino employees)
- PRIDE (supporting LGBTQ employees)
- Veterans Network
- Women Leaders of Abbott (WLA)
- Women in STEM

Ensuring an inclusive environment for people with disabilities requires raising awareness of issues among both managers and employees. Abbott works with local partners to provide training on the experiences of employees with disabilities and to help avoid unconscious bias in our hiring process.

INCLUSIVE LEADERSHIP

- In the past 12 months, Abbott has increased our percentage of women participating in leadership development programs to 47 percent, up from 38 percent the previous year.
- Up to 60 percent of our leaders have received unconscious-bias training.
- More than 1,500 employees worldwide participated in a professional development event on Leading with Confidence and Influence, hosted by Abbott Diversity and Inclusion and the Women Leaders of Abbott employee network.

Performance Updates

In 2019, we delivered new programs focused on employee growth and engagement, as well as inclusive leadership. We place a particular emphasis on mentoring, with a formal program that matches mentors with protégés for 12-month partnerships. In 2019, we saw an 86 percent increase in the number of mentoring partnerships established among employees.

These partnerships help mentors and protégés develop their skills, share knowledge of Abbott and broaden their networks. We have mentorship programs designed to provide career support to newly hired minority and female leaders, as well as to improve our global disability outreach. Over the last year, Abbott has increased our percentage of women participating in leadership development programs to 47 percent, up from 38 percent the previous year.

Abbott's commitment to promoting diversity and inclusion is consistently recognized by external organizations:

- *Working Mother* magazine included Abbott on its 2019 list of the best companies for the 19th consecutive year.
- *DiversityInc* magazine named Abbott one of its top 10 companies for diversity in the United States on its 2019 list. We've been on the magazine's top 50 list for 16 consecutive years.
- The U.S. National Association for Female Executives (NAFE) recognized Abbott as a top company for executive women for the 12th consecutive year.
- For the first time, Vault.com named Abbott as having one of the best internship programs for diversity.
- *Fortune* magazine recognized Abbott in its top 100 best workplaces for diversity.
- Abbott achieved a 90 percent rating on the Human Rights Campaign's 2020 Corporate Equality Index, showing that our business values LGBTQ workplace inclusion.

COMPENSATION AND BENEFITS

Our compensation policy has a vital role to play in attracting the best and brightest minds to work at Abbott and in building an environment of equal opportunity for all.

We apply the following principles to help achieve consistent, fair compensation packages that reward performance:

- Base salaries and benefit packages are competitive in the markets where we compete for employees and are appropriate to each market.
- Annual and long-term incentive packages are linked directly to business and individual performance, with a balance of short- and long-term financial and strategic objectives.
- All employees should have access to insurance covering long-term care.
- Sick-pay benefit always allows for leave to care for parents.
- Our approach to compensation encourages behavior that is consistent with the ethical values in Abbott's Code of Business Conduct.

The fundamental principle of compensation at Abbott is that it should be driven by employees' performance and expertise. We have procedures and processes to ensure consistency in compensation across similar roles in relevant markets. As a result, Abbott believes that policies

are in place so our employees receive comparable compensation, regardless of race or gender. Abbott has procedures that encourage frequent manager and employee dialogue around performance and compensation, and we make a range of channels available for employees to raise any concerns in this area.

One component of our total compensation philosophy is to enable employees to build an ownership stake in our company. We operate several programs to facilitate this:

- Abbott's global long-term incentive program grants restricted stock units (RSUs) to employees, generally beginning at the manager level. Over time, when the awards vest, they are paid out in shares of Abbott common stock (except in countries that require payment in cash). In 2019, Abbott granted RSUs to more than 11,000 employees in 70 countries.
- In the United States, employees can invest in Abbott stock through our 401(k) program, which provides a 5 percent match to an employee's 2 percent contribution to the program.
- Outside the United States, most countries offer employees the opportunity to purchase stock at a discount through the Employees Stock Purchase Plan (ESPP). The ESPP is open to all employees, except corporate officers, in the countries where we offer it. In 2019, 147 Abbott affiliates in 61 countries participated in the ESPP.

Employee eligibility for nonsalary benefits follows local regulations and practices. In most countries, this means we cover all full-time employees and part-time employees working more than a certain number of hours. Outside of the United States, we provide benefit programs that are above and beyond government requirements. Our global Human Resources (HR) teams work to identify the particular needs of employees in different countries, so we can deliver innovative solutions that make a tangible difference and strengthen our value proposition for employees on a local basis.

Our first-of-its-kind Freedom 2 Save program helps employees with student loans save for retirement while they make their loan payments, providing an innovative solution to the debt burden for young people in the United States. Under the program, employees who put at least 2 percent of their eligible pay toward their student loan debt can receive a 5 percent contribution from Abbott into their 401(k) accounts, without any 401(k) contributions of their own. This means that the participating employees do not sacrifice saving for their future while paying off their debt. More than 920 employees have enrolled in the program since it launched in 2018.

LISTENING TO OUR EMPLOYEES

Our Approach

We conduct regular surveys to ask our employees about the experience of working at Abbott and track their engagement with our business strategy. This is an opportunity to learn where we can make meaningful improvements. These surveys include division culture surveys and our annual Employee Living Fully survey. In 2019, this survey was sent to approximately 72,000 employees and received 7,673 responses (an 11 percent response rate). We achieved an engagement score of 84.33 percent, reflecting the proportion of respondents who answered “strongly agree” or “agree” to three statements: “comment positively about Abbott,” “proud to work at Abbott” and “Abbott is a workplace where employees can continually maximize their potential.”

We also participated in the Great Places to Work® survey. Great Place to Work® invites around 5,000 Abbott employees in the United States to participate in its annual survey of working experiences and employee engagement.

Besides surveys, Abbott relies on a variety of formal and informal channels to gather employee feedback. These include an annual all-employee meeting with our President and CEO, where a significant portion of the meeting is dedicated to addressing employee questions and comments. Our senior leaders also respond to employee comments and concerns at lunch-and-learn meetings. In our Code of Business Conduct, we emphasize the importance of employees reporting concerns and the process for escalating them. This commits us to creating an environment where employees can do so in good faith without fear of retaliation.

The more than 8,500 employees involved in our employee networks have a range of additional forums for raising common interests and concerns, including recommendations for programs and development opportunities.

Employee Well-Being

Abbott takes a holistic approach to employee well-being. We offer programs that support work-life harmony and promote good health, and we make many of these programs available to our employees’ family members.

We pay particularly close attention to the mental health of our employees. We take an integrated approach that includes addressing causes of stress, both within and outside the workplace. Our company-funded employee assistance program (EAP) provides free expert mental health support for employees and their families through one-on-one support, seminars, online courses, crisis intervention services and workplace emergency response.

Our LiveLifeWell integrated wellness program, available in the United States, caters to the mental, financial and physical health of employees and their spouses through assessments and programs. LiveLifeWell also offers an app to help users track progress toward well-being goals, such as nutrition, exercise, resiliency and sleep. The app provides access to screenings, health coaches, counseling, caregiver support, employee assistance, resiliency skills and stress management. We know the app is valuable because approximately 70 percent of employees and eligible spouses participated in LiveLifeWell in 2019, and it has helped them take more than 15.9 billion steps.

We recognize that flexible working is often an essential enabler of employee well-being.

Our most popular and long-standing physical wellness program is Exercise Across Abbott, which encourages our employees to team up with colleagues and compete for prizes by tracking how many minutes they exercise each day. Around 24 percent of Abbott employees across 82 countries took part in 2019. Seventy-five percent of teams consistently increased their weekly exercise for six weeks.

We recognize that flexible working is often an essential enabler of employee well-being. Abbott offers flexible work schedules in 60 countries, including flex time, summer hours, part-time arrangements, job sharing, compressed work weeks and telecommuting. Abbott's Freedom to Work program, available to U.S. employees, offers those considering retirement the option to scale back their hours and change their responsibilities without affecting their benefits. More than 1,700 employees have enrolled in Freedom to Work since the program launched in 2008.

Our comprehensive childcare programs include on-site childcare, parenting and counseling services, as well as nationwide childcare discounts and backup care resources. We offer maternity and paternity leave for new parents, and we increased the amount of maternity leave available by two weeks in 2019. We also provide Milk Stork® breast milk delivery services for business-traveling mothers. Since 2015, Abbott has also provided financial support for adoption of up to \$20,000 per child.

SUPPORTING OUR EMPLOYEES

As a result of the COVID-19 pandemic, we have provided different kinds of support and resources to our employees to help them stay connected, healthy and safe. For more details, please see [COVID-19: Meeting a Global Health Challenge Head On](#) on page 18.

- New safety guidelines at our sites
- Expanded employee assistance programs globally
- Opportunities to work from home and flexible working hours
- Counseling services for physical, financial and emotional care
- Meditation sessions and webinars on managing stress and anxiety during uncertainty
- Local community resources, including where to find childcare and elder care
- Help with making the transition from working at home to back in the office

EMPLOYEE HEALTH, SAFETY AND WELLNESS

Governance

The health, safety and wellness of our employees and contract workers is a priority for Abbott. We have embedded this priority at every level of our business through our integrated Environment, Health and Safety (EHS) management system. The EHS organization provides governance for health, safety and wellness, which includes ownership of our EHS management and technical standards published on our [website](#).

Abbott's EHS Leadership Council governs our EHS organization, which includes EHS professionals, who manage operations at our 113 manufacturing and research and development (R&D) sites, and commercial EHS professionals, who provide support to field-based teams, offices and warehouses across 80 countries. We have divided our commercial EHS organization into six geographical regions, with each region represented by an EHS regional manager. Our operations EHS professionals are aligned according to business unit.

We require each Abbott manufacturing facility to have a designated occupational healthcare professional, who has knowledge of the site and its operations and is responsible for implementing an appropriate occupational health program. There are more than 120 Abbott occupational health professionals who oversee our employees' health and well-being, treat occupational illnesses and injuries, and maintain employee medical records.

For full details of our EHS governance structure, including the groups that support implementation of our EHS programs and initiatives, see the [Safeguarding Our Environment](#) section on [page 69](#).

Management Approach

We maintain global policies and standards for managing employee health and safety. Technical and management experts regularly update these policies and standards in response to regulatory changes and evolving global requirements and expectations. We focus on improving performance, ensuring compliance, reducing risk and embedding a culture of safety across our operations.

We regularly evaluate Abbott commercial operations, manufacturing and R&D sites through internal compliance assurance audits. These audits assess performance in the following categories:

- Health and safety
- Strategic planning
- Risk assessment/self-assessment
- Business integration
- Training and awareness
- Communication and information
- Performance measures

Our senior leadership uses Abbott's EHS Scorecard to monitor health and safety performance and progress toward our 2020 targets. Each month, the scorecard captures important data, such as the number of EHS incidents, lost-time case rate, recordable case rate and accidents per million miles (APMM) driven. We communicate the scorecard data across our organization, identify where corrective actions are needed and ensure that these actions are completed on time.

We have a separate Global Health Scorecard that our site and divisional leaders use to track implementation of our occupational health and well-being initiatives. The Global Health Scorecard is used to monitor the annual occupational health and wellness performance of our manufacturing and R&D sites. It uses a dynamic scoring system, with the requirements for each site increasing its score year over year. In alignment with industry best practices, a new scorecard that includes the eight pillars of health was developed in 2019 for implementation in 2020.

Fostering a Positive Health and Safety Culture

Building a health and safety culture depends on engaging employees at all levels of our organization. We do this through our EHS policy and technical and management standards, which include:

- Our Risk Assessment and Self-Assessment management standard, which includes requirements for assessing and mitigating health and safety risks
- Our Training and Awareness management standard, which includes requirements for employees to be aware of health and safety risks and have knowledge of job-specific hazards
- Technical standards covering specific areas, such as Fleet Safety, Occupational Health Services, Confined Spaces, Ergonomics, Electrical Safety, Biological Safety and Working at Heights, among others

A full list of our EHS management and technical standards is available on our [website](#). You can find more details of the training and awareness programs that we use to raise awareness of our policies and standards in the [Safeguarding Our Environment](#) section on [page 69](#).

We strive to operate a workplace that is not only safe and healthy but also fosters well-being and ensures that all employees feel engaged. Our occupational health professionals conduct regular screenings and health education programs, identifying and minimizing occupational risks. Our first aid, weight reduction and stress management programs are available to all Abbott employees. We also offer team-based global competitions throughout the year to encourage employee movement and exercise, such as our annual Walk With Friends and Exercise Across Abbott campaigns. Additional events are also held at site and regional levels.

SUPPORTING HEALTH AND WELL-BEING

We operate a broad range of programs, standards and initiatives designed to support wellness at work:

- An ergonomic program through which our EHS professionals track injuries, assess the working environment and implement solutions
- Active-pause programs to encourage stretching during the workday, along with targeted initiatives to increase flexibility and core strength
- Global engineering standards for suitable illumination, which are measured and monitored by our EHS organization
- Collaborative work spaces with natural light and comfortable furniture
- Regular monitoring of noise to ensure exposures are below local regulatory limits or the thresholds set by the American Conference of Governmental Industrial Hygienists (ACGIH), whichever is lower
- Auditing and preventive maintenance of air filtration systems
- Global engineering standards for humidification and dehumidification
- Compliance with the standards of the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) on indoor workplace temperatures

Strategy

We track our health and safety performance against two priority safety goals with corresponding 2020 targets. Our first goal is to reduce the number of incidents that result in time off work, measured by lost-time case rate. Our 2020 lost-time case rate target is 0.15 per 100 workers, which includes employees and contract workers. The second goal is to reduce the number of vehicle accidents involving our employees, measured in accidents per million miles (APMM). Our 2020 APMM-driven rate target is 4.0.

Our EHS professionals develop programs to drive continuous progress toward these targets and provide support to all Abbott employees and contracted workers, including those who are part of recent acquisitions.

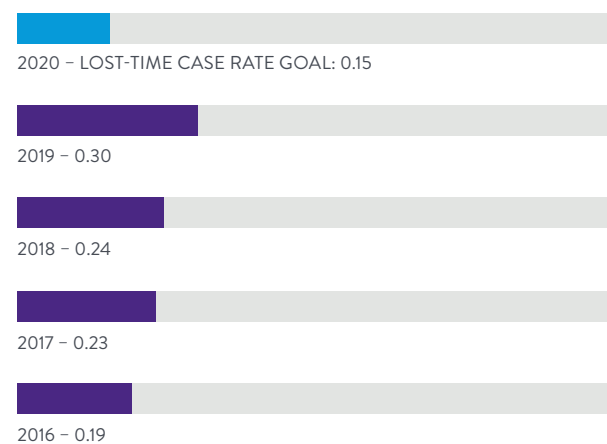
Looking to the future, we are working to identify our next-generation health and safety targets, and we are implementing an occupational health goal to advance focus on worker well-being.

Progress on 2020 Targets

The lost-time case rate records work-related injuries that require days away from work. In 2019, our lost-time case rate increased compared to the previous year. This upward trend is a result of incorporating injury data from our recently acquired rapid diagnostics business. As we implement Abbott EHS programs and standards across this business, we expect our lost-time case rate to trend downward.

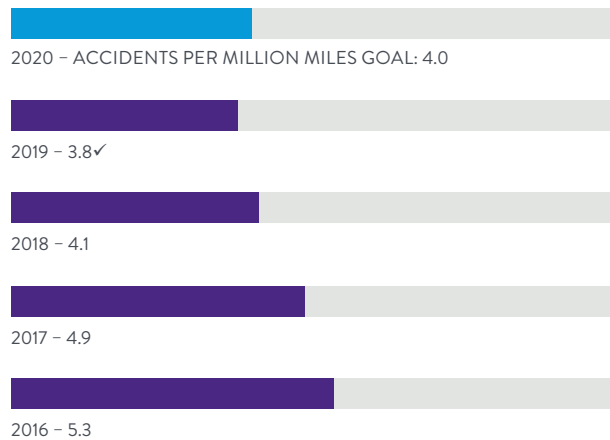
LOST-TIME CASE RATE*

EMPLOYEE AND CONTRACTOR



*Legacy Alere is included in Health and Safety metrics beginning in 2019.

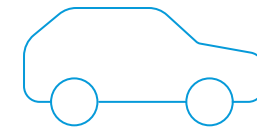
ACCIDENTS PER MILLION MILES* EMPLOYEE



Our ultimate objective is the elimination of all work-related injuries for Abbott's employees and contract workers. For example, our diabetes care manufacturing facility in Donegal, Ireland, shows what's possible. The facility completed an extensive facility expansion over the past two years with zero lost-time injuries. As a result of the high standards of employee safety at the facility, more than 270,000 working hours elapsed without any worker injuries. Likewise, our nutrition manufacturing facility in Sligo, Ireland, also completed a major site relocation in 2019 with zero lost-time injuries.

We have developed a global safe-driving program as part of our efforts to reduce road accidents across Abbott. The program is administered by EHS personnel in each region. It applies to all Abbott businesses and all employees.

We aim to drive continuous reductions in APMM through our safe-driving program, which promotes safer driving behaviors among our field-based employees and raises awareness of the dangers of distracted driving, including mobile phone use. In 2019, the program drove a 7 percent reduction in our global APMM to 3.8, achieving our 2020 target ahead of schedule.²



SAFE-DRIVING PROGRAM

7%

REDUCTION IN ACCIDENTS
PER MILLION MILES
FROM 2018 TO 2019*

* Legacy Alere is included in Health and Safety metrics beginning in 2019.
✓ Goal achieved.

Health, Safety and Wellness Performance Updates

Road Safety

Our U.S. fleet includes around 2,500 leased vehicles, which we replace every three years. We have introduced new vehicle safety features in our U.S. fleet with the target of rolling them out to all commercial vehicles in the United States by 2021. In 2019, 70 percent of Abbott's commercial U.S. fleet had these features, which include adaptive cruise control; automatic braking; reverse cameras; and collision, lane departure and blind-spot warnings.

Over the last two years, the accident rate for vehicles equipped with these features has been 28 percent lower than the average for our overall U.S. fleet. Besides increasing safety for our employees, these features have reduced costs to the business resulting from vehicle damage and lost-time injuries.

In India, where Abbott has thousands of field sales representatives, our vehicle safety program emphasizes motorcycle safety, in particular the need to wear a helmet. In 2019, we launched a Helmet Observation Program for India. This helps to ensure compliance with our requirement that all riders of two-wheeled vehicles wear a helmet with the chin strap securely fastened.

Abbott provides two new helmets for every one of our sales employees in India: one for the employee and one for any pillion rider. The success of our Helmet Observation Program has played a significant role in reducing the severity of injuries during the year.

Recordable Case Rate

Besides our priority 2020 targets, Abbott's EHS Scorecard also tracks our recordable case rate. This category of incidents includes any work-related injuries resulting in death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, loss of consciousness, and significant illness or injury diagnosed by a licensed healthcare professional.

Abbott's recordable case rate increased from 0.40 to 0.47 from 2018 to 2019. The main driver of the increase in case rate was largely influenced by increased transparency and reporting of commercial two-wheeled vehicle accidents in India. To reduce our recordable case rates, 2019 initiatives have included targeted road safety programs in India and integrating Abbott's EHS standards and policies into our newly acquired rapid diagnostics business.

EMPLOYEE HEALTH AND SAFETY IS A TOP PRIORITY

In 2019, we are proud to report:

38 MANUFACTURING AND R&D SITES HAD NO LOST-TIME INJURIES IN 2019

21 MANUFACTURING AND R&D SITES HAVE OPERATED WITHOUT ANY INJURIES SINCE 2017

We strive to operate a workplace that not only fosters well-being but is safe and healthy for all employees.

Fatalities

Sadly, two Abbott employees lost their lives in 2019 as a result of accidents that occurred while traveling for work. Our priority is to incorporate safety measures across all aspects of our business, and we have a constant commitment to keep our employees healthy and safe.

Targeting Root Cause of Accidents

Analysis of our 2018 and 2019 health and safety data shows that the major causes of injury among Abbott employees are vehicle accidents; slips, trips and falls; and ergonomic-related injuries. We responded to these findings in 2019 by launching targeted programs and awareness campaigns to reduce these different injury causes.

We are also exploring emerging technologies that can help to reduce the risk of injury to our employees and contract workers. For example, at our nutrition manufacturing facility in Casa Grande, Arizona, we have trialed robotic technology to conduct internal inspections of tanks. Early indications are that this approach is safer and more efficient and produces higher-quality results.

Occupational Health and Wellness

We monitor the impact of our health and wellness programs through our occupational injury and illness frequency rate, which measures reported cases of illness resulting from work, including minor cases that require first aid only. Since 2015, our occupational illness frequency rate has remained at 0.2 illnesses reported per million working hours.

Our Global Occupational Health Services (GOHS) programs aim to address the health and well-being of our employees in and out of work. During 2019, our occupational health and safety professionals completed more than 38,000 medical surveillance exams and 165,000 health education engagements (a 25 percent increase from the prior year) and trained 6,200 employees in first aid, AED usage and CPR.

Sixty-eight manufacturing and R&D sites achieved the 2019 occupational health target to promote health and well-being activities and met the four core occupational health requirements and 13 health offerings. In 2019, flu prevention and seasonal flu vaccination were the most implemented health offerings. Other frequently implemented health offerings included completion of applicable medical surveillance assessments, absence management programs for work-related injuries and illnesses, and health screenings with targeted health programs.

For example, Abbott's commercial organization in Pakistan identified a high incidence of hepatitis B within the community as a health risk. In 2019, Abbott responded by launching a targeted wellness program focused on screening and vaccinating for the disease. Ninety percent of our employees at the site participated in this free screening and vaccination program.

1. This includes Alere employees.

2. Legacy Alere is included in Health and Safety metrics beginning in 2019.



SECTION 5

SAFEGUARDING OUR ENVIRONMENT

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> **GUJARAT, INDIA**

We're dedicated to protecting water resources all around the world, including in Gujarat, India, the location of one of our nutrition manufacturing sites.

775
MILLION
GALLONS
OF WATER RECYCLED IN 2019

WATER-SAVING PROJECTS

PRESERVING
WATER
RESOURCES

Water is a critical natural resource, and we are committed to managing its use in a responsible and efficient manner. Just as people look for ways to preserve water resources in their own homes and communities, we explore new and inventive ways to facilitate access to this precious resource in our operations and in the communities where we operate.

We collect rainwater, modify our cooling and production systems, recycle water in many ways, and even use robots to detect leaks in places where it's impossible or unsafe for humans to go. We embrace water conservation closely, knowing the impact it has on the health of a person, a community and the world.

PROTECTING A HEALTHY ENVIRONMENT

Abbott is committed to safeguarding a healthy environment by reducing the environmental impacts of our business across our value chain. This commitment shapes the way we source, design, manufacture and distribute our products, and it forms the basis for our environmental management systems and governance.

2019 COMPLETED ENVIRONMENTAL IMPACT REDUCTION PROJECTS



GOVERNANCE

Abbott's environment governance and management systems are part of an integrated Environment, Health and Safety (EHS) approach. Our EHS strategy focuses on identifying and mitigating EHS-related risk, ensuring business continuity and addressing our stakeholders' expectations that Abbott is a responsible corporate citizen. It includes systems and targets for reducing our greenhouse gas (GHG) emissions, our water use, and the volume and impact of our waste.

Our EHS management and governance systems ensure that we incorporate environmental considerations into our day-to-day planning and business processes, with clear lines of accountability and senior-level leadership and support. In 2019, our EHS organization began reporting directly to the Senior Vice President, Quality Assurance, Regulatory and Engineering Services, to shorten lines of accountability and strengthen senior-level leadership support. The Senior Vice President is a senior corporate officer who reports to our CEO and leads our EHS management efforts.



“Everything we do at Abbott is geared toward helping people live their best lives. Our integrated approach to environment, health and safety management shapes the way we do business and allows us to deliver on our promise to protect the health and well-being of our employees, communities and the environment.”

SCOTT HOUSE
SENIOR VICE PRESIDENT,
QUALITY ASSURANCE, REGULATORY
AND ENGINEERING SERVICES

STRATEGY

We implement our EHS programs and initiatives through three internal organizations.

- The Global Operations Council (GOC) oversees the execution of Abbott's operations strategy in each of four areas: manufacturing, supply chain, engineering and EHS.
- The Commercial EHS Executive Council sets EHS priorities, goals and objectives for our commercial operations, which include actions to reduce GHG emissions, as well as key health and safety objectives, such as improving driver safety.
- The EHS Leadership Council establishes the EHS strategy and EHS programs; builds awareness, education and expertise; and promotes our EHS Awards.

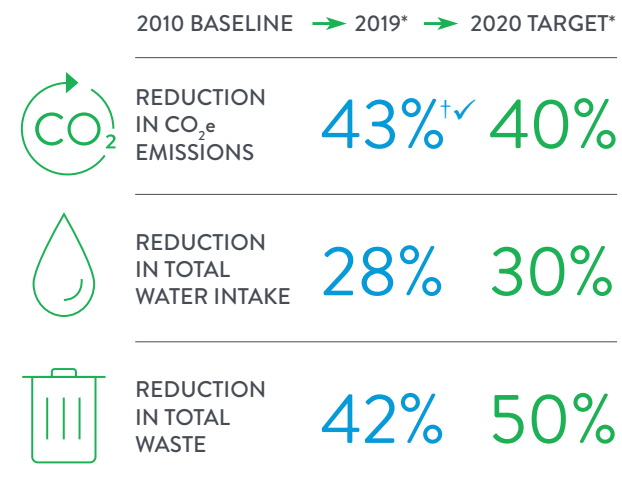
Progress on 2020 Targets

As part of our EHS strategy, we have set 2020 enterprise-level targets for reducing our GHG emissions, water use and waste against 2010 levels, when adjusted for sales.

These targets are:

- A 40 percent reduction in the carbon dioxide equivalent (CO₂e) emissions associated with our business operations and the electricity we purchase (known as Scope 1 and Scope 2 emissions)
- A 30 percent reduction in our total water intake
- A 50 percent reduction in the total waste we generate

2020 ENVIRONMENTAL TARGETS PROGRESS



*Normalized to sales.

†Calculated using the market-based method.

✓Goal achieved.

Each Abbott business also sets annual environmental targets with our executive leadership, which we track as part of Abbott's quarterly EHS Scorecard. This helps us to maintain progress toward our 2020 targets and identify areas for improvement on a continuous basis. We verify our EHS performance data using an independent assurance provider, Apex Companies (formerly Bureau Veritas North America). The Environmental Policy page on our website includes a PDF of the [Apex Assurance Statement](#).

Policies and Management Systems

We aim to drive continuous improvement in our environmental performance through our EHS policy and our management and technical standards, which are designed to ensure all Abbott operations comply with applicable regulations at local, state, national and international levels. We train all EHS employees in both our standards and any changing regulatory requirements. Abbott's employee training program includes a module focusing on our EHS standards, and we encourage our EHS employees to further their knowledge by attending external training courses and conferences.

We make all of our EHS policies and standards available on our website, including our:

- [Environment, energy and water policies](#), which detail our environmental commitments, including climate considerations
- [Corporate environmental guidelines](#), which direct our approach to meeting these commitments
- [Supplier guidelines](#), which detail our company's value system and principles-based approach to doing business as this relates to human rights, labor, environment and ethical behavior
- [Internal EHS audit program](#), which ensures compliance with our EHS policy and drives continuous improvement

Subject-matter experts regularly update Abbott's EHS policies and standards to reflect current and future anticipated best practices and regulatory trends, as well as International Organization for Standardization (ISO) and other regulatory requirements. Together, our policies and management practices deliver a consistent approach to managing, measuring and reducing environmental impacts across our operations.

We operate a comprehensive EHS audit program to ensure compliance with Abbott policies and applicable regulatory requirements and to identify potential risks to our employees and the business. We evaluate EHS risk factors for each site annually and use these evaluations to determine how frequently audits take place. Once an audit is completed, we develop corrective action plans where required and monitor how these plans are implemented.

We use established external standards to guide our actions and pursue external certification where relevant.

- We consider Leadership in Energy and Environmental Design (LEED) certification when building new facilities.
- Individual Abbott sites or businesses may also pursue external certifications, such as ISO, when they identify business value in doing so.

Our commitment to safeguarding a healthy environment shapes the way we source, design, manufacture and distribute our products.

By the end of 2019, 49 percent of Abbott manufacturing sites held environment-related ISO certifications. This included 37 manufacturing sites with ISO 14001 and 17 with ISO 50001 certifications. In addition, eight nonmanufacturing sites achieved ISO 14001, and one achieved ISO 50001 certification. Similarly, 19 facilities achieved LEED certification, including one platinum, five gold and six silver certifications. Combined, these facilities represent more than 1.5 million square feet of LEED-certified buildings.

ENVIRONMENTAL CERTIFICATIONS	2018	2019
Total ISO 14001 Certifications	38	45
Total ISO 14001 Manufacturing Sites Certified	30	37
Total ISO 14001 Nonmanufacturing Sites Certified	8	8
Total ISO 50001 Certifications	19	18
Total ISO 50001 Manufacturing Sites Certified	18	17
Total ISO 50001 Nonmanufacturing Sites Certified	1	1
Total LEED Certifications	19	19
Platinum	1	1
Gold	5	5
Silver	6	6
Certified	7	7

Our efforts to improve environmental efficiency depend upon engaging employees at all levels of our organization, including:

- Evaluating our EHS leaders against EHS performance goals as part of their annual performance appraisals
- Raising awareness of priority EHS issues through a dedicated month highlighting EHS topics and a monthly webinar series with subject-matter experts and representatives from sites with high EHS performance
- Recognizing exceptional performance by sites, teams and individual employees through our annual EHS Awards Program

The EHS Awards Program includes awards for large and small manufacturing sites with the best overall EHS performance for the year, manufacturing sites that achieve high performance by embodying best practices in a specific EHS management area and outstanding individual initiatives.

Mergers and Acquisitions

We conduct due diligence to identify and manage EHS liabilities associated with company mergers, acquisitions and divestitures. The due diligence procedure that we follow depends on the nature of the transaction:

1. We conduct environmental due diligence on all real property transactions.
2. For business acquisitions, we expand our due diligence to assess the company's EHS resources and programs, identify gaps, and estimate the costs and resources required to align them with Abbott standards.

When Abbott acquires new businesses, we follow a program to align those businesses with our EHS management practices and standards. The program includes providing all relevant training and resources to successfully implement our EHS policy and standards. We conduct multiple assessments at different stages of the program to ensure the effectiveness of our training and the progress made on implementation.

MANAGING CLIMATE-RELATED RISKS AND OPPORTUNITIES

Abbott is committed to identifying and mitigating climate-related risks that have the potential to impact our operations, supply chain and distribution network. We also have a process to identify and act on opportunities to address healthcare needs that are emerging as a result of climate change and to increase operating efficiencies by reducing our climate-related impacts through the management of our emissions, water and waste streams. Through these processes, we have determined that climate-related risks and opportunities exist at site and regional levels throughout our value chain; however, Abbott is not exposed to any substantive climate-related risks or opportunities at a global level.

Risks

The risks that we analyze include physical and transitional risks that result from emerging regulation and new expectations of our businesses and risk exposure through our suppliers and customers. We assess and manage these risks through our integrated companywide risk management process, which identifies opportunities to build resilience in both our operations and our business model. Abbott regularly updates risk management policies, standards and programs to align with global best practices and regulatory requirements, and we aim to anticipate emerging risks and upcoming regulatory changes.



TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

In 2017, the Task Force on Climate-Related Financial Disclosures (TCFD), established by the Financial Stability Board (FSB), published its recommended framework for companies disclosing climate-related risks and mitigation strategies. The objective of the framework is to enable smarter allocation of investment capital, based on how companies address climate issues, and to facilitate the transition to a low-carbon economy.

The TCFD framework consists of four core elements: governance, strategy, risk management, and metrics and targets. It includes recommended disclosures that companies should make in each of these areas.

As recommended by the TCFD, we explain where Abbott has published information on our climate-related risks and approaches to mitigating them, as outlined at right.

GOVERNANCE

We've included information about our management's role in assessing climate risks and opportunities and our Board's role in overseeing climate change risk management in the Governance section on [page 71](#).

STRATEGY

We describe the climate risks and opportunities that we have identified, as well as the impacts of these on our business, in our latest [CDP Climate Change response](#).

RISK MANAGEMENT

We have published our processes for identifying and managing climate-related risks and opportunities on [pages 75–77](#).

METRICS AND TARGETS

The end of this report (in the Reporting on Sustainability section beginning on [page 109](#)) includes a list of climate-related metrics that we track and report.

Our enterprise risk management (ERM) process identifies and evaluates the most critical risks for our business and provides guidance to our Board of Directors and management team. For more information on our ERM approach, go to the Sustainability Overview section on [page 10](#).

Our EHS governance team monitors emerging climate-related trends and regulations to analyze the potential impacts on our business, understand our risk exposures and develop appropriate management strategies. Our EHS, Economics and Business Continuity organizations use scenario sensitivity risk modeling to understand the financial implications of climate-related risks. Recently, we have analyzed potential risks resulting from the 21st Conference of Parties (COP21) agreements on climate change, carbon taxes, water scarcity and the impact of climate change on agricultural supply chains.

Abbott's Business Continuity and Crisis Management organizations implement measures to ensure business continuity and minimize the financial impacts of physical climate-related risks. These physical risks fall into two categories: acute and chronic.

The acute physical risks associated with climate change include unforeseen extreme weather events. We cannot develop a strategy to prevent such events. However, we have developed a strategy for mitigating and responding to them. Our Business Continuity and Crisis Management organization works with our EHS, Engineering and Supply Chain groups to identify and implement measures that will strengthen business resilience in the face of extreme weather events.

Additionally, our Engineering and EHS policies and management standards consider chronic physical risks, such as water scarcity, and require sites to conduct regular risk and opportunity evaluations and implement mitigation strategies.

Our analyses of climate-related risks conclude that Abbott is not exposed to physical risks that could generate a substantive change in business operations, revenue or expenditure at a corporate level. Limited physical risks exist at site and regional operation levels and throughout our supply chain. However, our diverse geographical distribution significantly mitigates the potential for substantive impact on our business.

Our most significant climate-related risks are transition risks that relate to emerging expectations and regulations around businesses managing their GHG emissions. These risks include carbon limits and taxes, enhanced emissions-reporting obligations, costs to transition to lower-emissions technologies, and increased costs of goods and services.

We have identified the need to manage and mitigate environmental impacts as a potential enterprise risk for Abbott. In response to this, Abbott's business strategy includes reducing the energy and carbon footprint of our operations and engaging our value chain in strategic sourcing categories.

For more information on our management of and progress in addressing specific climate-related risks, see [Reducing Energy and Emissions \(page 78\)](#), [Protecting Water Resources \(page 83\)](#) and [Extended Producer Responsibility \(page 89\)](#).

Opportunities

As part of our product research and development and climate risk management processes, we consider opportunities that might result from climate change. These fall into two main categories: increased operating efficiencies as a result of achieving carbon reduction targets and the opportunity to advance our mission to help people live their best lives by meeting changing healthcare and nutrition needs.

Compared to many industries, Abbott's carbon footprint is relatively small, and our progress in meeting our 2020 carbon reduction targets means that we have fewer opportunities to realize significant operating efficiencies and cost savings in the future. Although further opportunities in this area exist, they are unlikely to have a substantive financial impact on our business.

Changes to the climate have the potential to influence the disease burden and result in increased need for the diagnostics, medical devices, and nutrition products and pharmaceuticals that Abbott makes. However, we do not anticipate that this will have a substantive financial or strategic impact on our business. We will continue to respond to increased humanitarian needs as a result of severe weather events and changes in the spread of disease in line with our caring values and primarily through our philanthropic organization and product donations.

REDUCING ENERGY AND EMISSIONS

Our contribution to a healthy world includes reducing energy consumption and carbon emissions, both in our direct operations and throughout our value chain.

Abbott's manufacturing, warehousing, vehicle fleets and office activities result in Scope 1 (direct) and Scope 2 (indirect) emissions. We also contribute to carbon emissions through business travel, the way that we dispose of waste, and our upstream and downstream value chains, including the sourcing, processing and transport of raw materials, the distribution of our products, and the way that our products and their packaging are used and disposed of. These are known as Scope 3 emissions.

In 2012, we set an ambitious target to reduce our Scope 1 and 2 emissions by 40 percent by 2020, compared to 2010 and adjusted for sales. In 2019, we exceeded this target by achieving a 43 percent reduction compared to 2010 levels.¹

Responsibility for reducing energy consumption and emissions sits with Abbott's Energy Council, which comprises business and corporate leaders. The Energy Council designs and launches strategic energy reduction programs, aligns resources and initiatives, and monitors our progress toward our targets. Our Energy Community of Practice provides advice and support to the council while acting as a network for sharing best practices across Abbott.

We have outlined our program for tracking and reducing energy and air emissions in our Climate Responsible Energy Policy and Internal Energy Guidelines. Together, our Energy Council and governing documents provide guidance on the following:

- Increasing energy efficiency in our manufacturing operations
- Investing in low-carbon energy
- Improving the efficiency of our transportation fleet
- Encouraging a lower carbon footprint in our supply chain
- Publicly reporting our performance

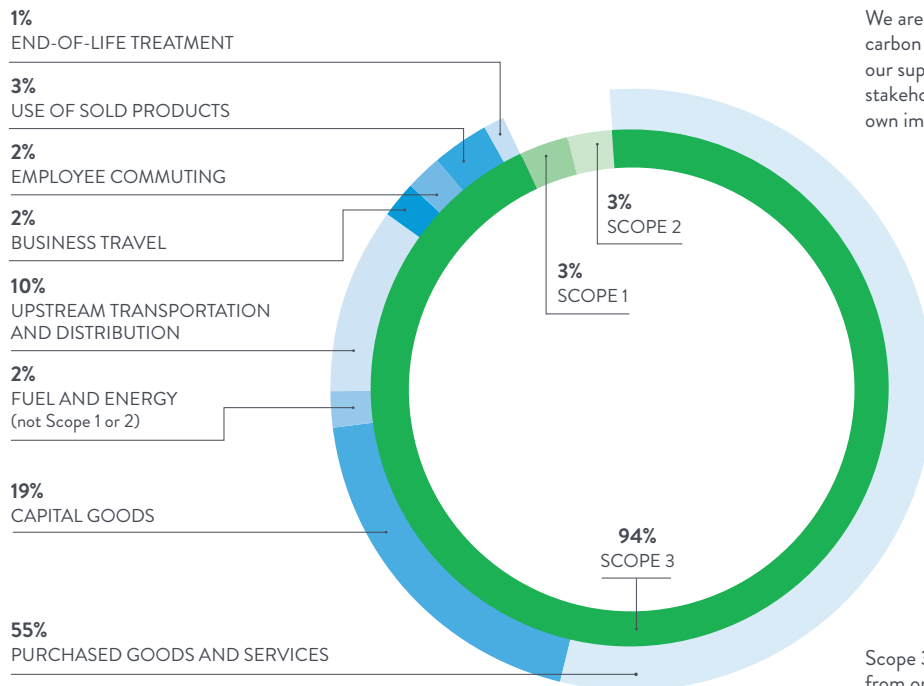
Our carbon emissions management extends beyond our direct operations and includes measuring and managing the Scope 3 GHG emissions² in our value chain. See [page 82](#) for more details.

We work within international commitments and frameworks, like the CDP and the GHG Protocol, to measure, track, reduce and report emissions of GHG, volatile organic compounds (VOCs) and sulphur oxide (SO_x). Detailed information on our performance is on [pages 117–126](#) in the Reporting on Sustainability section. In 2019, we received an A- rating for our [CDP Climate Change Disclosure response](#), an improvement from our B rating in 2018.

FUEL-EFFICIENT INITIATIVES

We have launched a number of initiatives to manage fuel consumption in our commercial fleet, which contributed to 24 percent of our Scope 1 emissions in 2019. These initiatives include requirements for more fuel-efficient vehicles, car-sharing programs and campaigns encouraging our employees to use public transportation in urban environments.

OUR CARBON FOOTPRINT



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

Scope 3 emissions related to waste from operations and downstream transportation and distribution were found to be marginal, contributing to less than 1 percent of Abbott's greenhouse gas emissions.

Scope 1 and Scope 2 Emissions

We have established a comprehensive management program for reducing Abbott's Scope 1 and Scope 2 emissions, which includes purchasing more renewable electricity, increasing energy efficiency across our operations, and integrating sustainable engineering technologies and concepts into our projects. Each of Abbott's businesses and divisions sets annual energy efficiency targets. In addition, all manufacturing sites that produce Scope 1 and Scope 2 emissions of more than 25,000 metric tons of CO₂e annually are required to set annual carbon reduction goals.

Our three most significant areas of climate change impact are our electricity use, fuel consumption by our manufacturing operations and our global sales fleet. Together, these represent 94 percent of the Scope 1 and Scope 2 emissions associated with our direct operations.¹

In 2019, we exceeded our 2020 40 percent emissions reduction target by reducing our emissions by 43 percent since 2010, normalized to sales. This equates to a 23 percent reduction on an absolute basis compared to 2010 levels and by 0.5 percent since 2018. For more details, see [pages 117-119 and 121-123](#) in the Reporting on Sustainability section.

We verify all Scope 1 and 2 emissions through a third-party assurance process.

Using Cleaner Sources of Energy

In 2019, our greatest carbon reductions were achieved through the purchase of electricity from utility providers that included above-average renewable generation in their energy mix, particularly in Europe. This resulted in a savings of 79,000 metric tons of CO₂e.

We aim to further reduce Abbott's GHG emissions by investing in low-carbon fuels, cogeneration and renewable energy generation at our facilities. During 2019, seven of our facilities used cogeneration units, which are power-generating units that produce electricity and capture heat for use in manufacturing processes. We produced 64 million kilowatt-hours of electricity through cogeneration in 2019, an increase of 82 percent since 2010. We also generated 1.2 million kilowatt-hours of renewable energy at our sites, mostly through solar panels.

For a detailed review of our energy footprint and performance, see the Scope 1 and Scope 2 energy consumption data on [pages 119–120](#) and [124–126](#) in the Reporting on Sustainability section.

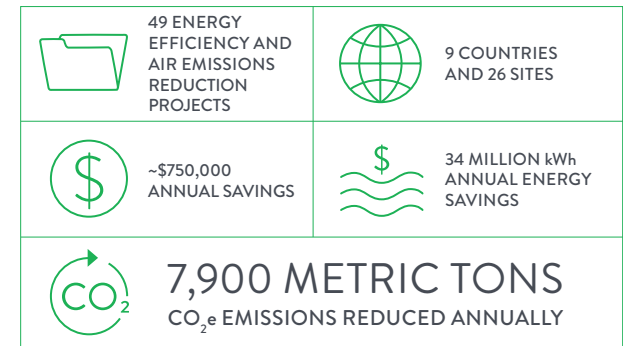
Using Energy More Efficiently

Each Abbott business and site has developed energy efficiency programs to help meet our Scope 1 and Scope 2 reduction targets. These programs have succeeded in decreasing our absolute Scope 1 and 2 emissions by 23 percent from 2010 to 2019, despite continual increases in production during this time.

In the last three years, we have conducted 65 energy assessments, covering 70 percent of Abbott manufacturing operations, to identify opportunities to improve our energy performance.

In 2019, we implemented 49 energy efficiency and air emissions projects at 26 manufacturing sites in nine countries. These projects resulted in more than \$750,000 annual cost savings and more than 34 million kilowatt-hours in annual energy savings and prevented more than 7,900 metric tons of carbon emissions. In several cases, we achieved significant savings by upgrading and optimizing building control technologies, HVAC systems, and manufacturing processes and equipment.

2019 COMPLETED ENERGY AND EMISSIONS REDUCTION PROJECTS



ENERGY REDUCTION HIGHLIGHTS

In 2019, some of our greatest energy reduction and efficiency projects included the following:

INITIATIVE	DIVISION AND LOCATION	ANNUAL ENERGY SAVINGS (KILOWATT-HOURS; METRIC TONS)	ANNUALIZED COST SAVINGS
Installed LED lighting for greater energy efficiency (9 projects)	Cardiovascular/Neuromodulation Scottsdale, Arizona; Sylmar, California; Plymouth and St. Paul, Minnesota (United States) Diagnostics Longford (Ireland) Vascular Clonmel (Ireland)	2.4 million kWh 900 MT CO ₂ e emissions	\$80,000
Optimized HVAC and energy systems using upgraded building technologies and system settings (20 projects)	Branded Generic Medicines Olst (Netherlands) Cardiovascular/Neuromodulation Coyol (Costa Rica); Penang (Malaysia); Woodridge, Illinois; Minnetonka, Plymouth and Roseville, Minnesota (United States) Corporate Abbott Park, Illinois (United States) Diagnostics Ottawa (Canada); Abbott Park, Illinois; Princeton, New Jersey (United States) Vascular Temecula, California (United States)	7.6 million kWh 2,400 MT CO ₂ e emissions	\$300,000
Upgraded and/or replaced manufacturing, cooling tower and HVAC equipment, resulting in improved energy efficiency and eliminating use of refrigerants (10 projects)	Branded Generic Medicines Voronezh (Russia) Cardiovascular/Neuromodulation Atlanta, Georgia; Woodridge, Illinois; Minnetonka and Rogers, Minnesota (United States) Diagnostics Wiesbaden (Germany); Abbott Park, Illinois (United States) Vascular Heerlen (Netherlands); Santa Clara and Temecula, California (United States)	91,000 kWh 500 MT CO ₂ e emissions	\$150,000

Since 2010, we have reduced the Scope 3 emissions associated with the processing of our operational waste by almost 40 percent.

Scope 3 Emissions

Our Scope 3 emissions are an estimated 15 times larger than our Scope 1 and 2 emissions combined. These include all indirect emissions associated with our upstream and downstream value chain. We calculate these Scope 3 emissions annually using the GHG Protocol, and we verify the emissions related to our business travel and operational waste processing through a third-party assurance process.

Of the 15 categories of Scope 3 GHG emissions associated with the supply, distribution and consumption of products, 10 apply to Abbott's business. (See Our Carbon Footprint graphic on [page 79](#) for a breakdown of our Scope 3 emissions.)

Since 2010, we have reduced the Scope 3 emissions associated with the processing of our operational waste by almost 40 percent. This is a result of reducing overall waste by 22 percent and waste sent to landfill by 48 percent. We partner with our suppliers to undertake additional activities to reduce our Scope 3 emissions. We describe how we engage suppliers with these initiatives on [pages 102–108](#).

PROTECTING WATER RESOURCES

Access to water is essential to Abbott's business continuity and manufacturing operations and also plays a critical role in the use of many of our products. We are committed to managing our water use in an efficient, responsible manner, as well as to improving access to clean water for our customers and for the communities where we operate.

Our approach is based on four core principles, which are communicated across our business through Abbott's Water Policy on Access to Clean Water and our internal Water Use Guidelines:

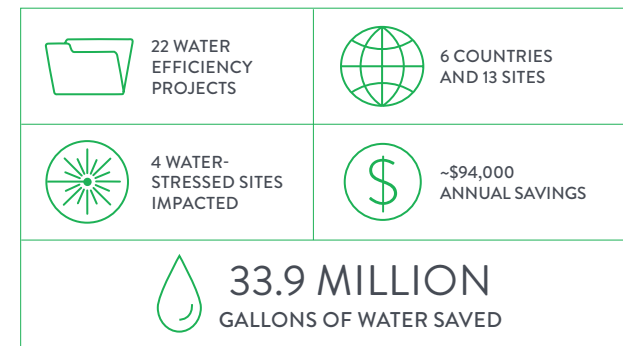
- Reducing the amount of water our business consumes by improving water efficiency across our operations
- Preventing adverse impacts to human health and the environment resulting from our water use and discharge
- Engaging stakeholders across our value chain to encourage the latest water management principles
- Educating employees, suppliers and customers about the importance of protecting water resources

In 2018, Abbott partnered with the World Resources Institute (WRI) and the Alliance for Water Stewardship (AWS) to explore the business case for a context-based approach to water management. The context-based approach involves monitoring water impacts across a water catchment basin to better understand a business's water footprint, mitigate water-related risks and ensure business continuity.

As a result of these partnerships, we have aligned Abbott's water management technical standard, which governs our operational water management, with the principles of a context-based approach. We are now monitoring our impact on water resources in the communities where we operate, assessing water-related risks at the basin level and across our value chain, and working with community stakeholders and within our own operations to reduce water-related risks.

In addition to partnering with various water stakeholders, Abbott has participated in the [CDP Water Disclosure Program](#) since 2010. This has allowed us to share critical water performance data while benchmarking our performance and programs against those of other companies in the healthcare sector, as well as against those of global leaders in water management.

2019 COMPLETED WATER REDUCTION PROJECTS



Abbott assesses the water resilience of all our manufacturing and R&D sites annually by evaluating local water stress and intensity of water use.

Water Risk Management

Abbott is committed to identifying and mitigating climate- and water-related risks that have the potential to impact our operations, supply chain and distribution network. We have a process for identifying and acting on opportunities to address healthcare needs that are emerging as a result of climate change and water-related activities. These processes, which include Abbott's enterprise risk management and business continuity organizations, are outlined in the Managing Climate-Related Risks section on [page 75](#).

In addition to these processes, we manage our water-related risks through Abbott's water management technical standard, which was updated in 2018 to adopt a context-based approach to water risk management. We identify manufacturing and R&D sites that are significant water users that use more than 50 million gallons of water annually, as well as sites that operate in water-stressed areas, and then develop and implement site-specific water management plans. These plans include site-level targets that mitigate water-related risk to our operations and in the communities where we operate.

Our water management technical standard identifies three categories of manufacturing and research and development (R&D) sites that require water management plans. These categories are the following:

1. Significant water users
2. Significant water users that operate in water-stressed areas
3. Sites that operate in water-stressed areas but are not significant water users

In addition to developing a water management plan, sites in the first two categories must engage with key stakeholders in their local catchment basin to identify and address water-related risks and challenges.

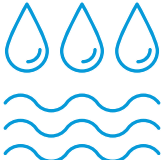

Abbott assesses the water resilience of all our sites annually by evaluating local water stress and intensity of water use. We leverage the WRI Aqueduct™, a global water risk mapping tool, to identify Abbott sites that are exposed to water stress. We also consider the potential for water-related risks for any acquisitions and site-expansion projects.

In 2019, 39 of our 113 manufacturing and R&D sites operated in water-stressed regions. However, in 2019 more than 60 percent of the sites in water-stressed areas each used less than 15 million gallons of water. This minimized Abbott manufacturing and R&D site exposure to water risk, as well as minimized our impacts in water-stressed areas where we operate.

Our annual water-stress mapping and analysis also help to assess levels of water-related risk for Abbott as a whole. Our analysis finds that, while water is a key resource for manufacturing, Abbott is not exposed to significant chronic physical water-related risks at a corporate level. Interruption of water supply to any single manufacturing site or locale would have a local impact. However, operating contingencies and geographic diversification limit the potential impact of these risks on Abbott's overall business.

ABBOTT'S CONTEXT-BASED WATER RISK ASSESSMENT FRAMEWORK

**STEP 1:
DETERMINE SITE WATER RISK PROFILE BY EVALUATING
WATER STRESS AND INTENSITY OF USE**

BASELINE WATER STRESS <small>USING THE WORLD RESOURCES INSTITUTE AQUEDUCT™ TOOL</small>		+	ANNUAL WATER- USE INTENSITY
 WATER-STRESSED	+		HIGH WATER USE
	+		MEDIUM-LOW WATER USE
	+		MINIMAL WATER USE
 NOT WATER-STRESSED	+		HIGH WATER USE
	+		MEDIUM, LOW, MINIMAL WATER USE

=

**STEP 2:
IMPLEMENT MITIGATION
ACTIONS**

LEVEL OF WATER MITIGATION DESCRIPTION <small>BASED ON SITE WATER RISK PROFILE</small>
LEVEL 1
LEVEL 2
LEVEL 3
LEVEL 1
LEVEL 3

LEVEL OF WATER MITIGATION DESCRIPTION
LEVEL 1 <ul style="list-style-type: none"> Evaluate local water risks Identify opportunities to mitigate water-related risk Set and track water targets Engage local stakeholders
LEVEL 2 <ul style="list-style-type: none"> Evaluate local water risks Identify opportunities to mitigate water-related risk Set and track water targets
LEVEL 3 <ul style="list-style-type: none"> No action required

Our Water Footprint

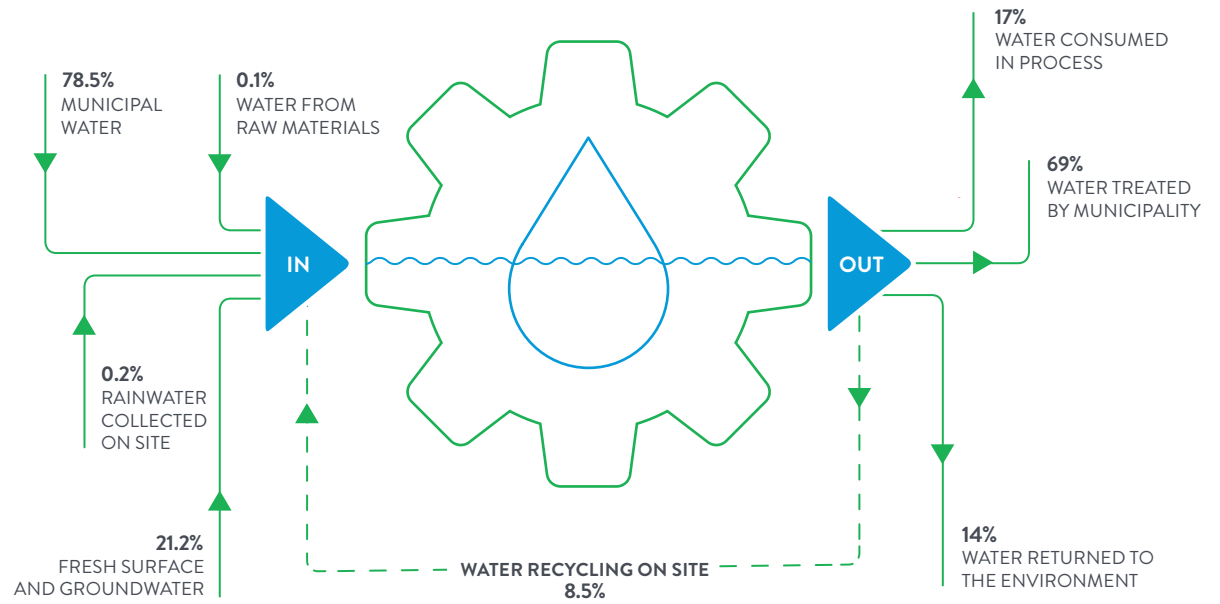
Each year, we map our water footprint to understand where the water that we consume comes from, how it is discharged and treated, and the impacts that we have on our local water basins. In 2017, we began collecting water source, discharge and on-site recycling data for our manufacturing sites to better understand the details of our water footprint.

We define water recycling as the act of processing used water and wastewater through an additional operating cycle or cycles before final treatment and discharge into the environment. In general, Abbott facilities carry out three types of water recycling and reuse:

- Wastewater recycled for use in the same process cycle
- Wastewater recycled and reused in a different process but within the same facility
- Wastewater reused at another of the organization's facilities

When reporting water recycling data, we calculate the volume of recycled or reused water as the volume of water intake that has been avoided through recycling or reuse.

OUR WATER FOOTPRINT



At the end of 2019, we had reduced our water intake compared to 2010 by 3.6 percent on an absolute basis and 28 percent when adjusted for sales.

Water Reduction Performance

We have set a target to reduce Abbott's total water intake by 30 percent by 2020, compared to 2010 and adjusted for sales. At the end of 2019, we had reduced our water intake compared to 2010 by 3.6 percent on an absolute basis and 28 percent when adjusted for sales. We have achieved this progress toward our target by implementing water-efficient interventions in our operations and processes, using more water-efficient technologies, changing our manufacturing and maintenance processes, and recycling water.

Abbott's total water intake in 2019 was 3.5 billion gallons, a 0.7 percent decrease compared to 2018. During 2019, we recycled and reused 22 percent of water at sites employing water recycling practices, which is a 5 percent increase over 2018. In addition, the number of facilities with water recycling activities also increased from 14 to 25 manufacturing sites.

In 2019, we implemented 22 water efficiency and reduction projects at 13 manufacturing sites across six countries, four of which operate in water-stressed areas. These projects included technology and process modifications, landscaping that reduces watering requirements and uses smart irrigation technologies, and recycling water in our building and manufacturing operations. Together, the projects implemented in 2019 resulted in a savings of \$94,000 and 33.9 million gallons of water per year.

WATER REDUCTION HIGHLIGHTS

In 2019, some of our greatest water efficiency projects included the following:

INITIATIVE	DIVISION AND LOCATION	ANNUAL WATER SAVINGS (GALLONS OF WATER)	ANNUAL COST SAVINGS
Optimized boilers to improve water efficiency (1 project)	Nutrition Tipp City, Ohio (United States)	11 million	\$20,000
Established new settings for reverse osmosis and HVAC humidity systems, reducing water use by 27% (1 project)	Branded Generic Medicines Olst (Netherlands)	2.6 million	\$9,000
Installed smart monitoring technologies for water metering and irrigation (3 projects)	Diagnostics North Chicago, Illinois (United States) Cardiovascular/Neuromodulation Minnetonka and Plymouth, Minnesota (United States)	1.4 million	\$10,000
Reused and recycled water in manufacturing operations (3 projects)	Diagnostics Abbott Park, Illinois (United States) Cardiovascular/Neuromodulation Belo Horizonte (Brazil); Coyol (Costa Rica)	1.5 million	\$45,000

In 2019, we received a B rating for our [CDP Water Disclosure response](#), an improvement from our rating of B- in 2018. This places Abbott in the Management band, along with 43 percent of businesses in our activity group.

For detailed information on our water management performance, see [pages 127–129](#) in the Reporting on Sustainability section.

We are committed to minimizing the impact of our products throughout their entire life cycle.

EXTENDED PRODUCER RESPONSIBILITY

Abbott recognizes our extended responsibility for the impact of our products on human health and the environment, which includes how we procure materials and services to produce them and their impact after we distribute them.

We are committed to minimizing the impact of our products throughout their entire life cycle. Besides reducing our overall environmental impact, this enables us to improve operating efficiency and reduce product and operational costs. Our commitment considers all components of our business value chain, including:

- Procuring all of our operational inputs, such as raw materials, processed goods and services, ethically and sustainably
- Designing, producing and distributing our products with consideration for their impact on the environment and human health throughout their life cycle
- Ensuring that our products can be consumed and disposed of in an environmentally responsible manner

Waste management plays a central role in our vision of extended producer responsibility, and our waste management approach addresses two critical aspects of this:

- Operational waste management, which governs our treatment of waste that Abbott produces
- Reducing the life-cycle impacts of our products and their packaging

HOLISTIC APPROACH TO REDUCE OPERATIONAL WASTE

Abbott has adopted a circular economy approach as the objective of our operational waste management strategy. This moves us toward more holistic solutions for managing our waste. The principles of the circular economy provide an alternative to the traditional linear economy, in which products are made, used and then disposed of. In a circular economy, all resources remain in use for as long as possible without becoming waste, extracting maximum value from them. This not only reduces waste generation but also reduces the requirement for new raw material inputs.

Our waste management strategy commits us to finding ethical, economical and efficient ways to reduce the volume and hazardous characteristics of our waste and ensures proper waste disposal practices. However, it also goes further, with a commitment to maximizing the recovery of resources and improving operating efficiency while reducing our environmental risks and impacts. We measure our performance in each of these areas and have standards, guidelines and programs to reduce the risk associated with waste generation, waste handling and waste disposal.

The majority of the waste that Abbott generates is nonhazardous. We prioritize reducing the proportion of our waste footprint that is classified as hazardous. Since 2010, hazardous waste has consistently made up about 12 percent of our waste footprint.

2019 COMPLETED WASTE REDUCTION PROJECTS



Integrating a Circular Economy Approach

As part of our waste management strategy, we have set a target for 2020 to reduce the total waste we generate by 50 percent, compared to 2010 and adjusted for sales.

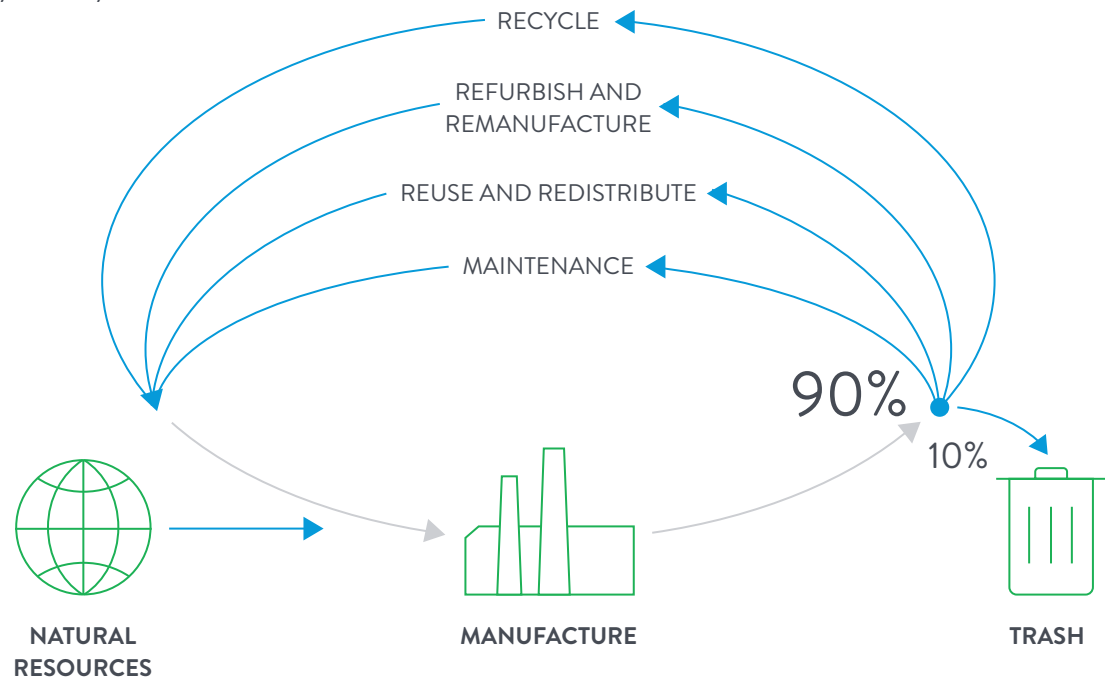
The technical standard governing our operational waste management practices strives to minimize waste generation, reduce toxicity and ensure the maximum recovery of the economic value of waste. It applies to both hazardous and nonhazardous waste, as well as our beneficial use activities. Beneficial use is when a material that otherwise would have been waste is reused in substantially the same form to replace a commercial product or commodity.

Our standard specifies a range of waste management strategies, including:

- Preventive maintenance and process design to eliminate waste generation
- Process waste reduction through diagnosing and fixing problems that would otherwise result in waste generation
- Reducing waste through product design, material input and purchasing decisions
- Partnering across other value chains to promote beneficial use
- Ensuring proper waste material segregation
- Composting, recycling and incinerating with energy recovery

CIRCULAR ECONOMY APPROACH TO OUR MANUFACTURING WASTE MANAGEMENT

90 percent of waste and beneficial use materials produced in our manufacturing and operations are diverted from landfill and incinerated without energy recovery.



In 2012, we launched a Zero Waste to Landfill program to provide our sites with a clear target for diverting waste from landfill. In total, 29 Abbott manufacturing facilities and seven nonmanufacturing facilities, located across 18 countries, have now achieved Zero Waste to Landfill status. Besides reducing waste, the program also cuts GHG emissions, saves costs and helps to engage employees in our environmental initiatives.

Our diabetes care manufacturing site in Donegal, Ireland, completed a site expansion program involving significant construction and demolition while maintaining the Zero Waste to Landfill status that it has held since 2013. Doing so involved finding ways to reuse more than 375 U.S. tons, or 71 percent, of the construction waste generated on site. The Donegal team segregated the remaining waste to maximize recovery by recycling, with 84 percent going to compost, recycling or beneficial use and the remaining 16 percent being incinerated with energy recovery.

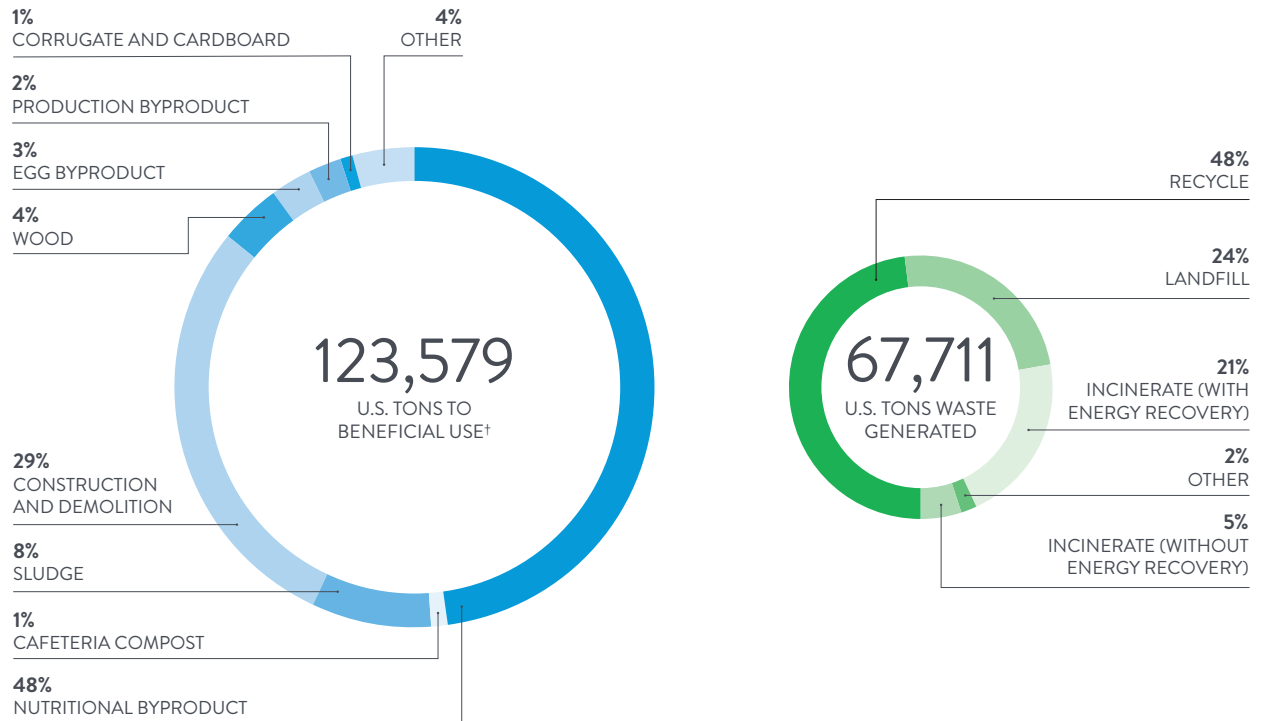
Our technical standard for evaluating and approving waste vendors mandates ethical and responsible approaches to waste management and is designed to minimize risks associated with any waste that we dispose of. For manufacturing sites that produce more than 1,200 kilograms of hazardous waste annually, our Waste Vendor Assessment program requires on-site audits of our waste management firms at least every five years. This program has assessed 271 waste vendors within the last five years and 71 waste vendors in 2019.

We also partner with our IT waste management vendors to ensure proper handling of our used electronics, including recycling and beneficial use where possible. See the [Strengthening Our Supply Chain](#) section on [page 98](#) for more details about our waste management supply chain.

Our Operational Waste Footprint

Waste management is a priority for our business, and managing our waste footprint is part of that commitment. The chart on this page shows our operational waste footprint in detail, including how waste from our own operations gets diverted from landfill and how we seek to ensure energy recovery from any incineration of our waste.

WASTE MANAGEMENT*



*Includes manufacturing and commercial operations activities.

†Abbott defines beneficial use activities as sending the materials that otherwise would have been a waste off site to be used as an effective substitute for a commercial product or commodity. Beneficial use material is used as is or in substantially the same form as it was generated.

Since 2010, we have reduced our total waste footprint by 42 percent when adjusted for sales.

Progress on Our 2020 Operational Waste Target

In 2019, we produced 67,711 tons of waste, an absolute increase of 2 percent compared to 2018. Since 2010, we have reduced our total waste footprint by 22 percent on an absolute basis and by 42 percent when adjusted for sales.

During 2019, 12 percent of Abbott's waste was classified as hazardous. Also in 2019, we produced 8,467 tons of hazardous waste, an increase of 14 percent compared to 2018. In partnership with our global electronic waste partners, we recycled 168 tons and resold 108 tons of electronic equipment.

Through our efforts to maximize the economic value of material over time, in 2019 we diverted 90 percent of our operational waste and beneficial use materials from landfill and incineration without energy recovery. In 2019, our beneficial use activities exceeded the total waste that Abbott generated by 82.5 percent, with 123,579 tons of materials beneficially used across 110 manufacturing sites in 27 countries. This included composting 788 tons of cafeteria waste.

Example beneficial use programs include our cardiovascular and neuromodulation site in Roseville, Minnesota, United States, and our cardiovascular facility in Costa Rica. Both partnered with organizations beyond our own value chain to implement corrugate reuse programs in 2019. These programs involve reusing metal containers and cardboard boxes for packaging and reusing cardboard boxes as cellulose insulation when they are no longer viable. The programs have eliminated 43 tons of waste and saved \$2,700 in annual costs.

For additional details on our waste metrics, see [pages 130–135](#) in the Reporting on Sustainability section.

SUSTAINABLE LIFE CYCLES WITH PRODUCTS AND PACKAGING

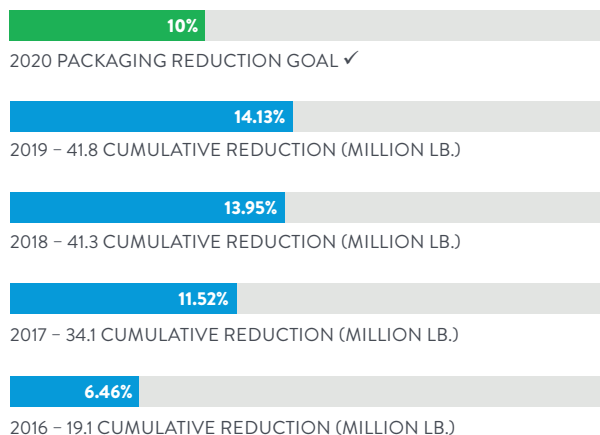
Many different Abbott functions work together to incorporate sustainability considerations into the design of our products and packaging to minimize their environmental impacts throughout the product life cycle. When possible, we prioritize the following considerations in the design and manufacture of our products and packaging:

- Choosing sustainable and renewable materials
- Optimizing design to reduce the use of materials and increase volumetric efficiency in shipping and storage
- Designing products to be more energy efficient
- Designing products that can be circulated back into the economy through reuse and recycling

Packaging Reductions

Abbott's cross-functional Packaging Council set an aggressive target to reduce the total weight of packaging for Abbott products by 10 percent by 2020, compared to our 2010 baseline. We surpassed our initial goal in 2017 and continued this trajectory of progress by achieving total annualized reductions of 14 percent in 2019. Through this achievement, we have eliminated approximately 41.8 million pounds of packaging and saved more than \$100 million since 2010.

CUMULATIVE PACKAGING REDUCTION



✓Goal achieved.

In 2019, our diagnostics business redesigned the *Alinity*[®] 2L pack and 10L Cubitainer[®] packaging to improve material and shipping efficiencies. This allowed us to ship 45 percent more *Alinity* 10L Cubitainer[®] packages per pallet and eliminated 101,000 pounds of corrugate cardboard used to ship the *Alinity* 2L pack in 2019. Likewise, our nutrition business removed all plastic straws from reclosable bottles manufactured in Europe and distributed globally. This eliminated 124,000 pounds of plastic, as well as waste generated during the manufacture of these products. Abbott is evaluating additional replacement of plastic straws with nonplastic alternatives in 2021.

Engaging and partnering with our suppliers has played a vital role in achieving our 2020 packaging target and mitigating the environmental impacts associated with Abbott's extended value chain. We work closely with our suppliers on sustainable packaging solutions that seek either to eliminate packaging materials supplied to us or to ensure that packaging can be reused in our manufacturing processes. This has involved optimizing packaging design to reduce material quantities and improve shipping efficiencies, increasing the sustainability of fiber-based packaging, reducing the use of plastic, and implementing reusable packaging and packaging take-back initiatives.

We have defined a due-diligence process for understanding the use and sourcing of conflict minerals in our products and our supply chain.

Responsible Sourcing and Product Stewardship

Our Product Stewardship, Supply Chain, Research and Development (R&D), Engineering, and EHS groups work together to identify and mitigate the life-cycle impacts of our products and packaging along our value chain. This includes analyzing how we source energy, transportation and distribution, active pharmaceutical ingredients and chemicals of environmental concern, packaging, agriculture, dairy, electronics, and waste management. For more information about our supply chain efforts, see the [Strengthening Our Supply Chain](#) section on [page 98](#).

Product Stewardship

We have developed a product stewardship program to minimize the impact of our products and their packaging throughout the product life cycle. The program tracks and addresses regulations regarding restricted chemicals and ensures due diligence regarding conflict minerals. We carefully monitor and document regulatory changes, and we inform all areas of our company about the potential business impacts of these changes through regular product stewardship business meetings. Our enhanced Regulatory Intelligence process not only ensures potential impacts are identified but also tracks proactive actions taken at the business level to ensure compliance.

We offer product stewardship training on conflict minerals, medical device regulations and substances of concern. We also offer training to relevant teams on the use of our global data composition repository. These teams include R&D, Supply Chain, Procurement and EHS.

Hazardous Chemicals

Responding to regulations on hazardous chemicals is a key element of our product stewardship program, with significant implications for how our products can be used, recycled and disposed of. We ensure that the way Abbott products are marketed and sold always complies with current regulations and not just the regulations in place at the time they were developed.

Conflict Minerals

We have defined a due-diligence process for understanding the use and sourcing of conflict minerals in our products and our supply chain. This includes the 3TG minerals: tantalum, tin, tungsten and gold.

We file a Form SD³ and Conflict Minerals Report each year with the U.S. Securities and Exchange Commission, in compliance with the Dodd-Frank Act. The form, report and our position statement on conflict minerals can be found on our [website](#). We are a member of the Responsible Minerals Initiative, which provides companies with tools and resources to support compliant, responsible sourcing from conflict-affected and high-risk areas.

We use the Responsible Minerals Initiative's standardized Conflict Minerals Reporting Template to survey our suppliers on conflict minerals. We also use an automated conflict minerals analysis tool to help assess risk in our supply chain.

ENVIRONMENTAL INVESTMENT AND COMPLIANCE

Abbott believes that our operations comply in all material respects with applicable laws and regulations concerning environmental protection. Regulations under federal and state environmental laws impose stringent limitations on emissions and discharges to the environment from various manufacturing operations.

Abbott's capital and operating expenditures for pollution control in 2019 were not material. We collect data on capital and operating expenditures related to environmental matters from all sites where this spending exceeds approximately \$1 million. In 2019, these sites reported operating expenditures for pollution control to be approximately \$30 million and capital expenditures for pollution control to be approximately \$5 million.

Abbott has been identified as one of many potentially responsible parties in investigations and/or remediations at several locations in the United States. Under the Comprehensive Environmental Response, Compensation and Liability Act, commonly known as Superfund, Abbott is also engaged in remediation at several other sites, some of which are owned by Abbott, in cooperation with the Environmental Protection Agency or similar agencies.

It is not feasible to predict with certainty the final costs related to Superfund and remediation activities. However, Abbott believes that such costs, together with other expenditures to maintain compliance with applicable laws and regulations concerning environmental protection, should not have a material adverse effect on Abbott's financial position, cash flows or results of operations.

1. Scope 1 and 2 emissions were calculated using the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP). To calculate our Scope 2 emissions, we use the GHGP market-based methodology. Where market-based information is not available, location-based results have been used as a proxy. For full details on our carbon emissions, including market- and location-based calculations, please see [pages 117-118 and 121-123](#) in the Reporting on Sustainability section.

2. Scope 3 GHG emissions include 15 categories, 10 of which are applicable to Abbott and quantified using the methodologies outlined in the World Business Council for Sustainable Development (WBCSD)/WRI GHGP Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

3. A Form SD is an Exchange Act Form used to satisfy special disclosure requirements implemented under the Dodd-Frank Wall Street Reform and Consumer Protection Act.



> **MARY RODGERS, PH.D.**

Mary Rodgers, Ph.D., head of our Global Viral Surveillance Program, led the team that confirmed a new strain of HIV in 2019.

78,000+
VIRUS STRAIN SAMPLES IN OUR
GLOBAL SURVEILLANCE PROGRAM

NEW STRAIN OF HIV

STAYING ONE STEP AHEAD OF HIV

The coronavirus pandemic has shown us the impact one virus can have. Something so small – microscopic, in fact – can affect communities in different ways, which is what the world is witnessing with COVID-19. When we think about it from that perspective, it's easier to understand the importance of confirming a new strain of HIV.

Thanks to Mary Rodgers, Ph.D., a Principal Scientist and head of our Global Viral Surveillance Program, she and her team sequenced a new strain of HIV in 2019. For more than 25 years, Abbott has been at the forefront of viral surveillance with our Global Viral Surveillance Program. Our unwavering commitment to monitor emerging and changing infectious diseases enables us to evaluate and solve disease challenges and keep pace as they evolve.

SUSTAINABILITY IN A RESILIENT SUPPLY CHAIN

Abbott works with more than 75,000 suppliers in 120 countries. The quality, resilience and sustainability of our supply chain are essential to Abbott's continued success and to delivering the products that millions of people depend on. We have developed a global supply chain strategy focused on reinforcing continuity and flexibility while minimizing sustainability risk and our shared environmental footprint.

GOVERNANCE

Lead responsibility for Abbott's supply chain sits with our Chief Procurement Officer, who is part of the Global Operations Council (GOC) and reports directly to the Chief Financial Officer. The Chief Procurement Officer is supported by dedicated procurement leaders, who specialize in a number of supplier categories.

Abbott's Supply Chain Council (SCC) oversees the development of our global supply chain strategy, meeting quarterly and reporting regularly to the GOC. The SCC consists of senior leaders with responsibility for the supply chain of each Abbott business. These leaders report to the Vice President of Operations for their respective businesses. The SCC makes recommendations on the vision and targets for achieving a sustainable and resilient supply chain. It also leads the development of a consistent, global approach to identifying and managing sustainability risks among our suppliers.

Several additional Abbott committees and teams support the SCC in its work to improve resilience and flexibility:

- The Supplier Diversity Governance Council is responsible for growing a strong, diverse supplier base and has appointed supplier diversity champions in every Abbott business and major category of spend.
- Abbott's Executive Crisis Management Team (ECMT) is responsible for managing risks to business continuity in Abbott's supply chain. The ECMT is supported by our Global Security organization and a network of 32 country-specific crisis action teams.



“We have an unwavering commitment to get our products into the hands of the people who need them, when they need them, all around the world — and our promise relies on the resilience of our supply chain.”

RIC SCHNEIDER
DIVISIONAL VICE PRESIDENT AND
CHIEF PROCUREMENT OFFICER

MANAGEMENT APPROACH

Our management approach emphasizes the importance of sustainability, resilience and flexibility in our supply chain's role in supporting innovation at Abbott. We work closely with our suppliers on new solutions that support delivery of our life-changing technology, reduce our environmental impact, and multiply the social and economic value that we create. The SCC has established multiple initiatives to embed sustainability as a key element of our supplier partnerships. These initiatives enable us to manage risks systematically and to identify opportunities to enhance the sustainability of our business globally.

Supply Chain and Procurement Strategy

For Abbott, a sustainable supply chain means ensuring that everything we make and that others make for us is sourced and produced in an ethical manner while minimizing our shared sustainability impact. We are integrating sustainability considerations into our process for selecting and managing our suppliers, including into the five objectives of our supply chain and procurement strategy:

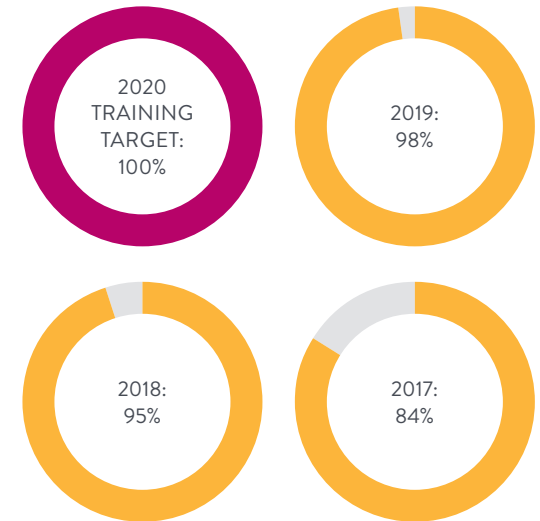
- Ensure our supply network aligns with, protects and elevates our brand
- Create relationships that deliver a shared value by conducting business with transparency and trust

- Enhance margins and elevate financial performance by optimizing total cost, balancing risk with return and certainty
- Expedite growth and drive innovation through proprietary and exclusive opportunities
- Design a flexible, dynamic supply network, driving service with value and quality without supply risk

We develop supplier contracts that embed standards aligned with our sustainability objectives and require suppliers to uphold the principles outlined in our [Supplier Guidelines](#).

Abbott's procurement team spans geographies, organizations and structures. It follows the principles of focus, discipline, creativity and community in seeking to form innovative and strategic supplier partnerships. Embedding sustainability expertise within our supply chain and procurement functions is a key element of our approach. In 2019, we provided supply chain resilience training to 98 percent of our Global Procurement organization. Abbott has set a target for 100 percent of our Global Procurement professionals to be trained in sustainability and supply chain resilience by 2020.

SUPPLY CHAIN RESILIENCE TRAINING



We work with supply chain organizations, like the Manufacturers Alliance for Productivity and Innovation and the Institute for Supply Management, to ensure that our supply chain strategy aligns with leading standards and best practices.

The quality, resilience and sustainability of our supply chain are essential to delivering the products that people depend on.

Guidelines, Standards and Policies

Abbott's Supplier Guidelines define the minimum standards that we expect of our suppliers and that we expect our suppliers to maintain in their own supply chains when conducting business with our company.

These standards include:

- Complying with all aspects of Abbott's Code of Conduct, including acting fairly and with integrity, and meeting our standards on anti-corruption
- Reporting on the source and chain of custody of all conflict minerals when supplying parts, components or materials to Abbott
- Commitments to animal welfare
- Respect for human rights, including the elimination of child and forced labor
- Respect for worker rights, including freedom of association and collective bargaining
- Responsible environmental stewardship, including obtaining all required licenses, permits and approvals, and systems for recycling, reuse and responsible management of waste, emissions and water
- Meeting Abbott's standards and all legal and regulatory requirements on health and safety

We make our Supplier Guidelines available in multiple languages on our website. Suppliers are responsible for confirming their compliance and providing relevant training to their employees in order to meet our standards.

In addition to the Supplier Guidelines, we also use the following guidelines and policies to embed sustainability considerations into our supply chain management:

- Our Green Procurement Guidelines incorporate the principle of environmentally preferable products, which guide our sourcing team on identifying environmentally preferable choices and asking our suppliers to provide these options.
- Our Water Guidelines require transparency from our suppliers about their water management practices and aim to establish sustainable water management throughout our supply chain.
- Our Climate Responsible Energy Guidelines encourage suppliers to reduce their carbon footprints and improve energy efficiency.
- The Abbott Supplier Diversity Policy commits our organization to equal opportunities for businesses that are small or are majority-owned and operated by a member of an under-represented group (for example, women, ethnic minorities, veterans, members of the LGBTQ community or individuals with a disability).

We monitor compliance with these guidelines through our Supplier Social Responsibility Program and contracting process, and we work with suppliers to improve their performance, where required.

Selecting and Classifying Suppliers

We consider environmental, social and governance factors when selecting our suppliers, in addition to a supplier's business capabilities and capacities, financial health, and strategic alignment with Abbott's vision. We use supplier classification models to identify levels of risk attached to different supplier relationships.

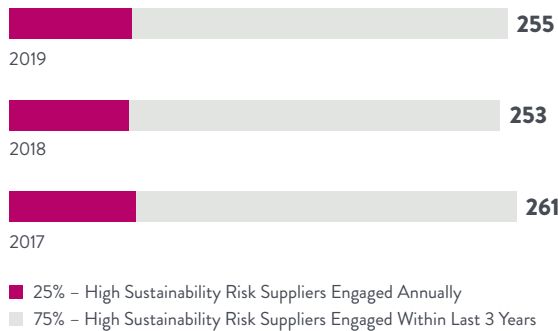
Our Approved Suppliers List categorizes all Abbott suppliers as either high (critical), medium or low risk. We classify a supplier as critical if it supplies materials, components and services that can influence the safety and performance of our products; if the supplier is the only approved source for materials, components and services; or if it is otherwise integral to business continuity. We also take into account the degree of transparency and complexity involved in a specific supply chain, whether a supplier is certified, how close the supplier's position is to our patients in the supply chain, and whether there is the potential for a supplier counterfeiting our products.

Monitoring and Evaluating Suppliers

Abbott has a supplier sustainability assessment program, made up of assessments, surveys and audits, that is designed to improve resilience and business continuity across our supply chain.

HIGH SUSTAINABILITY RISK SUPPLIERS¹

Number of High Sustainability Risk Suppliers Engaged to Understand Sustainability Performance, Risk and Opportunities



We use the DHL Resilience360[®] risk matrix tool to analyze about 10,000 sourcing locations for our critical suppliers and assess their level of risk. Resilience360[®] is a real-time risk monitoring tool that issues alerts when risks emerge for a particular location. Resilience360[®] sustainability risk scores are calculated on the individual subscores for personal freedom, workers' rights and child labor, in addition to an environmental score. The calculation uses an inverted geo-means formula and category weightings to indicate the overall sustainability risk. We survey suppliers that are deemed high risk annually. Our category sourcing leads identify additional key suppliers to be included in our annual Supplier Sustainability Survey.

Abbott's Supplier Sustainability Survey is made up of about 30 questions, covering areas such as ethics, human rights and labor practices, health and safety, environmental performance, and supply chain management. Based on the survey responses, we select suppliers to participate in our annual audit program. The minimum time between audits for any given supplier is three years, with the frequency determined by the supplier's sustainability survey score.

We work with suppliers to address any sustainability-related risks that our surveys and audits identify. In cases of major and zero-tolerance findings, we require the supplier to submit corrective and preventive action plans (CAPAs) as a document within 30 days of receiving the audit results. The owner of the supplier relationship at Abbott then follows up to ensure that the CAPAs are implemented.

In addition to our supplier sustainability surveys and audits, we have programs to assess our chemical, active pharmaceutical ingredient (API) and waste suppliers to ensure that they are appropriately evaluating and mitigating environmental, health and safety risks associated with their industries. See [page 96](#) for more details about these programs.

PERFORMANCE UPDATES

Safeguarding Business Continuity

Abbott's Supply Chain Council and a Business Continuity group also use the DHL Resilience tool on a real-time basis to track the geopolitical, security, sustainability, environmental and infrastructure risks that could affect Abbott's supply chain. Through this system, we have identified more than 100 suppliers at high risk of losing manufacturing capacity due to natural disasters, and all Abbott businesses have prepared contingency plans for such catastrophic events.

We also use the World Resources Institute Aqueduct™ tool to determine which suppliers have the greatest risk of water supply interruptions. This mapping has identified that 23 percent of our critical suppliers currently operate in areas of high and extremely high baseline water stress. Mapping water stress in this way allows our businesses to engage with affected suppliers to ensure business continuity. For more information about our water risk management, see [page 84](#) in the Safeguarding the Environment section.

Supplier Sustainability Performance

Abbott's Supplier Sustainability Program includes assessing, surveying and auditing critical and key suppliers to confirm adherence to our Supplier Guidelines. During 2019, we asked 350 of our critical suppliers to respond to our Supplier Sustainability Survey and received a response rate of 73 percent.

In addition to increasing Abbott's understanding of our supply chain sustainability-related risks and opportunities, the survey acts as a self-assessment tool for our suppliers. Of those that responded, 83 percent indicated that they have environment, health and safety and sustainability programs; 94 percent have code of conduct and ethics policies; 100 percent have not had any violations with respect to ethics compliance, human rights, labor practices, and health and safety; 88 percent have business continuity plans in place; and 64 percent have strategies to work with diverse suppliers. Fifty-two percent of the suppliers that responded indicated that they hold ISO 14001 or equivalent European Union Eco-Management and Audit Scheme (EMAS) certification.

We also conducted site audits at 26 suppliers that we identified as being at high risk for sustainability issues. These audits used Workplace Conditions Assessment standards. In 76 percent of cases, the audits were acceptable, with minor observations. We worked with the remaining suppliers to address the needs that the audits identified. In total, we have audited 9 percent of our Tier 1 suppliers over the past three years.

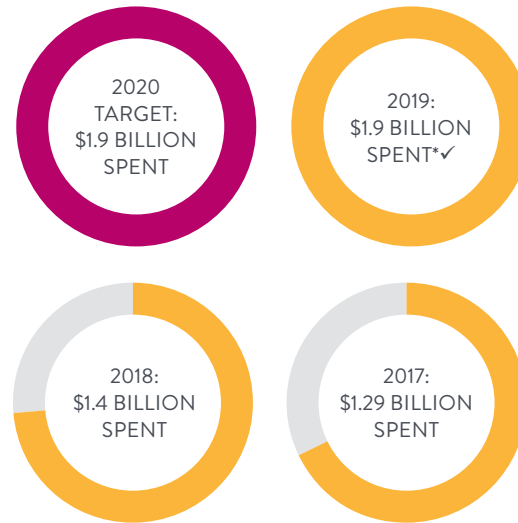
Supplier Diversity

Abbott's Supplier Diversity Program is designed to identify diverse and historically disadvantaged suppliers and provide them with access to economic opportunities that have been denied in the past. Our goal is to promote an inclusive environment, where groups traditionally underrepresented in business can partner with Abbott to participate in our supply chain. In 2019, we strengthened our new supplier onboarding process to increase the number of LGBTQ, minority and women-owned businesses.

During the year, we worked with 5,720 diverse suppliers. The \$1.9 billion we spent with these suppliers represents 19 percent of our total spend in North America. It also represents an 18 percent increase over the previous year's amount, when our 2018 spend is recalculated using our broader diverse supplier definition. This exceeds our target of 10 percent growth in diverse supplier spend. Our target for 2020 spend is \$1.9 billion spent.

We have also continued to strengthen our Supplier Diversity Tier 2 program, which focuses on growing the diversity of our extended supply chain. Under the program, we work with key and strategic suppliers to encourage them to increase their own supplier diversity.

AMOUNT SPENT ON DIVERSE SUPPLIERS



*Target: Increase spend by 10 percent compared to 2018.
✓Goal achieved.



ABBOTT'S KEY SUPPLY CHAIN INITIATIVES

LAUNCHING A FORMAL PROCESS

for assessing supplier risk and compliance with our Social Responsibility Guidelines by surveying suppliers on social and environmental sustainability issues

ENSURING A DIVERSE SUPPLY CHAIN

that secures inclusion of diverse suppliers to drive economic growth in North America

AUDITING HIGH SUSTAINABILITY RISK SUPPLIERS

for social and environmental sustainability issues (including priority areas, such as labor, human rights, environment and anti-corruption)

CREATING AN ENVIRONMENT

in which suppliers can leverage best practices and shared experiences

Abbott has partnered with the Council for Supplier Diversity and officially launched the Abbott Supplier Diversity Connections and Five Forward program, in collaboration with Chicago United. This program connects diverse suppliers to business opportunities and provides mentoring opportunities to help develop business acumen. Abbott also continues to play an active role within the Diverse Manufacturing Supply Chain Alliance (DMSCA), which aims to support small and minority-owned manufacturing suppliers bringing innovative solutions to market.

DiversityPlus magazine listed Abbott as a 2019 Top 10 Champion of Diversity in recognition of our Supplier Diversity Program. The journals *Black EOE Journal*, *Hispanic Network* and *U.S. Veterans Magazine* also awarded Abbott the title of Best of the Best Supplier Diversity Program.

Additional Strategic Initiatives

As part of our approach to managing environmental and social sustainability risk in our supply chain, the SCC has developed strategic initiatives for the following high sustainability risk sourcing categories:

- Agriculture
- Dairy
- Chemicals of environmental concern and active pharmaceutical ingredients
- Energy
- Transportation and distribution
- Packaging
- Waste management

Our Global Procurement and Global Environment, Health and Safety (GEHS) teams are currently engaged in four one-to-one partnerships with strategic suppliers to identify sustainable supply chain opportunities. We work with these partners on sharing best practices on sustainability and exploring projects to improve the sustainability of our own products.

Agriculture

We have identified agriculture as a strategic sourcing category where the opportunity exists to significantly impact the sustainability of our supply chain. Abbott's Food and Safety Council (including representatives from Supply Chain, Regulatory, and Research and Development) meets on a quarterly basis to address concerns related to our agriculture supply chain, including sustainability issues. We do not use palm oil in our products and ensure that all palm-affiliated products (such as palm nuts) are responsibly and ethically sourced.

Abbott is also a leader in food safety and sustainability through an internal surveillance program that tests above industry requirements. We put special emphasis on establishing strong global relationships with our supply base to control quality and sustainability.

We are committed to enriching the lives of the dairy animals around the world that produce our ingredients for our products.

Animal Welfare in Dairy

Abbott is committed to improving the health and welfare of the dairy animals that produce our ingredients for our products around the world, and we fully support the Five Freedoms of animal welfare, as endorsed by the World Organization for Animal Health. We believe that this both enriches the lives of dairy cows and has social and economic benefits for dairy farmers.

In 2019, our nutrition business continued to work on animal health and welfare programs with our dairy suppliers worldwide. We are working in partnership with World Animal Protection and our local dairy suppliers to further advance our animal welfare training program in India, which promotes better access to water, proper housing, animal nutrition and proper veterinary care.

Chemicals of Concern

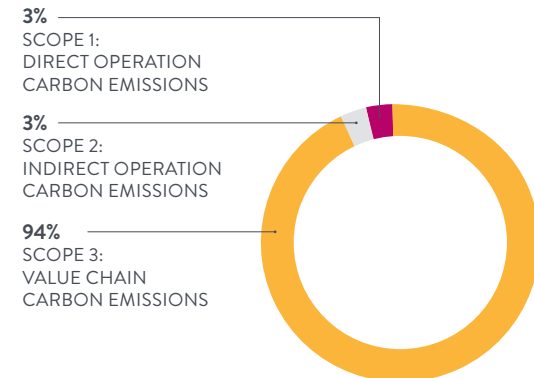
In 2017, Abbott’s branded generic medicines business established an engagement program for suppliers of chemicals of environmental concern, including active pharmaceutical ingredients. The program aims to minimize our environmental risk exposure and ensure business continuity.

Through the program, we identify suppliers operating in at-risk regions, including China, Europe, India and Latin America, that handle chemicals of high environmental concern if released into the environment, and we audit suppliers that we determine to be critical to the business or that have negative media exposure or notices of violation. Since this program launched in 2017, we have completed 113 on-site EHS audits at supplier facilities, and 246 suppliers have completed self-surveys. In 2019, this program completed 29 EHS audits, and 52 self-surveys were completed by suppliers.

Energy

Abbott’s Scope 3 emissions made up 94 percent of our carbon footprint. These are emissions resulting from the sourcing, distribution, consumption and disposal of our products.

ABBOTT’S 2019 CARBON FOOTPRINT



We engage our suppliers around their carbon emissions performance and climate-related activities through targeted initiatives within Abbott's Supplier Sustainability Program. Through our Supplier Sustainability Survey, we annually assess critical and key suppliers to understand their carbon emission strategies and performance, as well as their climate-related risks and opportunities.

In 2019, we surveyed 350 suppliers on environmental practices and performance, achieving a 73 percent response rate. This survey showed that 83 percent of suppliers were subject to climate-related risks (a 12 percent increase over last year); 58 percent had active carbon reduction targets; 80 percent are integrating climate issues into their long-term business objectives; and 53 percent are engaging with their suppliers on climate change.

Our Global EHS and Procurement teams work together to purchase electricity from utility providers that include above-average renewable generation in their energy mix. We estimate that Abbott sites that purchased energy from renewable sources saved 79,000 metric tons of CO₂e in 2019. For more details of our renewable energy supply initiatives, see the Safeguarding Our Environment section on [page 80](#).

Transportation and Fuel Efficiency

We have identified upstream and downstream transportation as a sourcing category in our supply chain with one of the greatest opportunities to reduce our Scope 3 carbon emissions. To improve transportation efficiencies affiliated with this sourcing category, we have implemented a variety of initiatives globally, including:

- Shifting to more sustainable transportation methods
- Optimizing packaging and truckload efficiency
- Implementing fuel efficiency requirements in contracts with our transportation suppliers

For example, beginning in 2018, Abbott's U.S. businesses joined the U.S. Environmental Protection Agency SmartWay® program, which helps companies advance supply chain sustainability by measuring, benchmarking and improving freight transportation efficiency. In 2019, Abbott transported freight more than 40 million miles using multiple modes of transportation in North America, which is an increase of 3.8 million miles since 2018. As a result of this program, as well as internal Abbott initiatives, Abbott's supply chain transportation fuel efficiency in North America increased from 6.3 miles per gallon in 2018 to 6.8 miles per gallon in 2019, saving an estimated 500,000 gallons of diesel fuel.

In North America, Abbott's nutrition business transports more freight than any other division, equating to more than 36 million miles in 2019 and 5.6 million gallons of diesel fuel consumption in support of its supply chain activities. While this business grew in 2019, resulting in total mileage increasing by about 2 percent, we were able to improve transportation efficiency and reduce the associated carbon emissions through implementing operational improvements. These improvements included increasing truckload efficiency by 2 percent, decreasing miles per truckload by 5 percent and shifting 7 percent of freight to more sustainable transportation methods.

1. Abbott considers a supplier to have high sustainability risk when a supplier is found by either screening, survey or on-site audit to have potential risk exposure to unintended environmental or social damage, business discontinuity, and regulatory lapses.



SECTION 7

REPORTING ON SUSTAINABILITY

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> UPENDO GEORGE, M.D.

Upendo George, M.D., was one of the first women to join the field of emergency medicine in Tanzania.

MINISTRY OF HEALTH PARTNERSHIP

CREATING LASTING CHANGE

Twenty years ago, before treatment and testing for HIV/AIDS was as robust as it is today, we began a collaboration with the government of Tanzania to help children affected by HIV/AIDS. What started out as support to children and orphans grew much broader over the years to ultimately helping strengthen the country's entire health system, including emergency medical care.

"Healthcare in Tanzania was far behind other parts of the world," said Upendo George, M.D., one of the leading emergency physicians in East Africa. Through creating the nation's first emergency department to connecting regional labs — where it used to take weeks to get results it now takes minutes or hours — the result is a more sustainable healthcare system throughout the country.

5,000

LIVES SAVED EVERY YEAR
IN THE EMERGENCY
MEDICINE DEPARTMENT

FOCUSING ON SUSTAINABILITY

Abbott's sustainability reporting seeks to address the interests of a range of stakeholders. These include investors, customers, suppliers, employees, and government and regulatory bodies, as well as communities, nongovernmental organizations (NGOs) and opinion leaders. We align our approach with the requirements of leading environmental, social and governance (ESG) ratings and sustainability indices and then seek feedback from our stakeholders in order to drive continuous improvement.

Evolving Our Approach

We have been reporting on aspects of our sustainability activities since the early 1970s, when our first reports focused on community engagement and environmental impacts. Our approach to reporting has always evolved along with our business and the environment in which we operate. This year, our [Sustainability Overview](#) section outlines how we integrate sustainability into Abbott's business, as well as provides an update on the development of our Sustainability Plan. Throughout our 2019 report, we analyze our performance against sustainability key performance indicators (KPIs) while providing important context on our governance and management approach to key sustainability issues. Each year, we align our reporting to the requirements of leading ESG ratings, as well as sustainability indices.

We also refer to external standards on reporting and emissions calculations, such as the GRI (Global Reporting Initiative) G4 Sustainability Accounting Standards Board (SASB) standards and the World Resources Institute/World Business Council for Sustainable Development (WRI/WBCSD) Greenhouse Gas Protocol (GHGP), and have aligned the content of this report with many of the requirements of those standards.

Additional sustainability reports and performance updates, including country reports for key markets, can be found on the [Sustainability Reporting page](#) on our website.



“For 20 years, we’ve worked to transform the Tanzanian health system in partnership with the government of Tanzania and local communities. Together, we have made sustainable healthcare more accessible to more people around the country – from regional laboratories to the creation of the country’s first-ever emergency room.”

FRANK G. KANZA

BOARD OF DIRECTORS MEMBER AND
DIRECTOR OF FACILITIES,
ABBOTT FUND TANZANIA

Scope of This Report

- All financial information is stated in U.S. dollars.
- All data in this report reflects Abbott's activities, with a focus on 2019 results.
- Unless otherwise noted, the data in this report includes our rapid diagnostics business (formerly known as Alere), except for Scope 3 in our environmental metrics for 2010–2018. We plan to include complete data on our rapid diagnostics business in the 2020 Global Sustainability Report.
- Neither this report nor our website contains performance information about our joint ventures, unless otherwise noted.
- Select information and data calculations from prior years have been adjusted to reflect the company's separation from AbbVie in January 2013.
- The Abbott Fund is an Illinois not-for-profit philanthropic corporation established by Abbott in 1951.
- Our 2020 Global Sustainability Report will be published by the third quarter of 2021.

Reporting Feedback

We draw upon many external sources of expertise to develop and execute our sustainability strategy. These external experts also guide our engagements with key stakeholders, the development of our Responsibility website and the production of this sustainability report. We gratefully acknowledge the counsel we receive from Corporate Citizenship, SustainAbility, the GRI and WBCSD, among others. Our engagement with these groups better informs our approach to reporting. It also keeps us abreast of stakeholder expectations and helps us identify areas of opportunity for strengthening stakeholder engagement.

We welcome feedback on our report. Please send us an email at responsibility@abbott.com to share yours.

External Assurance

Abbott engaged an independent assurance provider, Apex Companies (formerly Bureau Veritas North America), to conduct assurance of selected 2019 environmental and safety data. The Environmental Policy page on our website includes a PDF of the [Apex Assurance Statement](#).

Transparency on Policies

Our policies always seek to meet or exceed the national and international standards in the countries where we operate. The following critical policies can be found on our website:

- Code of Business Conduct
- Supplier Guidelines
- Position Statement on Conflict Minerals
- Environment Policy
- Energy Policy
- Water Policy
- Environmental Procurement Guidelines
- Global Environment, Health and Safety Standards
- Environmental and Safety Assurance Statement
- Anti-Corruption Training Guide for Companies Doing Business With Abbott
- Clinical Trial Registration and Results Disclosures
- Financial Reports for Healthcare-Related Organizations
- Stakeholder Engagement Policy
- Position Statement on Tax
- Commitment to Cybersecurity
- Position Statement on Human Rights
- Global Infant Formula Marketing Policy
- Global Animal Welfare Policy

KEY FINANCIAL METRICS

SALES WORLDWIDE DOLLARS IN MILLIONS

	TOTAL
2019	\$31,904
2018	\$30,578
2017	\$27,390
2016	\$20,853

DIVIDENDS PAID DOLLARS IN MILLIONS

	TOTAL
2019	\$2,270
2018	\$1,974
2017	\$1,849
2016	\$1,539

R&D INVESTMENT DOLLARS IN MILLIONS

	TOTAL
2019	\$2,440
2018	\$2,300
2017	\$2,260
2016	\$1,447

SPEND ON DIRECT SUPPLIERS^(a) DOLLARS IN BILLIONS

	TOTAL
2019	\$7.5
2018	\$8.4
2017	\$8.7
2016	\$8.5

Totals and percent changes may differ from listed metrics due to rounding.
To ensure data accuracy, the most accurate number has been used.
Refer to page 137 for endnotes.

KEY SOCIAL METRICS

EMPLOYEES

	TOTAL	% of Women in Management (U.S.) ^(c)	% of Minorities in Management (U.S.) ^(c)
2019	107,000 ^(b)	41%	36%
2018	103,000	40%	34%
2017	99,000	43%	30%
2016	94,000	47%	31%

U.S. EMPLOYEE GIVING CAMPAIGN RESULTS DOLLARS IN MILLIONS

	TOTAL
2019	\$6.71
2018	\$6.58
2017	\$5.61
2016	\$5.60



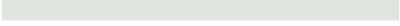

SOCIAL INVESTING DOLLARS IN MILLIONS

	TOTAL
2019	\$70.6
2018	\$62.7
2017	\$65.0
2016	\$36.9



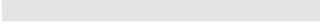
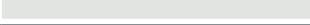

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Refer to page 137 for endnotes.

HEALTH AND
SAFETY GLOBAL
PERFORMANCE

OCCUPATIONAL ILLNESS FREQUENCY RATE^(a)
ILLNESSES PER MILLION HOURS (EMPLOYEE AND CONTRACTOR)

2019		0.2
2018		0.2
2017		0.2
2016		0.2



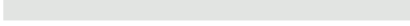

LOST-TIME CASE RATE^(a)
CASES PER 100 WORKERS^(d)

		TOTAL Employee and Contractor	Employee	Contractor
2020 GOAL		0.15		
2019	 25% ^(e)	0.30	0.33	0.05
2018		0.24	0.27	0.03
2017		0.23	0.25	0.04
2016		0.19	0.21	0.05



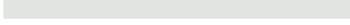


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HEALTH AND
SAFETY GLOBAL
PERFORMANCE

RECORDABLE INJURY OR ILLNESS RATE^(a)
INCIDENTS PER 100 WORKERS^(d)

2019		0.47
2018		0.40
2017		0.41
2016		0.35

GLOBAL VEHICLE ACCIDENT RATE^(a)
ACCIDENTS PER MILLION MILES DRIVEN (EMPLOYEE ONLY)






2020 GOAL		4.0
2019	 -7.3% ^(e)	3.8
2018		4.1
2017		4.9
2016		5.3

Totals and percent changes may differ from listed metrics due to rounding.
To ensure data accuracy, the most accurate number has been used.
Refer to page 137 for endnotes.

KEY ENVIRONMENTAL METRICS – EMISSIONS AND ENERGY




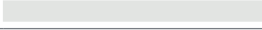


SCOPE 1 AND 2 CARBON EMISSIONS

1,000 METRIC TONS CO₂e

			TOTAL (Scope 1 and Scope 2) Market-Based CO ₂ e Emissions ^{(b),(i)}	TOTAL (Scope 1 and Scope 2) Location-Based CO ₂ e Emissions	Purchased Fuels (Scope 1) CO ₂ e Emissions ^(j)	Refrigerant (Scope 1) CO ₂ e Emissions ^(k)	Total Direct (Scope 1) CO ₂ e Emissions	Purchased Energy (Scope 2) Market-Based CO ₂ e Emissions ^{(b),(i)}	Purchased Energy (Scope 2) Location-Based CO ₂ e Emissions ^(j)
2019		-0.5% ^(a)	972	1,051	523	10	533	439	518
2018			976	1,052	521	10	531	445	521
2017			1,003	1,052	520	10	530	472	522
2016			1,120	1,089	512	15	527	592	561
2010 ^(f)			1,269	1,269	612	9	620	648	648

SCOPE 1 AND 2 CARBON EMISSIONS – NORMALIZED TO SALES

METRIC TONS CO₂e PER \$ MILLION SALES

			TOTAL (Scope 1 and Scope 2) Market-Based CO ₂ e Emissions ^(j)	TOTAL (Scope 1 and Scope 2) Location-Based CO ₂ e Emissions	Total Direct (Scope 1) CO ₂ e Emissions ^(j)	Purchased Energy (Scope 2) Market-Based CO ₂ e Emissions ^{(b),(i)}	Purchased Energy (Scope 2) Location-Based CO ₂ e Emissions ^(j)
2020 GOAL		-40% ^{(g),(h)}	32				
2019		-4.6% ^(a)	30	33	17	14	16
2018			32	34	17	15	17
2017			34	36	18	16	18
2016			40	39	19	21	20
2010 ^(f)			53	53	26	27	27

Totals and percent changes may differ from listed metrics due to rounding.

To ensure data accuracy, the most accurate number has been used.

Refer to page 137 for endnotes.

EMISSIONS AND ENERGY
GLOBAL PERFORMANCE

SCOPE 1 AND 2 CARBON EMISSIONS BY ENERGY SOURCE^(m)
1,000 METRIC TONS CO₂e – MARKET-BASED FACTORS

	2010 ^(f)	2016	2017	2018	2019
STATIONARY SOURCES					
Electricity (Purchased)	615	536	416	391	371
Natural Gas	294	365	363	374	364
Fuel Oils	41	3	6	4	4
Coal	83	0	0	0	0
Misc. Fuels (Propane, Kerosene, LPG, LNG)	1	11	10	12	11
Purchased Steam, Hot Water and Chilled Water	24	6	6	6	6
Biofuels	0	0	0	0	0
Generated Electricity (Cogeneration and Renewables)	0	0	0	0	0
Other Building Electricity	50	50	50	49	62
Other Building Natural Gas	9	9	9	8	9
Stationary Total	1,118	979	859	843	826
MOBILE SOURCES					
Sales Fleet Gasoline	107	93	100	90	94
Sales Fleet Diesel	27	24	25	26	34
Aviation Fuel	5	6	6	7	6
Plant/Shuttle Fleet (Diesel, Gasoline, E85, Propane)	2	2	1	1	2
Mobile Total	142	126	133	123	135

SCOPE 3 CARBON EMISSIONS⁽ⁿ⁾
PERCENTAGE OF TOTAL EMISSIONS

	PERCENTAGE OF TOTAL
2019 ^(d)	94%
2018	93%
2017	93%
2016	93%

Totals and percent changes may differ from listed metrics due to rounding.
To ensure data accuracy, the most accurate number has been used.
Refer to page 137 for endnotes.

**EMISSIONS AND ENERGY
GLOBAL PERFORMANCE**

**OTHER EMISSIONS^(a)
1,000 METRIC TONS**

	2010 ^(a)	2016	2017	2018	2019
Volatile Organic Compound (VOC) Emissions	1.47	1.18	1.17	1.23	1.16
Sulfur Oxide (SO _x) from Combustion	0.58	0.04	0.04	0.05	0.05
Nitrous Oxide (NO _x) from Combustion	0.41	0.32	0.32	0.33	0.32
Particulate Matter	0.13	0.09	0.07	0.07	0.06

**OTHER EMISSIONS – NORMALIZED TO SALES^(a)
METRIC TONS PER \$ MILLION SALES**

	2010 ^(a)	2016	2017	2018	2019
Volatile Organic Compound (VOC) Emissions	0.062	0.042	0.040	0.040	0.036
Sulfur Oxide (SO _x) from Combustion	0.025	0.002	0.002	0.002	0.002
Nitrous Oxide (NO _x) from Combustion	0.017	0.011	0.011	0.011	0.010
Particulate Matter	0.006	0.003	0.002	0.002	0.002

**ENERGY CONSUMPTION
1,000 GIGAJOULES**

	2010 ^(a)	2016	2017	2018	2019
Purchased Fuels (Scope 1) ^(b)	10,501	9,584	9,844	9,943	9,068
Purchased Energy (Scope 2) ^(b)	4,785	4,612	4,556	4,480	4,427
Total (Scope 1 and Scope 2) Energy Consumption	15,286	14,196	14,400	14,424	13,494

**ENERGY CONSUMPTION – NORMALIZED TO SALES
GIGAJOULES PER \$ MILLION SALES**

	2010 ^(a)	2016	2017	2018	2019
Purchased Fuels (Scope 1) ^(b)	442	342	338	325	284
Purchased Energy (Scope 2) ^(b)	202	164	157	146	139
Total (Scope 1 and Scope 2) Energy Consumption	644	506	495	472	423

Totals and percent changes may differ from listed metrics due to rounding.
To ensure data accuracy, the most accurate number has been used.
Refer to page 137 for endnotes.

EMISSIONS AND ENERGY
GLOBAL PERFORMANCE

ENERGY CONSUMPTION BY SOURCE^(m)
1,000 GIGAJOULES

	2010 ⁽ⁿ⁾	2016	2017	2018	2019
STATIONARY SOURCES					
Electricity (Purchased)	4,191	3,893	3,837	3,884	3,916
Natural Gas	5,554	6,900	6,864	7,062	6,875
Fuel Oils	556	36	86	56	51
Coal	935	0	0	0	0
Misc. Fuels (Propane, Kerosene, LPG, LNG)	21	137	127	140	138
Purchased Steam, Hot Water and Chilled Water	536	111	108	115	108
Biofuels	58	7	9	9	10
Generated Electricity (Cogeneration and Renewables)	0	1	4	5	4
Other Building Electricity	499	499	499	612	374
Other Building Natural Gas	234	234	234	149	152
Stationary Total	12,584	11,817	11,768	12,032	11,628
MOBILE SOURCES					
Sales Fleet Gasoline	1,604	1,390	1,501	1,338	1,269
Sales Fleet Diesel	386	342	356	365	483
Aviation Fuel	76	93	94	95	93
Plant/Shuttle Fleet (Diesel, Gasoline, E85, Propane)	36	30	21	19	22
Mobile Total	2,102	1,855	1,972	1,817	1,867

RENEWABLE ELECTRICITY
MILLION KILOWATT HOURS

	2010 ⁽ⁿ⁾	2016	2017	2018	2019
Generated On-Site from Cogeneration	35.51	45.33	55.86	65.66	64.20
Generated On-Site from Renewables	0.05	0.31	1.18	1.30	1.21
Purchased Renewables from Third Party	0.00	20.44	134.13	150.47	151.20
Purchased Cogeneration from Third Party	38.44	3.66	3.87	4.28	4.33

Totals and percent changes may differ from listed metrics due to rounding.
To ensure data accuracy, the most accurate number has been used.
Refer to page 137 for endnotes.

EMISSIONS AND ENERGY
REGIONAL PERFORMANCE

SCOPE 1 AND 2 CARBON EMISSIONS BY REGION
1,000 METRIC TONS CO₂e – MARKET-BASED (CORPORATE EMISSION FACTORS)

	2010 ^(f)	2016	2017	2018	2019
ASIA PACIFIC					
China	19	34	31	30	31
India	18	39	37	34	38
Indonesia	2	3	3	3	4
Japan	2	2	2	2	2
Korea (South)	4	3	3	3	2
Malaysia	0	9	9	9	9
Pakistan	19	21	22	24	23
Singapore	45	43	43	45	44
Vietnam	1	1	2	3	3
Commercial and Other Buildings Region Total ^(p)	74	73	72	74	80
Region Total	184	228	223	227	235
CARIBBEAN AND LATIN AMERICA					
Argentina	12	16	12	11	10
Brazil	3	5	5	6	6
Chile	4	4	4	3	3
Colombia	1	2	3	3	3
Costa Rica	0	2	<1	<1	<1
Mexico	16	14	13	13	13
Peru	1	1	1	2	2
Puerto Rico	57	12	14	11	10
Commercial and Other Buildings Region Total ^(p)	25	24	28	20	26
Region Total	120	80	80	70	72

Totals and percent changes may differ from listed metrics due to rounding.
To ensure data accuracy, the most accurate number has been used.
Refer to page 137 for endnotes.

	2010 ^(f)	2016	2017	2018	2019
EUROPE					
Belgium	<1	<1	<1	<1	<1
Germany	33	35	25	16	17
Ireland	66	68	31	31	31
Netherlands	71	73	40	35	31
Norway	<1	<1	<1	<1	2
Russia	17	23	25	27	23
Spain	11	11	8	10	10
Sweden	<1	0	0	0	0
Switzerland	<1	<1	<1	<1	<1
United Kingdom	19	13	11	12	12
Commercial and Other Buildings Region Total ^(p)	42	40	46	39	44
Region Total	259	264	185	169	169
NORTH AMERICA					
Canada	22	14	15	15	15
United States	626	487	455	449	424
Commercial and Other Buildings Region Total ^(p)	57	46	46	46	55
Region Total	706	548	515	510	495
Total for All Regions	1,269	1,120	1,003	976	972

EMISSIONS AND ENERGY
REGIONAL PERFORMANCE

SCOPE 1 (DIRECT) EMISSIONS BY REGION
1,000 METRIC TONS CO₂e – MARKET-BASED (CORPORATE EMISSION FACTORS)

	2010 ^(f)	2016	2017	2018	2019
ASIA PACIFIC					
China	4	12	10	10	10
India	1	11	11	15	17
Indonesia	<1	<1	<1	<1	<1
Japan	0	<1	<1	<1	<1
Korea (South)	<1	<1	<1	<1	<1
Malaysia	0	<1	<1	<1	<1
Pakistan	16	18	19	20	20
Singapore	18	21	20	23	22
Vietnam	0	0	<1	<1	<1
Commercial and Other Buildings Region Total ^(p)	31	30	29	34	42
Region Total	72	93	89	103	112
CARIBBEAN AND LATIN AMERICA					
Argentina	6	7	4	3	3
Brazil	2	2	2	4	5
Chile	<1	<1	<1	<1	<1
Colombia	<1	<1	<1	<1	<1
Costa Rica	0	<1	<1	<1	<1
Mexico	15	14	12	13	13
Peru	<1	<1	<1	<1	<1
Puerto Rico	45	5	8	5	5
Commercial and Other Buildings Region Total ^(p)	22	21	25	16	17
Region Total	92	49	52	43	44

	2010 ^(f)	2016	2017	2018	2019
EUROPE					
Belgium	<1	<1	<1	<1	<1
Germany	12	13	12	11	12
Ireland	38	32	29	30	31
Netherlands	41	32	34	35	31
Russia	13	14	15	17	13
Spain	7	7	5	5	5
United Kingdom	5	3	3	3	3
Commercial and Other Buildings Region Total ^(p)	32	30	36	31	31
Region Total	149	132	135	134	127
NORTH AMERICA					
Canada	13	9	9	9	9
United States	242	203	203	202	198
Commercial and Other Buildings Region Total ^(p)	54	43	42	41	44
Region Total	308	254	255	253	250
Total for All Regions	620	527	530	531	533

Totals and percent changes may differ from listed metrics due to rounding.
To ensure data accuracy, the most accurate number has been used.
Refer to page 137 for endnotes.

EMISSIONS AND ENERGY
REGIONAL PERFORMANCE

SCOPE 2 (PURCHASED ENERGY) EMISSIONS BY REGION
1,000 METRIC TONS CO₂e – MARKET-BASED (CORPORATE EMISSION FACTORS)

	2010 ^(f)	2016	2017	2018	2019
ASIA PACIFIC					
China	16	22	21	20	20
India	17	28	27	19	22
Indonesia	2	2	3	3	3
Japan	2	2	2	2	2
Korea (South)	3	2	3	2	2
Malaysia	0	9	9	9	9
Pakistan	2	3	3	3	4
Singapore	26	22	23	22	21
Vietnam	1	1	2	3	2
Commercial and Other Buildings Region Total ^(p)	43	43	43	41	38
Region Total	113	135	134	124	123
CARIBBEAN AND LATIN AMERICA					
Argentina	6	9	9	8	7
Brazil	1	3	2	1	2
Chile	3	3	3	3	3
Colombia	1	2	2	3	2
Costa Rica	0	2	<1	<1	<1
Mexico	<1	<1	<1	<1	<1
Peru	1	1	1	1	1
Puerto Rico	12	8	6	6	5
Commercial and Other Buildings Region Total ^(p)	3	3	3	4	9
Region Total	27	31	28	27	29

Totals and percent changes may differ from listed metrics due to rounding.
To ensure data accuracy, the most accurate number has been used.
Refer to page 137 for endnotes.

	2010 ^(f)	2016	2017	2018	2019
EUROPE					
Belgium	<1	<1	<1	<1	<1
Germany	21	22	13	5	5
Ireland	28	36	1	<1	0
Netherlands	30	41	6	0	0
Norway	<1	<1	<1	<1	2
Russia	4	8	10	10	9
Spain	4	5	3	5	5
Sweden	<1	0	0	0	0
Switzerland	<1	<1	<1	<1	<1
United Kingdom	13	10	8	9	9
Commercial and Other Buildings Region Total ^(p)	9	9	9	7	13
Region Total	110	132	50	36	42
NORTH AMERICA					
Canada	10	5	6	6	6
United States	384	285	251	247	226
Commercial and Other Buildings Region Total ^(p)	4	4	4	5	12
Region Total	398	294	260	258	245
Total for All Regions	648	592	472	445	439

EMISSIONS AND ENERGY
REGIONAL PERFORMANCE

TOTAL ENERGY CONSUMPTION (SCOPE 1 AND 2) BY REGION
1,000 GIGAJOULES

	2010 ^(f)	2016	2017	2018	2019
ASIA PACIFIC					
China	124	311	288	282	284
India	140	282	272	360	401
Indonesia	15	20	21	21	16
Japan	17	14	15	15	15
Korea (South)	37	37	37	37	37
Malaysia	0	49	46	48	50
Pakistan	306	313	311	350	332
Singapore	515	556	539	604	593
Vietnam	9	12	14	24	26
Commercial and Other Buildings Region Total ^(p)	862	834	822	798	748
Region Total	2,026	2,429	2,364	2,539	2,503
CARIBBEAN AND LATIN AMERICA					
Argentina	109	141	133	128	118
Brazil	81	84	92	113	117
Chile	40	36	32	28	31
Colombia	33	45	52	58	63
Costa Rica	0	101	102	106	109
Mexico	275	246	219	213	230
Peru	19	18	19	21	22
Puerto Rico	652	117	160	121	132
Commercial and Other Buildings Region Total ^(p)	424	404	463	301	325
Region Total	1,633	1,192	1,272	1,106	1,146

Totals and percent changes may differ from listed metrics due to rounding.
To ensure data accuracy, the most accurate number has been used.
Refer to page 137 for endnotes.

	2010 ^(f)	2016	2017	2018	2019
EUROPE					
Belgium	3	3	3	3	3
Germany	376	308	340	298	293
Ireland	728	741	660	674	683
Netherlands	961	825	870	923	856
Norway	21	21	21	21	21
Russia	265	336	357	385	329
Spain	144	155	125	130	127
Sweden	30	0	0	0	0
Switzerland	5	2	2	2	2
United Kingdom	192	126	134	140	133
Commercial and Other Buildings Region Total ^(p)	645	616	705	551	551
Region Total	3,371	3,132	3,216	3,129	2,999
NORTH AMERICA					
Canada	408	288	292	312	315
United States	6,379	5,928	5,901	5,854	5,785
Commercial and Other Buildings Region Total ^(p)	1,469	1,228	1,354	1,484	746
Region Total	8,256	7,443	7,547	7,650	6,846
Total for All Regions	15,286	14,196	14,400	14,424	13,494

EMISSIONS AND ENERGY
REGIONAL PERFORMANCE

ENERGY CONSUMPTION – PURCHASED FUELS (SCOPE 1) BY REGION
1,000 GIGAJOULES

	2010 ^(f)	2016	2017	2018	2019
ASIA PACIFIC					
China	53	195	176	168	168
India	75	159	149	211	238
Indonesia	7	8	8	9	<1
Japan	<1	<1	<1	<1	<1
Korea (South)	2	2	2	2	2
Malaysia	0	1	1	1	1
Pakistan	288	287	284	319	300
Singapore	329	376	351	401	400
Vietnam	0	0	<1	1	3
Commercial and Other Buildings Region Total ^(p)	468	440	428	501	486
Region Total	1,222	1,467	1,398	1,613	1,599
CARIBBEAN AND LATIN AMERICA					
Argentina	47	57	52	51	50
Brazil	25	19	39	72	70
Chile	13	7	5	4	6
Colombia	7	7	9	12	14
Costa Rica	0	2	2	4	3
Mexico	272	244	215	230	227
Peru	3	3	3	3	3
Puerto Rico	574	61	111	71	59
Commercial and Other Buildings Region Total ^(p)	465	437	526	451	455
Region Total	1,407	836	962	898	887

Totals and percent changes may differ from listed metrics due to rounding.
To ensure data accuracy, the most accurate number has been used.
Refer to page 137 for endnotes.

	2010 ^(f)	2016	2017	2018	2019
EUROPE					
Belgium	1	1	1	1	1
Germany	222	202	198	197	191
Ireland	512	540	509	519	525
Netherlands	717	568	600	624	558
Russia	228	257	267	288	234
Spain	105	116	90	93	89
United Kingdom	96	52	54	56	52
Commercial and Other Buildings Region Total ^(p)	465	437	526	451	455
Region Total	2,346	2,173	2,245	2,229	2,105
NORTH AMERICA					
Canada	224	154	161	162	154
United States	4,034	3,918	3,947	3,923	3,876
Commercial and Other Buildings Region Total ^(p)	1,401	1,160	1,286	1,335	650
Region Total	5,659	5,232	5,394	5,420	4,679
Total for All Regions	10,634	9,708	9,999	10,160	9,270

EMISSIONS AND ENERGY
REGIONAL PERFORMANCE

ENERGY CONSUMPTION – PURCHASED ENERGY (SCOPE 2) BY REGION
1,000 GIGAJOULES


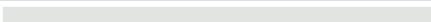



	2010 ^(f)	2016	2017	2018	2019
ASIA PACIFIC					
China	70	116	112	114	115
India	65	123	123	149	163
Indonesia	9	12	12	12	16
Japan	17	14	15	15	15
Korea (South)	35	35	35	35	35
Malaysia	0	48	45	47	49
Pakistan	18	27	28	32	32
Singapore	187	180	188	202	194
Vietnam	9	12	13	23	24
Commercial and Other Buildings Region Total ^(p)	394	394	394	297	262
Region Total	804	961	966	926	904
CARIBBEAN AND LATIN AMERICA					
Argentina	62	84	81	77	68
Brazil	56	65	54	41	47
Chile	26	30	26	24	25
Colombia	26	38	43	46	49
Costa Rica	0	99	99	102	106
Mexico	3	2	4	1	2
Peru	16	15	17	18	19
Puerto Rico	77	56	49	50	74
Commercial and Other Buildings Region Total ^(p)	92	92	92	66	72
Region Total	359	480	465	425	461

Totals and percent changes may differ from listed metrics due to rounding.
To ensure data accuracy, the most accurate number has been used.
Refer to page 137 for endnotes.



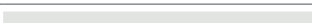



	2010 ^(f)	2016	2017	2018	2019
EUROPE					
Belgium	2	2	2	2	2
Germany	154	105	142	101	102
Ireland	217	201	150	155	158
Netherlands	244	256	270	299	298
Norway	21	21	21	21	21
Russia	37	80	90	97	95
Spain	39	39	35	37	38
Sweden	30	0	0	0	0
Switzerland	5	2	2	2	2
United Kingdom	96	74	80	85	81
Commercial and Other Buildings Region Total ^(p)	179	179	179	100	96
Region Total	1,025	960	971	900	895
NORTH AMERICA					
Canada	184	134	131	149	161
United States	2,345	2,010	1,954	1,931	1,909
Commercial and Other Buildings Region Total ^(p)	68	68	68	149	96
Region Total	2,597	2,211	2,154	2,230	2,167
Total for All Regions	4,785	4,612	4,556	4,480	4,427

KEY ENVIRONMENTAL METRICS – WATER

WATER INTAKE BILLION GALLONS

			TOTAL	Total Water-Stressed Locations ^(a)
2019		-1% ^(a)	3.52	1.54
2018			3.55	1.61
2017			3.47	1.62
2016			3.61	1.67
2010 ^(f)			3.65	1.61

WATER INTAKE – NORMALIZED TO SALES GALLONS PER \$1,000 SALES

			TOTAL	Total Water-Stressed Locations ^(a)
2020 GOAL		-30% ^(g)	108	
2019		-5% ^(a)	110	48
2018			116	53
2017			119	56
2016			129	60
2010 ^(f)			154	68

Totals and percent changes may differ from listed metrics due to rounding.
To ensure data accuracy, the most accurate number has been used.
Refer to page 137 for endnotes.

**WATER GLOBAL
PERFORMANCE**

**WATER CONSUMED IN PROCESS
BILLION GALLONS**

	2010 ^(f)	2016	2017	2018	2019	% Change From 2018 to 2019
Total Water Consumed	0.68	0.78	0.68	0.70	0.60	-14%

**WATER CONSUMED IN PROCESS – NORMALIZED TO SALES
GALLONS PER \$1,000 SALES**

	2010 ^(f)	2016	2017	2018	2019	% Change From 2018 to 2019
Total Water Consumed	29	28	23	23	19	-18%

**WATER DISCHARGED
BILLION GALLONS**

	2010 ^(f)	2016	2017	2018	2019	% Change From 2018 to 2019
Total Water Discharged (Impaired)	2.30	2.26	2.29	2.35	2.42	3%
Total Water Discharged (Non-Impaired)	0.68	0.56	0.51	0.49	0.50	1%

**WATER DISCHARGED – NORMALIZED TO SALES
GALLONS PER \$1,000 SALES**

	2010 ^(f)	2016	2017	2018	2019	% Change From 2018 to 2019
Total Water Discharged (Impaired)	97	81	79	77	76	-1%
Total Water Discharged (Non-Impaired)	29	20	17	16	16	-3%

**BIOLOGICAL OXYGEN DEMAND (BOD) CONCENTRATION IN WASTEWATER
MILLIGRAMS PER LITER**

	2010 ^(f)	2016	2017	2018	2019	% Change From 2018 to 2019
Concentration in Wastewater Discharged to the Environment ^(f)	6	8	16	10	9	-13%

Totals and percent changes may differ from listed metrics due to rounding.
To ensure data accuracy, the most accurate number has been used.
Refer to page 137 for endnotes.

WATER REGIONAL
PERFORMANCE

WATER INTAKE BY REGION
BILLION GALLONS


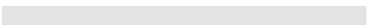
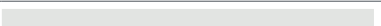


	2010 ^(f)	2016	2017	2018	2019
ASIA PACIFIC					
China	0.03	0.10	0.10	0.09	0.09
India	0.06	0.12	0.12	0.14	0.15
Indonesia	0.01	0.01	0.01	0.01	0.01
Japan	<0.01	<0.01	<0.01	<0.01	<0.01
Korea (South)	0.01	0.01	0.01	0.01	0.01
Malaysia	0.00	0.03	0.03	0.03	0.02
Pakistan	0.12	0.13	0.13	0.15	0.14
Singapore	0.19	0.19	0.19	0.20	0.19
Vietnam	<0.01	<0.01	<0.01	<0.01	<0.01
Region Total	0.41	0.59	0.58	0.63	0.61
CARIBBEAN AND LATIN AMERICA					
Argentina	0.08	0.09	0.07	0.07	0.06
Brazil	0.01	0.02	0.02	0.02	0.02
Chile	0.02	0.02	0.02	0.02	0.02
Colombia	0.01	0.02	0.02	0.02	0.02
Costa Rica	0.00	0.03	0.03	0.03	0.03
Mexico	0.04	0.04	0.03	0.03	0.04
Peru	0.01	0.01	0.01	0.01	0.01
Puerto Rico	0.16	0.03	0.03	0.02	0.02
Region Total	0.33	0.25	0.20	0.21	0.21

	2010 ^(f)	2016	2017	2018	2019
EUROPE					
Belgium	0.00	0.00	0.00	0.00	0.00
Germany	0.04	0.04	0.04	0.04	0.05
Ireland	0.17	0.17	0.17	0.18	0.18
Netherlands	0.40	0.34	0.35	0.37	0.35
Norway	<0.01	<0.01	<0.01	<0.01	<0.01
Russia	0.08	0.07	0.07	0.05	0.03
Spain	0.06	0.07	0.07	0.07	0.07
Sweden	<0.01	0.00	0.00	0.00	0.00
Switzerland	<0.01	<0.01	<0.01	<0.01	<0.01
United Kingdom	0.01	0.01	0.01	0.01	0.01
Region Total	0.77	0.70	0.71	0.73	0.68
NORTH AMERICA					
Canada	0.22	0.16	0.16	0.20	0.22
United States	1.91	1.91	1.81	1.78	1.80
Region Total	2.14	2.07	1.98	1.98	2.02
Total for All Regions	3.65	3.61	3.47	3.55	3.52







Totals and percent changes may differ from listed metrics due to rounding.
To ensure data accuracy, the most accurate number has been used.
Refer to page 137 for endnotes.

KEY ENVIRONMENTAL METRICS – WASTE

TOTAL WASTE^(a) TONS

			TOTAL	Total Waste Not Landfilled	Total Waste Landfilled	Total Waste Recycled
2019		2.2% ^(a)	67,711	51,538	16,173	32,230
2018			66,256	48,507	17,749	29,702
2017			66,712	47,455	19,257	29,163
2016			69,299	52,471	16,828	32,959
2010 ^(f)			86,394	54,992	31,402	36,788

TOTAL WASTE – NORMALIZED TO SALES^(a) TONS PER \$ MILLION SALES

			TOTAL
2020 GOAL		-50% ^(g)	1.8
2019		-2% ^(a)	2.1
2018			2.2
2017			2.3
2016			2.5
2010 ^(f)			3.6

Totals and percent changes may differ from listed metrics due to rounding.
To ensure data accuracy, the most accurate number has been used.
Refer to page 137 for endnotes.

WASTE GLOBAL
PERFORMANCE

TOTAL HAZARDOUS WASTE^(a)
TONS – MANUFACTURING, COMMERCIAL, NONCOMMERCIAL

	2010 ^(b)	2016	2017	2018	2019	% Change From 2018 to 2019
Hazardous Waste Not Landfilled	9,722	6,516	6,996	6,859	7,904	15%
Hazardous Waste Landfilled	854	727	619	559	564	1%
Total Hazardous Waste	10,576	7,243	7,615	7,418	8,467	14%

TOTAL HAZARDOUS WASTE – NORMALIZED TO SALES^(a)
TONS PER \$ MILLION SALES

	2010 ^(b)	2016	2017	2018	2019	% Change From 2018 to 2019
Total Hazardous Waste	0.45	0.26	0.26	0.24	0.27	9%

TOTAL NONHAZARDOUS WASTE^(a)
TONS – MANUFACTURING, COMMERCIAL, NONCOMMERCIAL

	2010 ^(b)	2016	2017	2018	2019	% Change From 2018 to 2019
Nonhazardous Waste Not Landfilled	45,270	45,955	40,459	41,648	43,635	5%
Nonhazardous Waste Landfilled	30,548	16,101	18,638	17,191	15,610	-9%
Total Nonhazardous Waste	75,818	62,056	59,097	58,839	59,245	1%

TOTAL NONHAZARDOUS WASTE – NORMALIZED TO SALES^(a)
TONS PER \$ MILLION SALES

	2010 ^(b)	2016	2017	2018	2019	% Change From 2018 to 2019
Total Nonhazardous Waste	3.19	2.21	2.03	1.92	1.86	-3%

Totals and percent changes may differ from listed metrics due to rounding.
To ensure data accuracy, the most accurate number has been used.
Refer to page 137 for endnotes.

WASTE GLOBAL
PERFORMANCE

BENEFICIAL USE^(c)
TONS



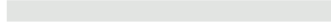


	TOTAL	Manufacturing (Tons)	Commercial and Other Buildings (Tons) ^(a)
2019	123,579	123,103	476
2018		97,797	
2017		75,076	
2016		67,017	
2010 ^(f)		39,962	

DIVERSION RATE^(a)

	TOTAL (%)	Manufacturing (%)	Commercial and Other Buildings (%) ^(a)
2019	89.9%	90.2%	76.9%
2018		87.8%	
2017		84.8%	
2016		86.1%	
2010 ^(f)		70.6%	

Totals and percent changes may differ from listed metrics due to rounding.
To ensure data accuracy, the most accurate number has been used.
Refer to page 137 for endnotes.

PACKAGING REDUCTION
MILLION POUNDS OF PACKAGING

		Cumulative Reduction (%)	Cumulative Reduction (Million LB)
2020 GOAL		-10.00%	30.0
2019		-14.13%	41.8
2018		-13.91%	41.3
2017		-11.52%	34.1
2016		-6.46%	19.1
2010 ^(f)		0%	0

WASTE REGIONAL
PERFORMANCE

TOTAL WASTE BY REGION^(a)
TONS

	2010 ^(b)	2016	2017	2018	2019
ASIA PACIFIC					
China	2,763	3,171	2,946	2,903	2,952
India	2,063	2,245	2,200	2,166	2,498
Indonesia	205	16	26	28	26
Japan	755	657	642	561	612
Korea (South)	581	581	581	581	581
Malaysia	0	118	118	132	108
Pakistan	1,257	647	657	662	610
Singapore	3,993	2,654	1,836	2,587	2,011
Vietnam	49	40	114	70	84
Commercial and Noncommercial Region Total ^(p)	2,172	2,172	2,172	1,569	2,218
Region Total	13,837	12,301	11,292	11,260	11,699
CARIBBEAN AND LATIN AMERICA					
Argentina	1,359	1,206	997	825	797
Brazil	680	660	615	637	709
Chile	580	776	708	633	617
Colombia	816	1,275	1,765	1,638	1,666
Costa Rica	0	1,222	1,334	1,593	1,368
Mexico	222	453	379	459	401
Peru	313	392	346	339	322
Puerto Rico	3,292	545	611	726	543
Commercial and Noncommercial Region Total ^(p)	814	814	814	658	459
Region Total	8,076	7,343	7,569	7,507	6,882

	2010 ^(b)	2016	2017	2018	2019
EUROPE					
Belgium	368	368	368	382	433
Germany	2,226	2,761	2,529	3,062	3,457
Ireland	5,216	4,521	4,088	4,034	5,088
Netherlands	6,670	4,419	4,660	4,653	5,747
Norway	356	356	356	356	356
Russia	1,206	1,358	1,094	1,072	963
Spain	738	1,305	1,251	1,238	972
Sweden	113	0	0	0	0
Switzerland	91	53	49	40	45
United Kingdom	1,470	1,405	912	1,006	1,162
Commercial and Noncommercial Region Total ^(p)	817	817	817	739	810
Region Total	19,272	17,364	16,124	16,581	19,031

	2010 ^(b)	2016	2017	2018	2019
NORTH AMERICA					
Canada	1,313	758	790	728	828
United States	43,805	31,441	30,844	30,051	28,968
Commercial and Noncommercial Region Total ^(p)	93	93	93	129	303
Region Total	45,210	32,291	31,727	30,908	30,099
Total for All Regions	86,394	69,299	66,712	66,256	67,711

Totals and percent changes may differ from listed metrics due to rounding.
To ensure data accuracy, the most accurate number has been used.
Refer to page 137 for endnotes.

WASTE REGIONAL
PERFORMANCE

HAZARDOUS WASTE BY REGION^(a)
TONS

	2010 ^(f)	2016	2017	2018	2019
ASIA PACIFIC					
China	52	68	71	68	82
India	264	286	503	298	485
Indonesia	7	8	10	14	15
Japan	38	33	32	31	31
Korea (South)	36	36	36	36	36
Malaysia	0	60	60	63	80
Pakistan	65	105	75	114	109
Singapore	24	12	20	19	29
Vietnam	16	17	53	42	51
Commercial and Noncommercial Region Total ^(p)	190	190	190	157	24
Region Total	692	816	1,050	842	942
CARIBBEAN AND LATIN AMERICA					
Argentina	603	564	544	401	427
Brazil	117	158	202	203	342
Chile	237	330	156	164	299
Colombia	198	183	251	298	304
Costa Rica	0	378	386	459	441
Mexico	33	116	62	80	45
Peru	79	113	96	100	124
Puerto Rico	1,596	55	50	47	44
Commercial and Noncommercial Region Total ^(p)	123	123	123	66	7
Region Total	2,985	2,020	1,869	1,819	2,033

Totals and percent changes may differ from listed metrics due to rounding.
To ensure data accuracy, the most accurate number has been used.
Refer to page 137 for endnotes.

	2010 ^(f)	2016	2017	2018	2019
EUROPE					
Belgium	8	8	8	2	14
Germany	490	971	593	739	781
Ireland	536	451	457	513	618
Netherlands	3,283	1,414	1,685	1,754	2,518
Norway	32	32	32	32	32
Russia	294	94	417	298	189
Spain	3	7	4	5	5
Sweden	<1	0	0	0	0
Switzerland	2	<1	<1	<1	1
United Kingdom	545	148	128	131	183
Commercial and Noncommercial Region Total ^(p)	66	66	66	74	27
Region Total	5,259	3,191	3,390	3,547	4,368
NORTH AMERICA					
Canada	149	143	128	112	172
United States	1,483	1,064	1,169	1,086	947
Commercial and Noncommercial Region Total ^(p)	9	9	9	13	5
Region Total	1,641	1,216	1,306	1,211	1,124
Total for All Regions	10,576	7,243	7,615	7,418	8,467

WASTE REGIONAL
PERFORMANCE

NONHAZARDOUS WASTE BY REGION^(a)
TONS

	2010 ^(b)	2016	2017	2018	2019
ASIA PACIFIC					
China	2,710	3,103	2,876	2,835	2,870
India	1,799	1,959	1,697	1,868	2,013
Indonesia	198	8	16	14	11
Japan	717	624	611	529	581
Korea (South)	545	545	545	545	545
Malaysia	0	58	58	69	28
Pakistan	1,192	541	581	548	501
Singapore	3,968	2,642	1,816	2,568	1,982
Vietnam	33	23	60	29	33
Commercial and Noncommercial Region Total ^(p)	1,982	1,982	1,982	1,412	2,194
Region Total	13,145	11,485	10,242	10,418	10,757
CARIBBEAN AND LATIN AMERICA					
Argentina	756	642	453	423	370
Brazil	563	502	413	433	367
Chile	343	446	552	470	317
Colombia	618	1,092	1,514	1,339	1,363
Costa Rica	0	844	949	1,134	927
Mexico	190	337	317	379	356
Peru	234	279	250	239	198
Puerto Rico	1,696	489	561	679	500
Commercial and Noncommercial Region Total ^(p)	691	691	691	592	453
Region Total	5,091	5,322	5,700	5,689	4,850

Totals and percent changes may differ from listed metrics due to rounding.
To ensure data accuracy, the most accurate number has been used.
Refer to page 137 for endnotes.

	2010 ^(b)	2016	2017	2018	2019
EUROPE					
Belgium	361	361	361	379	419
Germany	1,736	1,790	1,936	2,323	2,676
Ireland	4,679	4,071	3,631	3,521	4,470
Netherlands	3,388	3,005	2,975	2,899	3,229
Norway	324	324	324	324	324
Russia	912	1,264	677	775	774
Spain	735	1,298	1,247	1,233	966
Sweden	112	0	0	0	0
Switzerland	89	52	49	40	44
United Kingdom	926	1,258	784	875	978
Commercial and Noncommercial Region Total ^(p)	751	751	751	665	783
Region Total	14,013	14,172	12,734	13,034	14,663
NORTH AMERICA					
Canada	1,164	615	662	617	657
United States	42,322	30,377	29,675	28,965	28,020
Commercial and Noncommercial Region Total ^(p)	84	84	84	116	298
Region Total	43,569	31,075	30,421	29,697	28,975
Total for All Regions	75,818	62,055	59,097	58,838	59,244

EHS FINES, NOTICES OF VIOLATION AND GOVERNMENT AGENCY INSPECTIONS

ENVIRONMENT, HEALTH AND SAFETY (EHS) FINES, NOTICES AND INSPECTIONS

**EHS FINES
U.S. DOLLARS**

	2010 ^(f)	2016	2017	2018	2019
Environmental Fines	27,950	0	0	0	16,700
Health and Safety Fines	0	180	751	3,000	0
Total EHS Fines	27,950	180	751	3,000	16,700

EHS NOTICES OF VIOLATION (NOVs)

	2010 ^(f)	2016	2017	2018	2019
Total EHS NOVs	4	4	4	7	4

EHS GOVERNMENT AGENCY INSPECTIONS^(w)

	2010 ^(f)	2016	2017	2018	2019
Total EHS Inspections	46	61	130	139	182

Totals and percent changes may differ from listed metrics due to rounding.
To ensure data accuracy, the most accurate number has been used.
Refer to page 137 for endnotes.

METRICS ENDNOTES

All environmental data has been adjusted to account for acquisitions and divestitures, in accordance with the methodology prescribed in the World Resources Institute/World Business Council for Sustainable Development (WRI/WBCSD) Greenhouse Gas Protocol (GHGP). We report data from acquisitions as soon as is practical. To that end, this data includes the acquisitions of St. Jude Medical, Glomed and Alere, Inc. Furthermore, this data reflects the divestiture of Abbott Medical Optics.

- (a) Legacy Alere is included in Spend on Direct Suppliers, Health and Safety, and Scope 3 metrics beginning in 2019. Metrics 2010–2018 do not include Legacy Alere.
- (b) This includes Alere employees.
- (c) These percentages are as of December 31, 2019. Percentages represent a count of U.S. employees, excluding the rapid diagnostics business.
- (d) Annual incident rates are calculated per 100 employees, assuming the average employee works 40 hours per week and 50 weeks per year. This is equivalent to 200,000 hours worked.
- (e) This is the percent change from 2018 to 2019.
- (f) This is the baseline year.
- (g) This is the percent change from 2010 (goal).
- (h) Progress toward 2020 carbon goal is reported using the GHGP Scope 2 market-based methodology.
- (i) Scope 2 emissions are calculated using the GHGP market-based methodology. Per the GHGP, where market-based information is not available, location-based results have been used as proxy.
- (j) Reported Purchased Fuel Scope 1 sources consist of fuel consumed by manufacturing facilities, sales fleet and Abbott-owned aviation.
- (k) Per WRI GHGP, Scope 1 refrigerant CO₂e emissions include only those covered in the Kyoto Protocol.
- (l) Reported Scope 2 sources consist of energy directly purchased by Abbott, such as electricity and steam, as well as emissions from leased locations. Unless specified otherwise, emissions are calculated according to the WRI/WBCSD GHGP Scope 2 location-based method.

(m) Abbott's nonenergy-consumption greenhouse gas emissions, such as refrigerant releases and process air emissions, are omitted. The total CO₂ equivalents from nonenergy sources are noted in the Total Emissions (Scope 1 and 2) Table.

- (n) All Scope 3 calculations are adjusted to account for updated spend metrics. Sourcing category spend allocations are subject to change year over year in alignment with business strategy.
- (o) This reflects emissions from fuel combusted at manufacturing facilities only.
- (p) Waste and CO₂e Commercial Region Total data collection and calculation methodology were updated to better quantify years 2010–2017.
- (q) Water-stressed locations have been determined using the WRI Aqueduct™ global water risk mapping tool.
- (r) BOD data provided is the flow-weighted averages of sampled concentrations for water directly discharged to the environment only. Water discharged directly to the environment represents about 11 percent of total water discharged.
- (s) Waste-generation data does not include materials that are reused beneficially.
- (t) Abbott defines beneficial use activities as sending material that otherwise would have been a waste, off site to be used as an effective substitute for a commercial product or commodity. Beneficial use material is used as is or in substantially the same form as it was generated.
- (u) Abbott began calculating beneficial use commercial activities beginning in 2019.
- (v) Abbott's manufacturing diversion rate is calculated as follows: (beneficial use + recycling + incineration with energy recovery + other nonlandfill activities) / (total waste + beneficial use). Commercial and other building activities are not included in this rate.
- (w) The definition for "government agency inspection" was updated in 2017 by Abbott to include routine visits and sample collection from regulatory agencies or designated representatives. This change is not reflected in our metrics for 2010–2016, only 2017 forward.

Sums may not add up exactly due to rounding.

ABOUT THE COVER

From Nigeria to Minnesota and Beyond

Jomi Babatunde-Omoya, a 16-year-old Abbott engineering intern, has always loved math and science. When her fifth grade class went on a field trip to a local college and shadowed engineering students, she realized it was possible to build a career following her passions. After spending the day learning the importance of engineering and participating in problem-solving exercises, she was hooked.

Jomi's journey from her native Nigeria to that day had not always been an easy one. Her parents, both successful in scientific fields in their home country, felt that they needed to raise their daughter in the United States to afford her the advanced education she would need for a career that allowed her to work anywhere in the world.

Her family moved to Minnesota when Jomi was four years old and the changes were immediate. "I came from an area where everyone looked like me, sounded like me, to here where everyone treated me differently because they didn't know much about me or where I came from," Jomi said. "A lot of times I felt looked down upon, or dumber, because I came from another country. I wasn't picked for classroom groups. Because people just didn't know."



Over time, however, her teachers started to notice and believe in her and her talents. By the start of middle school, she was determined to sharpen her math and science skills.

"My favorite part of school was getting a problem and working in a group to find a solution," Jomi said. She continued to concentrate on improving her science, technology, engineering and math (STEM) skills as she entered high school, even though she still believed that engineering careers were limited to the types of people she had met on her field trip years earlier.

All of that changed when she was 15. She began studying with a college prep class tutor who shared her enthusiasm for engineering because he was an engineer himself. "He worked with me not to pass a test, but because he wanted me to 'get it,' so I would look forward to learning more and incorporating it into my career," Jomi explained.

The final piece was put in place when a group of African American biomedical engineers came to her college prep class. "They explained what they did, how they got into it and their values seemed similar to mine. They showed me that someone who looked like me could do the job," she said.

A year later, Jomi is pursuing her dream as a biomedical engineering intern at Abbott. In 2019, Abbott created a one-of-a-kind STEM Internship Blueprint, a resource for businesses looking to increase diversity in STEM through high school internships. To Jomi, being an engineer means making people's lives better on a day-to-day basis, trusting in herself and others to "make the world a better place. I definitely want to have a career where I can go around the world and help people in other countries and places not as fortunate as where I live."

To learn more about Jomi's story, go to [Abbott.com](https://www.abbott.com). For more information about our STEM Blueprint, go to the Valuing Our People section on [page 51](#).



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