



Abbott



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COVER STORY: LAMIAH TYSINGER

When she was in high school, LaMiah Tysinger developed an interest in engineering and set her mind to learning all she could about a potential STEM career. She joined Abbott as a high school STEM program intern, the first in a series of Abbott internships that saw her through university and a bachelor's degree in industrial engineering. Today, LaMiah is a full-time Abbott employee, working as an enterprise excellence trainer, teaching new employees to efficiently and reliably manufacture Abbott's rapid test cards. See also [page 44](#).



FROM OUR PRESIDENT AND CEO



DEAR ABBOTT STAKEHOLDER,

Sustainability is the fundamental challenge of our time. And it grows continually more pressing, as the last year has demonstrated in so many ways.

This is exactly the kind of challenge Abbott is built to address. Because thinking and acting for sustainability is inherent to our culture. And it's a natural extension of our purpose—helping people live healthier, fuller lives. We pursue this mission very deliberately through our business strategies and processes. Abbott always takes the long view. We've succeeded for more than 130 years because we work at it. And we bring that same orientation—purpose-driven and achievement-focused—to our efforts to sustain not just our company, but our communities and the world around us.

Now well into the second year of the COVID-19 pandemic, Abbott has been a significant contributor to the world's progress against the disease, through the 12 different tests we've developed to identify the virus and help people live with greater safety and confidence. But we want to do much better than the old "normal." We're setting our sights higher, aiming to do our part in helping society make real progress in meeting its most urgent needs and building a better, more resilient world for the century ahead.

This is made very clear by our 2030 Sustainability Plan. We conducted an exhaustive process, involving colleagues from across all parts of the company and around the world, to understand Abbott's strengths and weaknesses, challenges and opportunities to create a 10-year plan that brings the company's commitment to a new level.

As this report demonstrates, Abbott remains a conscientious and effective contributor across the broad range of ESG priorities. We've made continual progress in reducing our environmental footprint, and we'll keep moving toward ever more ambitious improvement targets. Similarly, you'll see the innovative and committed ways in which we've supported communities around the world—another long tradition for our company and one we'll advance further over the decade to come. We are passionately committed to advancing racial equity, as will be explored thoroughly in our separate Diversity, Equity and Inclusion report.

But the emphasis of our 2030 Plan is on the priority where we can make the greatest impact and do the most good for the most people: in focusing our future innovation on creating products that are affordable and accessible to more people than ever before. Using our primary expertise to help the world achieve greater total health at lower total cost is the most meaningful way we can contribute to the long-term sustainability of our society and our planet—helping more people than ever before live their best, healthiest and fullest lives.

Sincerely,

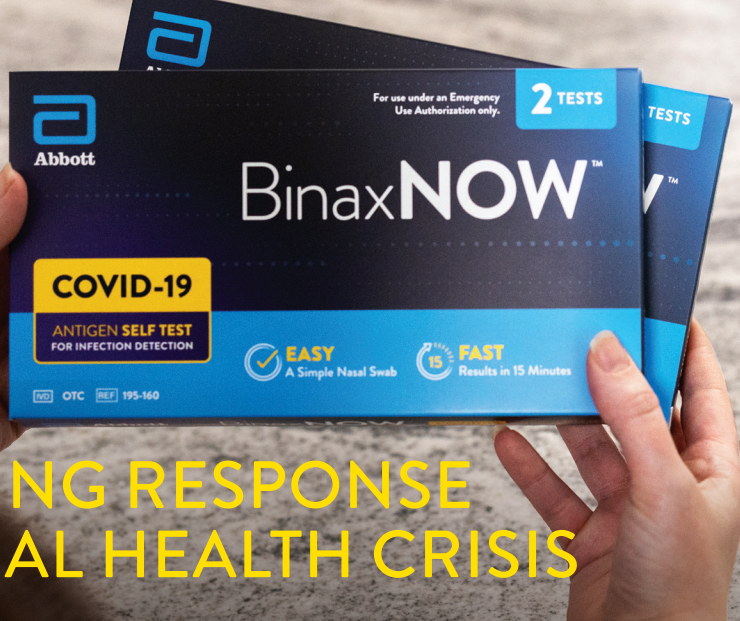


ROBERT B. FORD

President and Chief Executive Officer



COVID-19: AN ONGOING RESPONSE TO A GLOBAL HEALTH CRISIS



“With people like ours, and the robust supply chain we have, you get outcomes like we saw with the COVID response, where we can deliver meaningful, rapid and low-cost solutions to big problems.”

Andrea Wainer, Executive Vice President, Rapid and Molecular Diagnostics

Meeting Unprecedented Demand

As a global leader in medical diagnostics, Abbott understood from the start that COVID-19 would require a major mobilization on our part. We quickly formed multiple research and development teams, who worked in parallel, to create a range of tools to detect the virus and its antibodies at every stage of infection.

To date, their efforts have resulted in 12 new tests for use in a broad range of applications, from high-throughput instruments capable of handling large volumes of tests at once, to rapid point-of-care testing delivering reliable, on-the-spot results, fast.

Early in the pandemic, with only limited information available about the virus, our scientists leveraged years of assay-development expertise to create a series of tests for both high-volume laboratories and doctors' offices.

These included molecular tests, which help identify active infections, to run on our *Alinity*[®] m, *m2000 RealTime*[®] and *ID NOW*[™] systems; and immunoassay tests for our *Alinity* i and *ARCHITECT*[®] platforms to detect IgG and IgM antibodies to the COVID-19 virus, which help identify late-stage and previous infections.

By the summer of 2020, we'd added to that portfolio with our *BinaxNOW*[™] antigen test in the United States, and our

Panbio[™] COVID-19 Ag rapid antigen test and *Panbio* COVID-19 IgG/IgM rapid antibody test in countries outside the United States—rapid test devices that required no additional instrumentation to deliver results in minutes. In April 2021, *BinaxNOW* received emergency use authorization (EUA) from the U.S. Food and Drug Administration (FDA) for use at home, without a prescription.

As important as creating the tests themselves was the ability to produce them at massive scale to meet the critical need for ongoing testing. So, we moved to increase our manufacturing capacity, quickly launching three new facilities, allowing us to deliver tens of millions of tests every month.

Beyond diagnostics, *FreeStyle Libre* 14-day system was made available for use by frontline healthcare workers in hospitals to remotely monitor patients with diabetes who can scan themselves, minimizing healthcare workers' exposure to COVID-19. And in our branded generic medicines business, we've seen a surge in demand for our vitamin C and vitamin D products as people seek to maintain good immune health.

And our *CentriMag*[™] Acute Circulatory Support System also made a significant difference. Used in intensive care units around the world, the *CentriMag* System provides short-term life support for people whose hearts don't pump enough blood to meet their body's oxygen needs.

With the rise of COVID-19, in April 2020, the FDA cleared devices like our *CentriMag* System to provide long-term heart and lung support to critical-care patients for the duration of the pandemic. This led to an unprecedented demand for the product, which made rapidly scaling our global supply chain and establishing new production sites more important than ever before (see [page 88](#)). Our ability to quickly and effectively respond to these unprecedented challenges helped Abbott thrive in 2020, ensuring our continued positive impact on the world.

Protecting Our People Around the World

Because Abbott has been designated an essential business, we've been able to provide an uninterrupted supply of vital diagnostics, medical devices, medicines and nutritional products to our customers throughout the pandemic.

From the start, we made protecting of our employees' health an essential condition of keeping our business operational. We established an infrastructure to procure and distribute personal protective equipment (PPE) to employees, and we take several measures at our sites, including enhanced cleaning processes, wearing masks, temperature checks and implementing social distancing.

In the United States, we regularly test employees and contractors directly involved in manufacturing our COVID-19 tests and have expanded this testing to other facilities and offices across the country. In late 2020, we began expanding testing to our manufacturing facilities in other countries as well.

In a number of countries in Latin America, we contracted with private bus companies to provide a safer commuting option for our colleagues who continued to work on-site.

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.

Caring for Our Colleagues

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 child care and elder care
- Help with making the transition from working at home to back in the office

In September 2020, we introduced new ways to make the remote learning experience better for both students and their parents in the United States. We created several new benefits (and highlighted other existing programs) that employees could use to make life a little easier for child care or elder care, including backup care options.

At some of our locations where colleagues were continuing to work on-site, we partnered with our cafeteria providers to offer food staples and hard-to-get items. We also delivered wellness kits to employees at U.S. sites and distributed more than 24,000 kits to colleagues across the globe.

Abbott has 109,000 employees in more than 160 countries, and we had no layoffs, furloughs or pay cuts in 2020 due to COVID-19. Even in a few rare cases where we halted production for a week or so, employees were paid for their normal work schedule. We have been offering our colleagues flexible working hours to help them manage their home and work schedules.

We also helped our people get back to their home countries, and their families, when border closures and travel restrictions made that difficult.

Additionally, employees have also been able to 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 and reimbursed them accordingly.

Our Early Discoveries day care center at our Abbott Park headquarters developed new protocols that allowed it to safely remain open, providing child care for essential workers. Additionally, we began offering child care and tutoring discounts through partner facilities, free memberships to Sittercity, help finding nannies, babysitters and online tutors, and two free hours of virtual on-demand tutoring per week.

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 experience financial hardship, has provided financial grants to those struggling to afford basic needs because of increased expenses and/or loss of household income resulting from COVID-19.

We also implemented midyear dependent-care flexible spending account elections that allowed participants to make changes at any time, rather than only following a life event.



COVID-19 RESPONSE:

SUPPORTING FAMILIES IN NEED

As the COVID-19 pandemic grew, and the full extent of its impact became clearer, Abbott people sprang into action, collaborating with partners around the world to mitigate that impact for our stakeholders in every way we could. Because we hold Caring as a fundamental value, we take it as a point of pride that we treat the people who depend on us as if they're our own family.

Early on, as some consumers began stockpiling goods, like infant formula, in anticipation of product shortages, Abbott stepped up to make sure that families with the greatest need could access our products. Working with the nonprofit organization Feeding America, we provided *Similac*® infant formula—more than 1.7 million feedings—free of charge to food banks in hard-hit areas across the United States.

Beyond our donation to Feeding America, Abbott and our foundation, the Abbott Fund, continue to support relief efforts globally, providing millions in funding and products to help address key needs. This includes working with relief partner organizations to provide frontline health workers with training and resources to advance testing and care, supporting families with needed supplies and information for the prevention and care of COVID-19, and helping meet critical local needs in communities where our employees live and work.



STRENGTHENING HEALTH SYSTEMS AND COMMUNITIES

Comprehensive Approach to Battling a Virus

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.

That’s why we took a comprehensive approach that included partnerships and local expertise and targeted the most vulnerable populations. In collaboration with the Abbott Fund, Abbott’s philanthropic foundation, we’ve given approximately \$27 million in cash and product to support our communities and frontline workers across 63 countries.

You can find full details of these initiatives in our Innovating for Access and Affordability section on [page 22](#).

\$27M
TO SUPPORT OUR COMMUNITIES
AND FRONTLINE WORKERS
IN 63 COUNTRIES

Building COVID-19 Testing Infrastructure

Containing the COVID-19 pandemic has required building new healthcare strategies to handle the task of testing for the coronavirus, and tracking and isolating those individuals who are infected. Abbott and the Abbott Fund have invested directly in building this type of capacity in high-risk and underserved areas.

The Abbott Fund’s COVID-19 Community Grant Program has partnered with Direct Relief to provide \$5 million to support 25 federally qualified health centers in the hardest hit U.S. states. The program has helped community health centers, serving predominantly Black and Latino populations, strengthen their capabilities to screen, test, triage and treat more than 160,000 COVID-19 patients.

In many countries, gaps in the supply of urgent medical equipment compromised the response to COVID-19 at crucial points in the pandemic. The Abbott Fund responded to this challenge by helping distribute personal protective equipment (PPE) and other critical supplies to healthcare workers in Italy, Spain and the United Kingdom. We also provided funding for medical supplies in China and partnered with CARE to help more than 129,000 people through protecting, supporting and empowering frontline health workers in Afghanistan, Colombia, India, Uganda and Yemen.

The Navajo Nation has been one of the communities hardest hit by COVID-19 in the United States. We collaborated with Partners In Health and their partner, Community Outreach & Patient Empowerment (COPE) to advance COVID-19 testing and contact tracing. To date, this partnership helped train more than 900 healthcare providers and contact tracers and tested nearly 10,000 people, and provided follow-up and community support, including supplying Abbott nutrition products to almost 3,000 people.

We have been working with the Alive Faith Network and Rush University Hospital in Chicago and Community-University Health Care Center-University of Minnesota in Minneapolis to expand mobile COVID-19 testing, treatment and education. Our initiatives have targeted the communities at greatest risk from the pandemic, including Black and Latino communities that suffer from extreme poverty and high incidence of diabetes and heart disease.

Engaging Communities Through Our Employees

Abbott employees are at the forefront of many of our community outreach programs, contributing their time, expertise and enthusiasm to help increase access to healthcare when it is most needed.



Tackling the Pandemic's Indirect Health Consequences

Besides the threat of COVID-19 itself, the pandemic has restricted access to crucial healthcare services and supplies for many communities around the world. The pandemic is also leaving a legacy of mental health issues, which is affecting people beyond just healthcare workers on the frontline. We launched a range of additional community initiatives to tackle these impacts. We also supported a number of programs designed to support caregivers in vulnerable communities hit hardest by COVID-19.

In Waukegan and North Chicago, Illinois, we are sponsoring children's summer programs to support moms and other caregivers who are worried about returning to work, their kids' well-being and other concerns; and we are sponsoring biweekly evening programming in topics that meet their interests.

In Canada, Colombia, Poland, the United Kingdom and the United States, we donated supplies of our *FreeStyle Libre*[®] 14-day continuous glucose-monitoring system, which allows patients with diabetes to be remotely monitored. We worked with Feeding America and others to donate more than 1.7 million feedings of *Similac*[®] infant formula in eight cities in the United States. In Indonesia and the Dominican Republic, we have developed and piloted mental health training and support for 372 healthcare workers, with a view to rolling out the initiative globally.



STOPPING FUTURE PANDEMICS IN THEIR TRACKS

Abbott's Pandemic Defense Coalition, launched in March 2021, is designed to help prevent suspicious viruses from turning into global pandemics.

COVID-19 underscored the importance of containing viral threats before they spread. That's where the Abbott Pandemic Defense Coalition comes in, a first-of-its-kind global scientific and public health partnership dedicated to the early detection of—and rapid response to—future pandemic threats.

Abbott's growing network of partners includes organizations in strategic geographic locations:

- Colombia/Wisconsin One-Health Consortium at the Universidad Nacional de Colombia, Medellin, Colombia
- Faculty of Medicine Siriraj Hospital, Mahidol University, Bangkok, Thailand
- Institut de Recherche en Santé, de Surveillance Epidémiologique et de Formations (IRESSEF), Dakar, Senegal
- KRISP, Genomic Centre of the University of KwaZulu-Natal, Durban, South Africa
- National Center for Disease Control and Public Health, Tbilisi, Georgia

- Rush University System for Health, Chicago, U.S.
- The University of the West Indies, Mona Campus, Jamaica
- Universidade de São Paulo, São Paulo, Brazil
- YRG Care, Chennai, India

The coalition is designed with a comprehensive approach to containing emerging threats, with partners ranging in expertise in scientific research, public health and diagnostic testing to attack new viral threats from all angles:

- Doctors identify patients with unknown conditions, often the first sign of a potential viral threat.
- Our Pandemic Defense Coalition tests patient samples on our existing diagnostic instruments to see whether a previously known virus is detected.
- Genetic sequencing and analysis will then identify signatures, peculiarities or mutations.
- If a potential threat is discovered, the sequences of the viruses found will be published in a public database.
- If it is deemed a new viral threat, we will quickly develop diagnostic testing to assist in containment.



SUSTAINABILITY OVERVIEW

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A SUSTAINABLE FUTURE STARTS WITH HEALTH

Health is the foundation for everything we can do—as individuals, families and communities. It helps societies thrive. It fuels successful economies. Abbott understands the vital role we play in helping people get and stay healthy at all ages and stages of life.

At Abbott, the events of 2020 reinforced for us the importance of the work we do and the difference we can make by doing it exceptionally well.

Last year, our company's fundamental strengths made us a key player in the ongoing fight against COVID-19. Looking ahead, our 2030 Sustainability Plan will help us continue to make this kind of life-changing difference for more people, in more places, than ever before.

Our Plan—developed over the past two years and providing a clear road map for the next 10—is built on the understanding that the best healthcare products are those that help the most people. Cutting-edge innovation alone won't be enough.

We know we need to build products that are not only effective but that are affordable and accessible to more people. So, we've set clear targets around making access and affordability central to product innovation, transforming care for chronic disease, malnutrition and infectious diseases, and advancing health equity through partnership.

Accessibility and affordability are an essential element of the testing solutions that we are developing for COVID-19. At the same time, our ability to continue manufacturing and delivering critical healthcare products depends on the other elements of our Sustainability Plan that ensure our resilience and flexibility as a business.





OVERVIEW SUSTAINABILITY 2020 HIGHLIGHTS

We're not only upholding our responsibilities to people and the planet, but also setting the stage for long-term success.



70% REDUCTION

in total volume vs. earlier sensors means our *FreeStyle Libre*® 3 leaves a much smaller environmental footprint.

This product is not yet available in the United States.



58% FEMALE
73% FROM
UNDER-
REPRESENTED
GROUPS

Diversity in our 2020 STEM internship program participants.



\$2.34B SPENT
WITH DIVERSE
SUPPLIERS



51% REDUCTION
IN CO₂e
EMISSIONS
SINCE 2010



\$76M
TOTAL CHARITABLE
CONTRIBUTIONS IN 2020



WE PUT THE PEOPLE WE SERVE AT THE CENTER OF EVERYTHING WE DO

That's our pledge to our customers.

It's a simple and straightforward idea, but it guides decision-making across our business. We know that if we put the people we serve first, our decisions will always be the right ones—in the short term and for the long term as well.

That's why this “customer obsession” is a foundational idea for our 2030 Sustainability Plan.

This mindset drives us to tackle some of the world's greatest health problems with new breakthroughs that can impact more people. It means that we'll work relentlessly—and with a sense of urgency—to get our products to more people, in more places, than ever before.

It reminds us to listen to, learn from and deeply understand those we serve better than anyone else does, ensuring we always meet their needs.

It makes sure that we're always looking ahead, anticipating change and adapting what we do—and how we do it—to continuously exceed our customers' expectations and stay relevant to their lives.

And it demands that we hold ourselves accountable to our values and the highest standards in everything we do.

In the end, this singular focus helps us create differentiated customer experiences, increased customer retention and improved go-to-market strategies that let us deliver steady growth and sustain our business in even the most turbulent times.



It helps us further strengthen our brand, cementing Abbott's reputation as a trusted company that delivers life-changing innovation.

OUR BUSINESS

Abbott is a global company with a straightforward purpose: We help people live healthier, fuller lives through our life-changing technologies and products.

Our portfolio spans the spectrum of healthcare:

- 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, treat chronic pain and movement disorders, and revolutionize glucose monitoring, giving people with diabetes more freedom.

OUR VALUES

In each of our four core businesses, we anticipate and innovate to address developing health needs, aligning our organization around a cohesive set of values that defines how we do our work and serve our stakeholders.

PIONEERING

We see needs first and deliver game-changing solutions. We create new technologies and products to help people live fuller lives through better health, and we bring that same spirit of innovation to everything we do as a company.

ACHIEVING

We focus relentlessly on delivering for our stakeholders. Millions of people around the world depend on us in vital ways. We're committed to honoring that trust.

CARING

We treat the people who depend on us as if they were our family. Dr. Abbott began our company to provide better care to his own patients. That spirit still guides everything we do.

ENDURING

We know that everything we do today should contribute to a stronger tomorrow. Because our work is so important to so many, it's up to us to ensure that this company keeps thriving. We think and act for the long term. We intend to be here for the next 130 years, bringing all the benefits that Abbott creates to all the people who need them.

OUR 2030 SUSTAINABILITY PLAN

Abbott's [2030 Sustainability Plan](#) will help us build a stronger, more sustainable Abbott—one that better serves the many people who depend on us. Our senior management team has driven this development process from the start, ensuring that the plan is fully integrated with our business strategies, financial plan and governance structures.

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 market 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 begins with our leaders and 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.

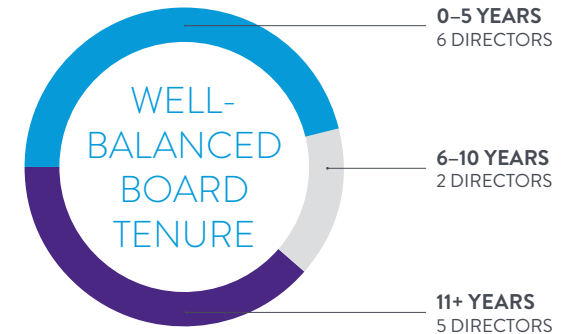
Board Leadership

Abbott's Board of Directors consists of our Executive Chairman, Miles D. White, our President and Chief Executive Officer, Robert B. Ford, and 11 independent directors.

On March 31, 2020, Mr. White stepped down as Chief Executive Officer, after a remarkable 21-year tenure and became Executive Chairman of the Board. Mr. Ford, previously President and Chief Operating Officer and a 24-year Abbott veteran, succeeded Mr. White as Abbott's President and Chief Executive Officer. With this transition, Mr. Ford became the 13th CEO of Abbott in our 132-year history, all having been appointed from within. 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 in the best interests of Abbott and our stakeholders.

The Board also has a Lead Independent Director, who is chosen by and from the independent members of the Board of Directors. 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, including liaising between the Chairman of the Board and independent directors, consulting and engaging directly with major shareholders, leading annual Board and individual director performance reviews, 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 that the appropriate level of oversight, independence and responsibility is applied to all Board decisions, including risk oversight, and is in the best interests of Abbott and its stakeholders.

“Sustainability isn’t a new concept for Abbott. We’ve been here for 130 years doing what we do. At the highest level, that’s the ultimate proof point for our strong, sustainable approach.”

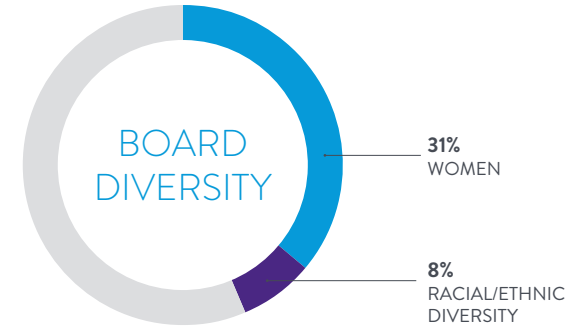
Scott Leinenweber, Vice President, Investor Relations, Licensing and Acquisitions



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.



DIRECTOR DIVERSITY



Five of the 13 directors are women or minorities. Three new independent directors have been appointed since 2018, two of whom are women or minorities. The Board’s diversity ensures the company’s thinking is informed by a wide range of perspectives.

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

RELEVANT BOARD EXPERTISE

Providing Oversight and Guidance for Abbott’s Diversified Operating Model

- 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, Public Policy and Nominations and Governance. Each of these Board committees is fully independent.

CURRENT BOARD MEMBERS	Audit*	Compensation	Public Policy	Nominations and Governance
Robert J. Alpern			●	●
Roxanne S. Austin		●		●
Sally E. Blount			●	●
Robert B. Ford				
Michelle A. Kumbier	●	●		
Darren W. McDew			●	●
Nancy McKinstry	●	●		
William A. Osborn		●		●
Michael F. Roman	●	●		
Daniel J. Starks			●	
John G. Stratton	●		●	
Glenn F. Tilton	●		●	
Miles D. White				
Total Meetings Held in 2020	8	4	4	5

● Chair ● Member

*Each of the committee members is financially literate, as is required of Audit Committee members by the New York Stock Exchange. The Board of Directors has determined that Nancy McKinstry is an “audit committee financial expert.”

- **The 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 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.

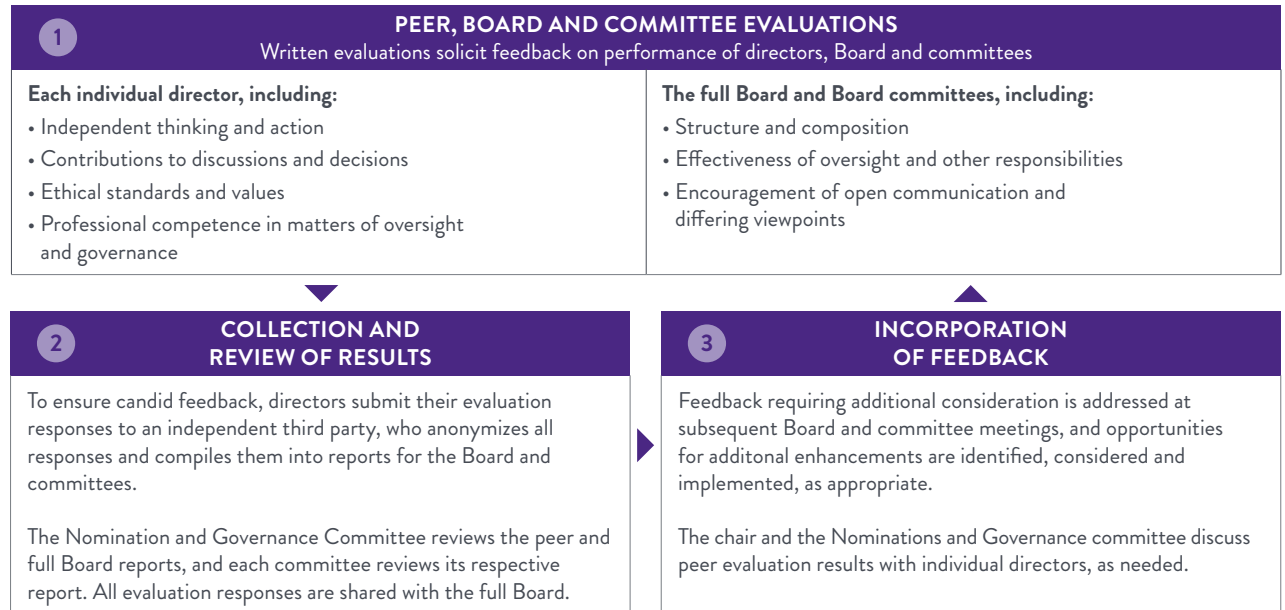
Each year, the committee receives a full report from our ERM leadership and discusses the topic at both the committee and Board levels. To learn more about [Abbott’s approach to ERM](#), see [page 17](#).

- **The 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.

“Our Board has always taken a holistic view of sustainability. We want to ensure that Abbott is not only sustainable for employees and for the people that rely on its products, but that it focuses on areas where the company can have the greatest impact and leave a lasting legacy.”

William A. Osborn, Lead Independent Director, Member of Abbott’s Board of Directors since 2008

- **The 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 Executive 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.
- **The Public Policy Committee** assists the Board of Directors in fulfilling its oversight responsibility with respect to certain areas of legal and regulatory compliance; governmental affairs and healthcare compliance issues that affect Abbott; and Abbott’s public policy. The committee’s responsibilities regarding public policy include evaluating Abbott’s sustainability and social responsibility strategies, policies and practices and reviewing social, political, economic and environmental trends and public policy issues that affect or could affect Abbott’s business activities, performance and public image.



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 its 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 on the previous page.

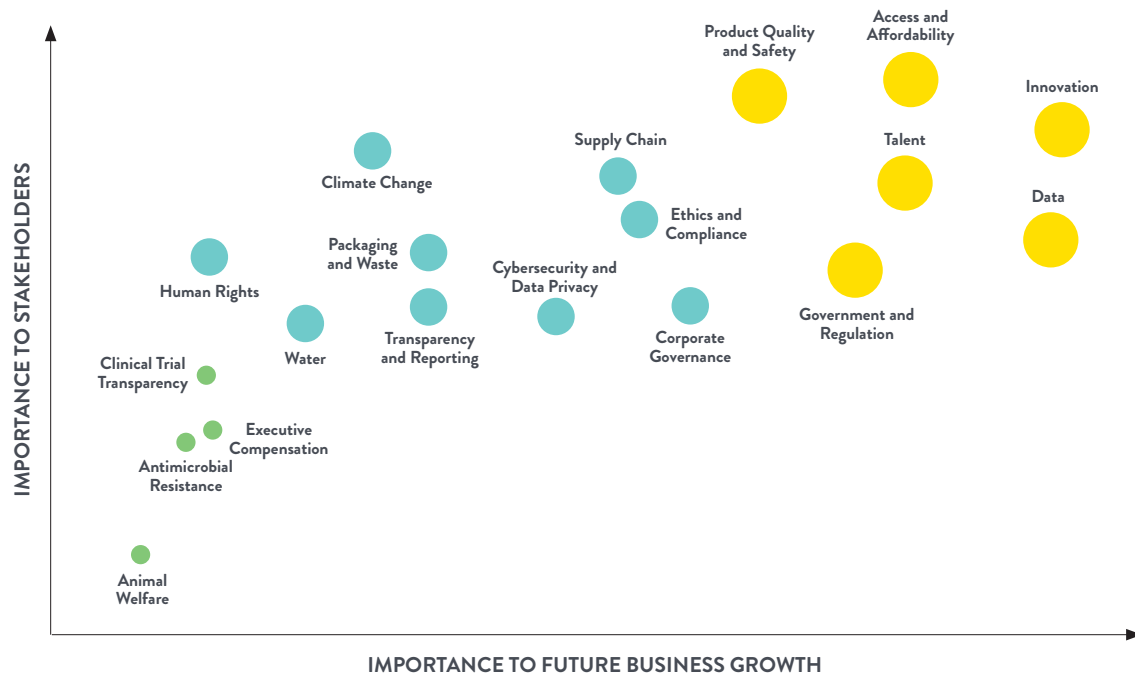
Materiality Analysis and Stakeholder Engagement

The development of our 2030 Sustainability Plan has been informed by an in-depth materiality analysis of the most important environmental, social and governance (ESG) issues for our business. We worked with an external consultancy, Corporate Citizenship, to develop a rigorous, five-step process for identifying these issues.

1. We conducted extensive research on potential issues that included engaging ratings and rankings organizations and customers; benchmarking against peers and competitors; tracking emerging issues; and consulting best practices from across different industries. This involved detailed analysis of more than 200 sustainability topics.
2. We conducted 57 interviews with internal and external stakeholders, including customers, suppliers, investors, healthcare providers, nongovernmental organizations (NGOs), sustainability experts and employees.
3. Abbott’s executive leadership team, which represents all of Abbott’s divisions and corporate functions, used this interview process to help prioritize topics according to their importance to stakeholders and their importance to our future business growth, including their relationship to our Enterprise Risk Management (ERM) process. This generated our materiality matrix of 17 ESG topics that will inform our strategy over the next 5–10 years.
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.

MATERIALITY AND STAKEHOLDER ENGAGEMENT

● TIER 3 ● TIER 2 ● TIER 1



5. We held a day-long summit with 90 working group members and our executive management team, which helped refine an actionable Sustainability Plan built around seven priorities. We then defined the 2030 goals, targets and key performance indicators (KPIs), through which we will track our progress, drive improvement and ensure Abbott’s future competitiveness.

OUR TOP PRIORITY: INNOVATING FOR ACCESS AND AFFORDABILITY

This process confirmed a clear focus for our business. We believe that the healthcare challenges the world faces cannot be solved by cutting-edge innovation alone. The best healthcare solutions are those that can reach the most people who need them, and this is the basis on which society should judge our industry.

Our priority as a business must therefore be to innovate for access and affordability. This involves both intentionally designing access and affordability into many of our life-changing technologies and products, and working with others to break down barriers that prevent people from getting the care they need. This clear focus informs the first three of our seven priorities under the Sustainability Plan:

- 1. Make access and affordability core to new product innovation:** We'll design our technologies and products for broader access and affordability at every step—from every phase of our research and development (R&D) process, to the materials we use, to manufacturing, to the ways we reach the people who need them.
- 2. Transform care for chronic disease, malnutrition and infectious diseases:** Across our business and through collaboration, we'll create new technologies and find new answers for chronic health conditions like diabetes and cardiovascular disease, malnutrition and infectious diseases such as COVID-19, HIV, malaria and hepatitis, as well as tomorrow's pandemic threats.
- 3. Advance health equity through partnership:** We'll work side by side with the people and communities we serve, partners, governments and other stakeholders to address health disparities, expand access and remove barriers that prevent people from living healthy lives.

Foundations for a Sustainable Future

While our focus on access and affordability is central to our plan, we've identified four additional priorities that will be critical to a sustainable future for our business:

- 1. Responsibly connect data, technology and care:** Our data insights and connected technologies help people and their doctors make better, faster and more-informed decisions about their health in ways that fit easily into their lives. Just as important, we protect our patients and customers through secure and responsible data collection.
- 2. Build the diverse, innovative workforce of tomorrow:** New ideas come from different places and points of view. To achieve our ambitions, we're actively shaping our organization for the future by prioritizing diversity and inclusion, advancing STEM education and internships, and empowering our teams with skills to meet the health needs of tomorrow.
- 3. Protect a healthy environment:** We're working across our operations and with key suppliers to sustainably manage our water use and address climate change by reducing carbon emissions and expanding our use of renewable energy. Also, we'll reduce the environmental impact of our product packaging and minimize waste in our operations through reuse and recycling programs across our company.
- 4. Create a resilient, diverse and responsible supply chain:** We're building a more resilient supply chain, including working with suppliers to expand opportunities for diverse and small businesses, and actively engaging with suppliers to meet our high-quality standards.

We intend to improve the lives of one in every three people on the planet by 2030.

TAKING ACTION WITH TARGETED GOALS

In 2021, Abbott's work will touch the lives of 2 billion people. By 2030, we intend to reach more than 1 billion more, improving the lives of one in every three people on the planet.

To support this vision, we have set targeted goals for 2030 for each of the seven priorities in our Sustainability Plan. You will find a full description of these goals in the relevant sections of this report.

- Innovating for access and affordability, on [page 25](#)
- Responsibly connecting data, technology and care, on [page 33](#)
- Building the diverse, innovative workforce of tomorrow, on [page 39](#)
- Protecting a healthy environment, on [page 60](#)
- Creating a resilient, diverse and responsible supply chain, on [page 87](#)

Beyond these priorities and targets, we will continue to build a more sustainable business through the actions that we take, every day, on the other ESG topics in our materiality matrix. This includes ensuring product quality and safety, acting ethically and supporting human rights, advancing transparency and engaging our many stakeholders around the world.

We will continue to report progress in each of these areas through our sustainability reporting.

“As a company, we hold ourselves accountable to prioritizing both sustainability and our long-term impact on people’s health.”

Lisa Earnhardt, Executive Vice President, Medical Devices

Reporting Performance Against Our 2020 Targets

Abbott has been tracking progress against many of our sustainability priorities through clear targets that we established for 2020. We are pleased to report that in the vast majority of these areas, we have either met or exceeded the targets that we set.

We report on our performance against 2020 targets in all relevant sections of this report, and full details can be found in the Reporting on Sustainability section on [page 122](#).



PRINCIPLES OF SUSTAINABILITY AT ABBOTT

We believe that sustainability is built on integrated 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 (ESG) 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 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 oversee 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 risks 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, Global Marketing and External Affairs, 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 Environment, Supply Chain and Our People sections of this report.

- Abbott's Sustainability Working Group leads the integration of sustainability within our business and oversees Abbott's reporting of 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; Finance; Corporate Governance; Research and Development; Investor Relations; 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 over the long term. Our enterprise risk management (ERM) process focuses on short-term risks that have the capacity to impact our business performance.

Our analysis of materiality broadens our perspective to consider all of 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.

Our ERM network team, which was formed in 2017, has 15 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 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 annually 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 where medical devices are smaller, faster, connected, predictive and fit seamlessly into people's lives—connecting patients and their doctors beyond the four walls of the clinic and enabling them to make accurate, timely and informed health decisions.

The impact of the pandemic has accelerated the need for products that converge technology and healthcare at an unprecedented speed. This presents a challenge where we face competitors not only in our own industry, but also technology players who are currently making strides into the healthcare sector. We view these challenges as an accelerator to our innovation and as an opportunity to collaborate with technology companies in ways that can address health needs through meaningful innovation that is guided by patient needs.

Technology leaders have announced initiatives that are disrupting the traditional healthcare business model and allow consumers to leverage technology to self-diagnose before seeking traditional healthcare providers. These include the introduction of new tracking and sensor features, telehealth initiatives and partnerships with researchers and healthcare companies to showcase and prove the effectiveness of their products and services as clinical tools across various conditions, including cardiovascular and respiratory health.

As patient-driven healthcare expands and the use of direct-to-consumer devices for managing health increases, we must keep pace with these expectations. 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, accessible 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. We're bringing the power of connectivity to our wireless implants, wearable sensors and diagnostic tests through mobile platforms and smartphone apps that are enabling people to not only manage their own health better, but also share data with their doctors and loved ones more quickly, easily and securely than ever before. And we're increasing collaboration, working with partners to integrate our glucose-monitoring devices with third-party pens, pumps and apps, to enable smarter, more automated systems for better, more personalized care.



The changing landscape poses new opportunities at the intersection of healthcare and technology. With the spread of COVID-19 limiting the physical delivery of healthcare, we have seen a rise in the use and acceptance of telemedicine and digital health delivery, which accelerated the disruption to the traditional healthcare environment and emphasizes the importance of self-diagnosis and remote treatment to consumers and patients. We have launched several different products to meet the changing needs of our evolving healthcare environment:

- Our *i-STAT® Alinity®* TBI plasma test is the first rapid handheld traumatic brain injury (TBI) blood test, which will help clinicians assess individuals with suspected mild TBIs, including concussions. This gives the ability to diagnose a concussion within 15 minutes, helping to avoid costly CT scans.
- The NeuroSphere Virtual Clinic is a first-of-its-kind technology that allows patients to communicate with physicians through a secure in-app video chat, allowing doctors to change settings on patients' devices remotely—dramatically changing how chronic pain and movement disorders are managed.

- Our *BinaxNOW™* COVID-19 Self Test provides affordable, accessible COVID-19 rapid self-testing for home use. The easy-to-use 15-minute test can detect COVID-19 in both symptomatic and asymptomatic people, within their own homes. We've also developed a smartphone app, *NAVICA™*, which allows users to store, access and display their test results on their smartphone.

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, reduce barriers to care and improve access and, ultimately, improve the quality of healthcare delivery.

Emerging Risk—Impact of Pandemics

Public health crises, such as the widespread outbreak of infectious diseases, may negatively impact our operations. Disease outbreak has become increasingly 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 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. Even as vaccinations continue to roll out, COVID-19 will continue to create significant impacts and uncertainties for the global economy.

“Complacency is our enemy. Whatever was good enough yesterday—whether it’s in our day-to-day business or in our sustainability efforts—is most likely not good enough for tomorrow.”

John Ginascol, Executive Vice President, Core Diagnostics

Abbott’s mitigation approach for disruptive events 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 response plans in place for all manufacturing and distribution sites. As part of our pandemic planning, we also develop processes to help monitor, protect and support employees, and 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, the pandemic has impacted businesses, countries and regions at different times and to varying degrees. For example, elective surgical procedures and non-COVID-19-related diagnostic testing have declined in the past year while demand for nutritional products grew. Our sales presence in more than 160 countries provides insulation from a localized demand shock. In addition, from a supply perspective, Abbott's network of 93 owned manufacturing plants in 27 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 quickly assembled four discrete teams of research and development (R&D) experts to focus on different types of tests for COVID-19: molecular lab tests, a molecular point-of-care test, rapid antigen tests and serology tests. Working together with regulators, we have been able to create, launch and scale up manufacturing for 12 different tests across our technology platforms.

As important as creating the tests themselves is the ability to produce them at massive scale to meet this extraordinary need for ongoing testing at the population level. We were able to move with unprecedented speed to increase our manufacturing capacity, quickly launching three new facilities, allowing us to deliver tens of millions of tests every month. To manufacture *BinaxNOW*, our rapid antigen COVID-19 test, we invested in significant additional manufacturing capacity, enabling us to produce tens of millions of tests every month.

Because we expect COVID-19 to evolve, we have developed an additional test on our *Alinity m* platform that screens for COVID-19, flu A, flu B and respiratory syncytial virus (RSV) using only one swab. This test will streamline hospital and laboratory efficiency in anticipation of a world where distinguishing one respiratory illness from another has never been so important.

With the most comprehensive testing portfolio, we are able to get testing into healthcare facilities, educational institutions, workplaces, pharmacies and homes. Our combination of tests helps attack the pandemic on critical fronts—speed, simplicity, affordability, access and reliability, which aligns with our 2030 Sustainability Plan, where we committed to designing new products for maximum affordability and accessibility for the people who need them.

The course of any global pandemic is unpredictable, as the world has seen during the COVID-19 crisis. The pandemic has also emphasized the importance of preparedness and containing viral threats before they reach every corner of the world. In an effort to prevent history repeating itself, we have formed the Abbott Pandemic Defense Coalition, a first-of-its-kind global scientific and public health partnership dedicated to the early detection of—and rapid response to—future pandemic threats. The coalition unites global centers of excellence and experts who will simultaneously use their expertise on the ground around the world to identify, analyze, develop testing and enact public health guidelines in response to a viral threat could save precious time needed to help prevent exponential spread (see [page 4](#)).

In the past year, we have demonstrated our know-how, scientific innovation, excellence in execution and management to both successfully manage business disruption and participate as a major contributor to combating the spread of a global pandemic.

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 the networks and organizations in which we participate.

Our local country businesses play an important role in forming relationships with our stakeholders. We have defined a stakeholder engagement methodology that 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, the NPS for our diagnostics business increased from 32.1 in 2010 to 55.4 in 2020.



**“When we think about the future, we ask:
How can we help more people in more places
live better through better health? How can we
be here well into the future to do the work we
exist to do and have even greater impact?”**

Melissa Brotz, Vice President, Global Marketing and External Affairs

GLOBAL STAKEHOLDER ENGAGEMENT

STAKEHOLDER GROUP	ENGAGEMENT METHODS	
<p>INVESTORS</p>	<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 	<ul style="list-style-type: none"> • Annual Report • Global Sustainability Report • Investor section of Abbott.com • Social media (Twitter®, Facebook®, Instagram®, YouTube® and LinkedIn®) • Email alerts
<p>CUSTOMERS</p>	<ul style="list-style-type: none"> • Customer meetings • Customer call centers • Sales ambassadors and customer relationship managers • Field service representatives • Business and country representatives (Global 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
<p>SUPPLIERS <i>For more details, see Supply Chain (page 84).</i></p>	<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
<p>EMPLOYEES <i>For more details, see Our People (page 36).</i></p>	<ul style="list-style-type: none"> • Quarterly employee surveys • 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
<p>GOVERNMENTS <i>For more details, see Foundations of Sustainability (page 102).</i></p>	<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 and Abbott Fund programs • Corporate Political Participation webpage

ACCESS AND AFFORDABILITY

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INNOVATING FOR ACCESS AND AFFORDABILITY

The world's healthcare systems are under tremendous pressure. Many countries are struggling to keep pace with the growing disease burden of aging populations. Health gaps and inequities are widening across the globe. About one-third of all people today lack access to essential health products.

To address this crisis, Abbott understands that we must find ways to expand access to care to more people on a sustainable basis. We know that, going forward, fulfilling our purpose—helping people live fuller, more dignified lives through better health—requires a redoubled commitment to getting our life-changing technologies and products to more people in more places.

Our philosophy is that the best healthcare solution is the one that can reach the most people who need it. That's why Abbott is incorporating considerations of access and affordability into every aspect of our operations, from the research and development process, to how we manufacture and deliver our products, to the services we offer, the programs we develop and the partnerships we pursue.

Our work will touch the lives of 2 billion people this year—and by 2030 we intend to reach more than 3 billion per year, improving the lives of 1 in every 3 people on the planet.



TONY DALY
Amplatzer Piccolo™ patient
with his father, Anthony

ACCESS AND AFFORDABILITY

2030 SUSTAINABILITY PLAN



We're intentionally designing access and affordability into many of our life-changing technologies and products, and breaking down barriers that prevent people from getting the care they need.

INTEGRATE

access, affordability and data insights as design principles into our R&D work and portfolio.



PARTNER

with stakeholders to improve health outcomes by advancing standards and building access to affordable, integrated solutions.

DELIVER

scalable, integrated solutions to help reduce preventable deaths and infectious diseases with diagnostics, treatment and education programs, especially in high-prevalence areas.



EXPAND

affordable access to healthcare for underserved, diverse and at-risk communities, including women and children, by delivering innovative, decentralized models of care that advance prevention and early diagnosis, improve nutrition, provide quality treatment and care, and lower total costs.

SUPPORT

global efforts to address noncommunicable diseases, including diabetes and cardiovascular disease.

2030 SUSTAINABILITY PLAN TARGETS

Our 2030 Sustainability Plan sets the following targets to further embed access and affordability across our business:

- Integrate access, affordability and data insights as design principles into our research and development (R&D) work and portfolio
- Support global efforts to address noncommunicable diseases, including diabetes and cardiovascular disease
 - Innovate to transform the standard of care for diabetes and support efforts to bend the diabetes curve through innovative technology, prevention and education, early diagnosis, treatment and nutrition
 - Deliver breakthrough technologies, improve clinical outcomes and impact the lives of people with or at risk of cardiovascular disease
- Deliver scalable, integrated solutions to help reduce preventable deaths and infectious diseases—such as malaria, hepatitis B and C, HIV and COVID-19—with diagnostics, treatment and education programs, with a special focus on high-prevalence areas
- Expand affordable access to healthcare for underserved, diverse and at-risk communities, including women and children, by delivering innovative, decentralized models of care that advance prevention and early diagnosis, improve nutrition, provide quality treatment and care, and lower total costs
- Partner with stakeholders to improve health outcomes by advancing standards and building access to affordable, integrated solutions

TOMORROW'S CHALLENGES DEMAND NEW APPROACHES: FREESTYLE LIBRE®

The *FreeStyle Libre* system is our groundbreaking continuous glucose monitor. From the beginning, we designed affordability and broad access into this technology to reach more people with diabetes.

We took steps at every stage to make it affordable—and available to the millions of people with diabetes—starting with our R&D, supply chain and high-speed automated manufacturing, and then creating a consistent global price and working with governments to get it reimbursed.

This work translates into rapid access for people with diabetes, and a reduction in cost for local healthcare systems—potentially lessening the impact of one of the world's leading noncommunicable diseases.



PRODUCT INNOVATION

We work to consistently deliver market-leading products, services and solutions that address health needs while effectively managing the product life cycle. To support this, our businesses are incorporating access and affordability into their design principles without ever compromising quality.

This is not solely a matter of altruism. We know this is a sustainable business strategy, as this approach has driven the creation of some of our most successful products, including *FreeStyle Libre*, the world's most-used glucose-monitoring system¹, and our *BinaxNOW™* COVID-19 test.

This focus is also particularly notable in our rapid diagnostics business, where we're bringing testing closer to the patient, even in the most remote parts of the world. Our solutions are available from central hospital labs to remote health posts.

Importantly, many of our tests work at the point of care and provide answers while the patient is still present, which accelerates treatment decisions and reduces life-threatening delays.

In neuromodulation, our devices—which treat chronic pain and movement disorders by targeting specific areas of the spinal cord or brain—help increase access to care with our NeuroSphere Virtual Clinic. This breakthrough technology lets doctors interact remotely with the devices to refine treatments in real time, securely over Wi-Fi or cellular network, letting patients get real relief in minutes.

Breakthrough technologies that Abbott has in development include a rapid blood test for mild concussions that can help determine whether a CT scan is necessary; and a fully implantable left ventricular assist device that could be life changing for heart-failure patients.

1. Data on file, Abbott Diabetes Care. Data based on the number of users worldwide for the *FreeStyle Libre* system compared to the number of users for other leading personal use, sensor-based glucose-monitoring systems.

PRICING

As part of our 2030 Sustainability Plan, we have an intentional focus on making our products widely available at affordable prices.

Pricing, however, is only one of the factors that determine accessibility. Abbott also advocates for systems and approaches that broaden access while minimizing additional costs for consumers and payers.

In 2020, our product pricing reflected our approach, with an annual global net sales price change of -0.4%, which compares to a 1.7% increase of a Global Consumer Price Index in 2020.

Local insights help us focus our innovation.

Our medicines business, which focuses solely on emerging markets, provides an excellent example of how we manage our approach to increasing access. While incomes rise globally, we know that people often pay out of pocket for healthcare, making it all the more important that they be able to access quality care that's affordable.

We listen, learn and partner in each country, using local insights to focus our innovation—making good medicines better and developing new technology and services to help people better manage their health.

GLOBAL PRICING

	TOTAL ABBOTT NET SALES PRICE CHANGE (YEAR-ON-YEAR %)	GLOBAL CONSUMER PRICE INDEX (YEAR-ON-YEAR %)
2020	-0.4%	1.7%
2019	0.2%	2.4%
2018	-1.0%	2.6%

TOMORROW'S CHALLENGES DEMAND NEW APPROACHES: *BINAXNOW*

The brilliance of our *BinaxNOW* COVID-19 test is in its simplicity: A test the size of a credit card provides results in 15 minutes using no additional instrumentation. *BinaxNOW* pairs with our mobile *NAVICA*™ app to allow people who test negative for COVID-19 to display their result on their mobile device.

Abbott is committed to making COVID-19 testing widely available and affordable at a time when the world needs it most. *BinaxNOW* allows us to pursue that commitment. It's an innovative testing technology that's affordable and can be mass produced at a rate of tens of millions per month, allowing schools, employers and communities to utilize rapid testing.



GLOBAL PARTNERSHIPS

Managing Diseases with Blood Transfusions

Developed and developing countries alike are experiencing a decline in the number of young people donating blood. In 2015, Abbott launched **BE THE 1™**, the first global donor recruitment movement to focus on growing the pool of young donors.

Blood and plasma are needed more than ever, and through this program, we've developed a powerful communication platform to help our customers inspire young people to donate.

Since its launch in 2016, more than 100 blood and plasma centers have embraced this campaign, through which we work with major Red Cross institutions or donor associations in each country to activate and manage the program. As a result, blood donations have increased by as much as 37% in some countries.

Preparing for Future Pandemic Threats

In 2021, Abbott launched the first-of-its-kind global scientific and public health partnership dedicated to the early detection of—and rapid response to—future pandemic threats.

The Abbott Pandemic Defense Coalition (see [page 4](#)) will connect global centers of excellence in laboratory testing, genetic sequencing and public health research with the goal of identifying new pathogens, analyzing potential risk levels, rapidly developing and deploying new diagnostic testing and assessing the public health impact in real time for new viral threats.

Included in the coalition's efforts will be a public database of viral DNA sequences that will let health officials and laboratories work together to determine whether an outbreak has been caused by a novel strain or by a virus that has previously been detected.

When physicians across the network encounter an illness that can't be treated or diagnosed, they will notify the coalition about the possibility of a new viral threat and provide patient samples to partners around the world. These samples will be tested, sequenced and analyzed to spot trends and specifics that could indicate an emerging threat. Once a specific threat is identified, Abbott scientists will work to develop diagnostic testing to help contain the disease.

Combating Malnutrition

Malnutrition affects one in three people around the world, impacting all communities and people of all ages. With our science-based expertise in nutrition, from infants to aging adults, we're uniquely positioned to improve malnutrition globally at the systems level.

This year, we launched the Abbott Malnutrition Solution Center, an internal, cross-functional innovation hub focused on improving the identification, treatment and prevention of malnutrition for the most vulnerable populations around the world. In addition to our deep understanding of nutrition and our ability to navigate complex systems, we'll leverage partnerships, research, product innovation and financial support to bring accessible, sustainable and locally relevant options to the people who need them most. We'll share more about our progress in the months to come.



HEALTH EQUITY THROUGH PARTNERSHIPS

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.

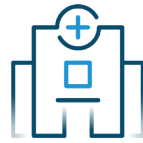
Our approach to global citizenship and shared impact is based on this belief and shapes how we work with communities around the world. We work side by side with people and communities we serve, as well as with partners, governments and other stakeholders to address health disparities, expand access and remove barriers that prevent people from living healthy lives, wherever they are.

Healthcare Closer to Home in Rural Africa

According to the World Bank, 60% 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 Rwandan Ministry of Health's program to close the rural healthcare gap.

The Rwandan government has a bold vision to make quality primary care and testing available 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.

SECOND-GENERATION HEALTH POSTS DELIVER BROADER ACCESS TO CARE



137,000+
patients served;
averaging 1,070 visitors
at each site
per month



38,580+
respiratory
infections treated



37,190+
malaria tests
delivered;
12,950+ positive
cases treated



27,470+
cases of intestinal
parasites resolved



4,120+
new participants in
family planning



585+
babies safely
delivered

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.

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.

Following this pilot program, Abbott partnered with the Rwandan Ministry of Health to develop the accreditation standards against which all health posts are certified. Approved in October 2020, these standards will serve as the basis of future performance assessment.

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 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.

Abbott is also 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.



Sustainable Access to Healthcare in Tanzania

In contrast to many companies, whose commitments focus on short-term programs, Abbott has made a long-term, ongoing commitment to strengthen—and drive sustainable improvements to—the healthcare system in Tanzania. For two decades, Abbott and the Abbott Fund have worked closely with the government of Tanzania to affect substantive, lasting change, 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 specialty at MNH and four regional emergency rooms. In addition to training more than 1,700 physicians, nurses and students—and graduating 56 medical residents through its residency program—this department provides emergency care to an average of 55,000 people per year and has reduced the mortality rate at the hospital by 40% in the first two years.
- 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.
- Supported a strategy for financial sustainability at MNH which helped generate a surplus of more than \$14 million in the first six years, supporting the hospital’s commitment to providing critical care, regardless of ability to pay.

BREAKING DOWN BARRIERS, ADVANCING HEALTH EQUITY

There are vast disparities in who has good health and who doesn’t. Often driven by long-standing issues like poverty, structural racism, and access to healthcare, education and opportunity, these gaps have been amplified by the COVID-19 pandemic.

At Abbott, we’re focused on advancing health equity through our business and in partnership with others.

To deliver results, we’ve laid out long-term targets for our business, focused on intentionally designing our life-changing technologies to be affordable and accessible to more people who need them.

We’ve also made equitable care a key principle for our community partnerships, with targeted programs that remove barriers to achieving good health and address health disparities.

A few examples include:

- **Health Equity Now:** Abbott was the first to sign on as anchor sponsor of the American Diabetes Association’s (ADA) Health Equity Now platform. Our \$5 million, three-year commitment aims to remove barriers to care and provide greater access to the latest medical technologies and health resources for diabetes populations, particularly underserved communities of color.

- **Easterseals’ Black Child Fund:** The Abbott Fund recently became the first sponsor of Easterseals’ Black Child Fund, a new effort to expand existing programming and develop new approaches to address health disparities, ensuring timely diagnosis and treatment for Black children with autism and other disabilities.

- **Future Well™ Communities:** This multiyear Abbott Fund program was launched in 2019 in Stockton, California, and targets diabetes by addressing the social determinants of health. We’re working with local government, leading institutions and community groups to increase access to health, education, healthy food and economic opportunity.





SUPPORTING AFRICA'S COVID-19 FIGHT

In many locations across Africa, emergency care facilities are limited or nonexistent. A small number of staff manage emergencies every day, operating on the frontlines of the COVID-19 pandemic.

To help these dedicated experts, Abbott and the Abbott Fund are supporting the vital work of the African Federation for Emergency Medicine (AFEM) to reach 2,000 emergency care professionals in 26 African countries.

“Our main challenge with COVID-19 is the lack of clear and concise information that is appropriate for our settings, where patient numbers are high but staff numbers and resources are scarce,” said Professor Lee Wallis, founder of AFEM.

Abbott sponsored a series of virtual training webinars, with Abbott employees providing technical support to host and coordinate the webinars. During each session, AFEM and guest speakers shared best practices and information on testing protocols, personal protective equipment, triaging and treating patients, and maximizing limited resources.

Frontline providers also shared lessons learned from their country’s COVID-19 response. Abbott’s grant also funded the translation of targeted care guidelines, the production of short videos on COVID-19 care and a technical support line.

In addition, the Abbott Fund is supporting AFEM’s 10-hospital pilot in Sudan to implement AFEM COVID-19 guidelines and protocols to generate real-world data and experience. Based on learnings from this effort, AFEM will then scale up implementation across its network through remote training.

“The webinars and other resources are giving our workers critical knowledge they need to treat the daily influx of patients during this pandemic. And the pilot we’re implementing here in Sudan holds great promise to further advance the COVID-19 response here and elsewhere,” said Dr. Yasein Omer, an emergency medicine resident in Sudan.

DATA AND DATA PRIVACY

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OUR COMMITMENT TO DATA SECURITY AND DATA PRIVACY

Data technologies are transforming modern medicine through the growth of connected medical devices, products, diagnostic platforms and systems. Abbott's data technologies help people and their doctors to make better, faster and more complete decisions about their health in ways that fit easily into their lives.

Living up to the trust that our customers place in Abbott requires a strong focus on cybersecurity in the ways that we design and support these technologies. That's why our 2030 Sustainability Plan includes the objective for Abbott to be a trusted healthcare leader in secure and responsible data collection, use, management and privacy.

Abbott has established three guiding principles to protect personal information as we use data to empower patients and gather insights. We are:

- **Intentional** in how we connect our technology, what data we collect and how we use it and protect it.
- **Responsible** in our role in enabling the power of data and also in its responsible use and protection.
- **Transparent** in communicating to people and letting them know how their data will be used.

We develop our products, processes and internal systems in a secure manner that ensures the safety of patients and their data. We are committed to evaluating and evolving our approach on a regular basis, and our current Privacy Policy can be found on our [website](#). We comply with local regulations for reporting and notification of security breaches involving customers' personal information in all locations where Abbott operates.





DATA 2030 SUSTAINABILITY PLAN

We're committed to secure, responsible data collection, and to driving innovation through insights and analysis.

TRANSPARENT
in communicating to people and letting them know how their data will be used.



RESPONSIBLE
in our role in enabling the power of data and also in its appropriate use and protection.

INTENTIONAL
in how we connect our technology, what data we collect and how we use it and protect it.



ONE OF OUR PLAN PRIORITIES IS TO RESPONSIBLY CONNECT DATA, TECHNOLOGY AND CARE.

GOVERNANCE

Building trust is a journey that requires consistency and dedication.

We have established governance for both data privacy and cybersecurity, consistent with Abbott's commitment to responsibly collecting and protecting personal information. From a privacy perspective, in 2018, Abbott moved from a decentralized global privacy program to a centralized program. The Global Privacy Office is part of our Office of Ethics and Compliance (OEC) and is overseen by the Chief Ethics and Compliance Officer and Divisional Vice President for Global Privacy. We have standards, processes and training designed to ensure all Abbott employees understand that protecting sensitive data and personal information is everyone's responsibility. We have both dedicated privacy professionals within the Global Privacy Office and numerous privacy champions in various countries around the world who are responsible for identifying and addressing matters relating to data privacy.

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.

Every Abbott' business collaborates with these organizations to protect our products, systems and data.

Abbott's Chief Information Officer (CIO) has overall responsibility for ensuring a holistic approach to cybersecurity across Abbott. For both cybersecurity and privacy, our Oversight Committee provides senior management oversight of our cybersecurity and privacy programs and advises on and monitors our cybersecurity and privacy strategies. The committee comprises officers of the company in the areas of Legal, Office of Ethics and Compliance, Finance, Human Resources, Quality and Information Technology.

In addition, a cross-functional working group—the Cybersecurity and Privacy Steering Committee—provides ongoing support for cybersecurity and privacy projects across Abbott's businesses, educates and informs internal stakeholders on important developments relating to cybersecurity and privacy, and provides feedback on company standards and processes relating to the protection of Abbott's systems and products and the data within them.

OUR APPROACH TO CYBERSECURITY

Our overall approach to cybersecurity governance is designed to protect Abbott products and data through a focus on five areas:

- Cybersecurity-embedded design: This involves a cybersecurity review and analysis as new products are built and systems are updated.
- Cybersecurity training for all new hires and contractors: Abbott Enterprise Cybersecurity group also provides technical cybersecurity training via internal and third-party resources, conducts a phishing awareness program, monitors for repeat clickers and targets training.
- 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 approach is designed to help 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. So, we constantly evaluate and adapt our security tools, organization and processes to help ensure patients receive the highest quality care. The Cybersecurity and Quality organizations work to incorporate cybersecurity considerations throughout the product life cycle, including design, development and manufacturing, as well as the integrity of our quality data systems.



CLIVE COUPERWAITHE
relies on Abbott's *Infinity™ DBS System* to help alleviate the symptoms of Parkinson's disease.
Brisbane, Queensland, Australia

SECURE DATA MAKES "CONNECTED CARE" POSSIBLE

Abbott has been helping to build the future of healthcare with what we call "connected care"—devices that use digital connections to let doctors remotely monitor, or even treat, chronic conditions; sensors that help people better understand their glucose levels and share their data with others; and even diagnostic tests that offer a kind of "health passport."

Take, for example, Abbott's NeuroSphere Virtual Clinic, which makes it possible for our neuromodulation devices to communicate with doctors from anywhere through an internet or cellular connection. NeuroSphere Virtual Clinic's secure in-app video chat and remote programming—all accessible via a patient controller app—let doctors make an assessment and adjust the patient's therapy settings by pressing a button on an iPad mini®. That message gets sent to a stimulator, which delivers mild electrical

pulses to treat the patient's symptoms. The doctor can observe the treatment's effects, assess them and refine the precise programming of the device immediately.

There's also our *FreeStyle Libre®* glucose-monitoring system and the digital ecosystem we've built around it. Those tools include connected apps, *FreeStyle LibreLink®* (which helps people monitor their glucose via a smartphone), as well as *LibreLinkUp®* (which allows loved ones and healthcare providers to view glucose levels remotely).

These technologies proved invaluable during the height of the COVID-19 pandemic, when in-person visits became difficult, if not impossible. And none of them would have been possible without the robust data security built into these apps.

Data security is also central to the pairing of our *BinaxNOW™* COVID-19 rapid antigen test with its companion *NAVICA™* app. As people began to reengage in activities and communities that had been restricted since the start of COVID-19, rapid testing proved to be a key tool for providing confidence and peace of mind when doing so. With *NAVICA*, a first-of-its-kind smartphone app that combines with our *BinaxNOW* COVID-19 tests, individuals can quickly display their COVID-19 test results, providing greater confidence and comfort as people reenter everyday activities like work, school, public transportation and more.

OUR PEOPLE

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DEVELOPING TALENTED PEOPLE

The sustainability of Abbott's business depends on attracting, engaging and developing talented people who share our commitment to the work that we do, our vision and our 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 connecting with them to build a working environment that meets those needs. We believe that working at Abbott should give our colleagues the opportunity to become the best people they can be. This involves ensuring that our people receive competitive compensation and benefits for their work, that they feel part of a community and that they have the opportunity to do meaningful work alongside committed colleagues.



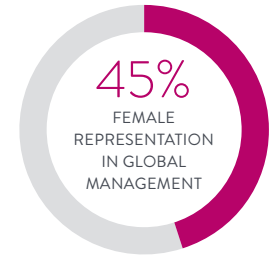
OUR PEOPLE

2030 SUSTAINABILITY PLAN



PROVIDE 1 MILLION

development jobs and opportunities for current and future employees.



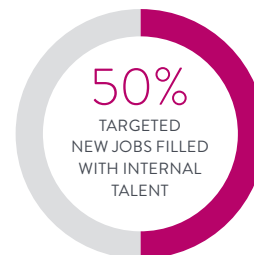
EXPANDING FREEDOM 2 SAVE PROGRAM

by providing \$10M in savings contributions.



100,000 STEM

opportunities for young people; 50% of those for underrepresented groups.



DRIVE LEADERSHIP ACCOUNTABILITY

by tying executive compensation to diversity outcomes.

2030 SUSTAINABILITY PLAN TARGETS

Our 2030 Sustainability Plan includes the following targets (for the year 2030, unless otherwise specified) for building the diverse, innovative workforce that Abbott needs to shape the future of healthcare:

- Provide 1 million development and job opportunities for current and future employees
- Create opportunities in Abbott's STEM programs and internships for more than 100,000 young people, including 50% for underrepresented groups
- Achieve gender balance across our global management team with at least 45% female representation
- Achieve gender balance in STEM roles with at least 45% female representation
- Ensure that by 2025, one-third of our leadership roles are held by people from underrepresented groups
- Continue to drive 100% leadership accountability by tying executive compensation to diversity outcomes that have a 10–15% goal weighting
- Anticipate Abbott's future workforce needs and achieve talent readiness
- Maintain or improve rates of internal succession for leadership roles
- Fill 50% of targeted new jobs with internal talent by upskilling, cross-skilling and creating learning opportunities
- Continue to provide industry-leading programs that help people achieve their personal health and well-being
- Support financial security of employees by helping those with college debt save for retirement, expanding Abbott's Freedom 2 Save program by providing \$10 million in savings contributions to participant's retirement accounts

RESKILLING: A KEY TO ABBOTT'S SUCCESS

Abbott's continual investment in our team is a key element in our long-term sustainability. We've long understood that helping employees acquire new skills in response to changing demands helps ensure that we're always in step with—or ahead of—the latest technological advancements.

This commitment to reskilling and upskilling has been a formal part of our employee development process for decades. And, informally, we've been committed to developing our people since Abbott's inception, more than 130 years ago. In fact, we've had three Abbott leaders who each rose from a nonmanagement job at the company—editor, advertiser and assembly line worker—to CEO.

Through the years, reskilling, coupled with Abbott's anticipation of medical and health-technology trends, has helped us become a leader in fast-growing markets, including diabetes care, diagnostics and heart health.

Our employee development opportunities span from free online development courses, to training for up-and-coming critical skills, to preparing our colleagues for entirely new careers, like at our vascular facility in Clonmel, Ireland. In 2015, we started doing research and development (R&D) work for *XIENCE Sierra™* drug-eluting stents in Clonmel, which is where the technology is manufactured. Needing R&D engineers, we developed a rigorous training program to reskill our manufacturing engineers in Ireland. In just five years, this group grew to more than 50 reskilled employees who developed five new vascular and endovascular products for the business.



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 with our corporate officers, all of whom carry talent management goals. 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, as well as monitoring opportunities to increase advancement for women globally. The council also works to promote an inclusive work environment for people with disabilities at all of our businesses and locations.

OUR WORKPLACE ENVIRONMENT PROMISE

Abbott has approximately 109,000 employees serving people in more than 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

OUR WORKPLACE ENVIRONMENT

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. Our policy on workplace harassment states that we will not tolerate discrimination based on gender or other factors such as race, religion, color, age, ethnicity, disability, marital status, sexual orientation, gender identity or expression, marital status, ancestry, genetic information, citizenship status or any other status protected by local law.

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 laws

- Not tolerating any harassment (sexual or nonsexual) or harsh or inhumane treatment in the workplace, this includes 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

We also have policies in place, including our Code of Business Conduct, that reinforce our zero tolerance for any discrimination and provide guidance to employees on how to report discrimination or harassment in our workplace. We have clearly defined escalation processes, investigate all reported incidents and take appropriate corrective action. As with other violations of our code, consequences for Abbott employees in case of discrimination or harassment include disciplinary action, up to and including termination. See the section Our Compliance Program on [page 107](#) for more details.

Every Abbott employee in the United States is required to take unconscious bias and anti-harassment training annually.

TALENT MANAGEMENT APPROACH

Succession Planning

Abbott's Board of Directors and senior management teams place a strong emphasis on succession and talent planning and on ensuring diversity and inclusion through this process. The Board conducts an annual Talent Management Review (TMR) in which critical positions, succession plans and development actions are identified.

The TMR process clarifies our succession strategy for our most critical roles and ensures diversity among identified successors in terms of perspective, experience, background and capabilities. In addition to destination jobs, we identify potential next roles for each incumbent and successor, with a focus on ensuring the right experiences for a successful ongoing career at Abbott. Our aim is to make sure that 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, country and regional TMRs, each of which sets out to identify "Ready Now" and "Ready Future" successors. This helps ensure that our pipeline of future leaders at all levels is continually maintained. Our people managers also have annual talent development goals.

Career Development

We have an integrated global talent management process that is designed to identify high-potential people and that links individual performance and career development. Our employees participate in an annual performance management process and work with their managers to create talent profiles and development plans that support their particular career objectives. We expect each manager to assess their team members' performance and help each team member create developmental goals to help grow their careers. We further

support our employees' development through mentoring, skills assessments, performance appraisals and career pathing. We provide job-specific training, broader leadership training and other development opportunities to help our employees meet these objectives.

We know that the best development conversations incorporate the manager's perspective and the employee's aspirations, so 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 development conversations with managers, identify the experience and skills they can gain through on-the-job learning, and create clear development plans for achieving their goals.

Because of 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.

Our Speak to the World program provides employees an opportunity to learn a new language or get better at one they already know. The program is free to all our employees and does not need to relate to their work. It includes online self-study lessons that are available anytime via a mobile device, tablet, laptop or desktop, as well as the option to participate in a virtual classroom with up to eight other Abbott employees. More than 10,300 employees around the world participated in Speak to the World last year.

14%

PERCENTAGE OF OPEN POSITIONS
FILLED BY INTERNAL CANDIDATES

We responded to the circumstances of the pandemic by increasing the availability of virtual instructor-led training. We converted 63 in-person instructor-led courses to virtual offerings to ensure employees would continue to develop during stay-at-home orders. We found that we were able to reach more employees than before. More than 41,900 employees accessed resources on our eLearning platforms, a 129% increase from 2019.

Recruitment

Abbott is committed to building a diverse talent pipeline that can meet the needs of our businesses. We do this by developing internal talent and recruiting top talent globally.

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 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 organizations that help Abbott identify talent include:

Professional Groups

- Advancing Minorities’ Interest in Engineering (AMIE)
- Association of Latino Professionals For America (ALPFA)
- Black Engineer of the Year Award (BEYA)
- Management Leadership for Tomorrow (MLT)
- 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)

Academic Institutions

- Howard University (United States)
- IMT Ghaziabad and NITIE (India)
- Nanyang Technological University (Singapore)
- North Carolina Agricultural and Technical State University (United States)
- Prairie View A&M University (United States)
- Zhejiang University and Shanghai Jiao Tong University (China)

Our global 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 interns is 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’s vision and prepare for a career with our company. We also promote international networking as part of the program, with tailored events and experiences to foster a global mindset.

In 2020, we converted 63% of our interns in the United States into full-time employees, and we’ve set a goal of converting at least 50% in the United States and more than 40% of interns in international markets during 2021.

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, nutrition and diagnostics businesses, as well as corporate functions.

**STEM BLUEPRINT:
SHAPING THE FUTURE OF STEM**

Women and people from diverse communities are underrepresented in the science, technology, engineering and math—or STEM—fields. We’re addressing the STEM skills gap by creating opportunities for more than 100,000 young people, including 50% from underrepresented groups, to participate in Abbott’s STEM programs and internships by 2030.

Through our award-winning high school STEM internship program, we know the impact even one positive experience can have on a young person to guide them toward a STEM career.

We understand that we can’t change the future of STEM alone. That’s why we created our **Shaping the Future**

of STEM blueprint, a 30-page document that is a model for ideas and best practices for other organizations interested in launching high school STEM internship programs. It’s based on our experiences and offers a first-of-its-kind resource for any business looking to increase diversity in STEM through high school internships.

In Ireland, we partnered with the Trinity Centre for People with Intellectual Disabilities (TCPID) to develop a version of our STEM program called SciFest@TCPID, which aims to encourage a love of science, technology and math among students with intellectual disabilities. In addition to helping participants develop their STEM-related skills, participation in SciFest helps them to grow in confidence and develop their communication and presentation skills.



Performance Updates

Employee Development

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

In 2020, we developed and piloted Leading with Impact, a leadership training program for people managers. The program provides managers with the tools they need to help their people reach their potential. Specifically, they learn how to build trust, listen, recognize achievements and effectively coach and develop their employees. Leading with Impact provides a supportive environment for managers to learn from one another, try new behaviors and understand how to hear our people and what they want and need.

The core program covers 12 weeks, with an additional five months of actions to reinforce, practice and share key learnings. We launched the formal program in March 2021, and it is required for all managers who have at least one direct report.

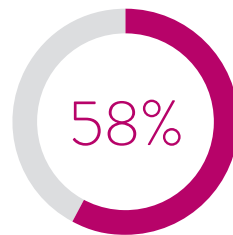
Talent Pipeline

Our career site continues to drive increases in engagement and user satisfaction through our personalized chatbot and our new app to guide candidates through the interview process. In 2020, the site had more than 4.2 million visits in total, with average monthly site visits growing 61% year-on-year.

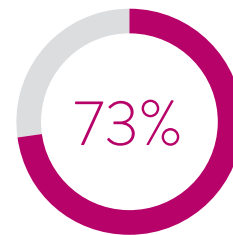
17,543

TOTAL NUMBER OF NEW EMPLOYEE HIRES

DIVERSITY IN OUR 2020 STEM INTERNSHIP PROGRAM



FEMALE PARTICIPANTS



MINORITY PARTICIPANTS

We invested in improving the candidate journey by elevating the skills of our hiring managers. More than 1,685 hiring managers completed additional hiring-related training courses during 2020, with our training program receiving a 91% 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 was ranked as the No. 1 healthcare internship program in the United States for the fifth consecutive year by Vault and is also certified as the top internship program in 14 other countries by ChooseMyCompany. For the first time, Abbott received a World Certification label for top internship program. In 2020, more than 60% of undergraduate interns and 70% of our MBA interns in the United States took 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 15 countries. In 2020, 1,053 Abbott interns used the app, publishing 1,113 unique posts and generating more than 837 clicks and just fewer than 200 comments.

Abbott's high school STEM internship program has promoted careers in science, technology, engineering and math since its launch in 2012. Our goal is to increase the number of students, especially girls and those from underrepresented backgrounds, who pursue STEM-related education and careers. In the process, we aim to provide Abbott with a more diverse talent pipeline, and we have seen success.

Of the 150 students who have completed the program, 97% have gone on to study STEM subjects in college. We've started hiring our first former high school interns as full-time engineers, and 11 of the 15 are women. In 2020, 58% of those participating in the program were female, and 73% were from minority groups.

We remained committed to all of our internship programs amid the pandemic, continuing our U.S.-based programs virtually during the summer of 2020. Abbott also provided once-in-a-lifetime experiences for 50 members of our operations Professional Development Program, a three-year rotational program for new grads, who were reassigned to support COVID-19 test production in Gurnee, Illinois, and Westbrook, Maine. Many individuals took on roles as frontline leaders, managing more than 100 workers. Others developed training programs and worked on material supply chains, scheduling and procurement projects.

In addition to our STEM internship program, Abbott partners with iBIO to host a STEM girls summer camp, with the goal of improving girls' interest and engagement in STEM-related fields.



MAKING A DIFFERENCE IN STEM: LAMIAH TYSINGER

When LaMiah Tysinger was in high school, she started taking STEM classes. Something about engineering sparked her interest. “I liked the creativity of the career and the different ways I could go with it,” she explained.

So, she set her mind to learning all she could about a potential STEM career, joining Abbott as a high school STEM program intern. In the years that followed, she completed three more Abbott internships, working in diagnostics, supply chain management and quality assurance—all while earning her bachelor’s degree in industrial engineering.

While she was still learning, she also found herself teaching. As a college STEM intern with Abbott, she received career mentorship from a full-time employee while also helping a high school STEM mentee acclimate to her new professional settings and plan her educational path.

Fresh out of college, Tysinger is now a full-time enterprise excellence trainer with Abbott, teaching new employees to efficiently and reliably manufacture Abbott’s *BinaxNOW*™ cards, which provide rapid-result COVID-19 testing.

Despite the pandemic, she continued working on-site to ensure everything was ready to go and new hires were prepared to begin producing the *BinaxNOW* test cards. Nine to 10 hours per

day, she focused on educating assembly operators on life-saving technologies and protocols and worked on critical site-improvement projects.

She enjoys connecting with her trainees and appreciates the opportunity to develop her soft skills early in her career. She hopes they will help her be a better manager in future positions.

“We’re making tests that will save the world. The fact that I have a hand in it—and a pretty significant hand in it—is motivating,” she said. “It makes me feel empowered.”

We’re honored to have LaMiah on the cover of this year’s Global Sustainability Report.

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. Diversity and inclusion is a part of who we are, how we lead and what we believe in.

In 2020, we increased our focus on diversity and inclusion by naming a new Divisional Vice President of Diversity & Inclusion, who is charged with developing diversity and inclusion strategies that will continue to ensure Abbott provides an inclusive work environment.

Our 10 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 10,000 members from minority and other traditionally underrepresented groups, working with our Diversity and Inclusion team to help tackle unconscious bias. An Abbott executive, in most cases a 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)
- disABILITY Network
- 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

In 2020, we launched our newest employee network, the disABILITY Network, supporting people with disabilities, and it has received tremendous support from our employees.

The initial awareness meeting had more than 600 people in attendance. We believe this reflects Abbott's commitment to making sure we provide an equitable workplace for all. Ensuring an inclusive environment for people with disabilities requires us to commit to raising awareness of the issues involved, educating 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.

Additionally, in 2021, our employee networks stood together to express solidarity with our Asian American colleagues. Our Divisional Vice President of D&I, employee network leadership and executive sponsors issued a joint statement to our employees in the United States condemning the violent attacks and harassment targeting the Asian American community.

Building a More Inclusive Culture

Following the murder of George Floyd, Abbott announced that the Abbott Fund would provide a two-for-one match for employee contributions to any of 12 organizations focused on addressing racial inequities.

Our public statement, published on our website on June 4, 2020, discussed issues of racial inequality and bias and our commitment to addressing these underlying systemic issues through our ongoing programs to increase healthcare access and expand STEM education.



Our President and CEO Robert Ford wrote to all Abbott employees, reiterating that racism is not just against our company's values but is the antithesis of those values. The executive sponsor and co-chairs of our Black Business Network (BBN) employee group wrote to all BBN members setting out three principles to guide Abbott in developing an action plan to respond to this movement:

- Create a culture of openness and transparency: We must be willing to engage in constructive and honest dialogue that is aimed at understanding and knowledge, which is the first step to change.
- Attacking systemic racism is everyone's responsibility: There is no single person or entity responsible for racism. We must all be accountable for how we got here and where we go next.
- Become the bridge to change: We need collaboration throughout our network and partnership with our colleagues outside of the BBN community, especially the allies who are committed to proactively and authentically building inclusion. It will take all of us to identify and implement solutions to racism, inequality and underrepresentation.

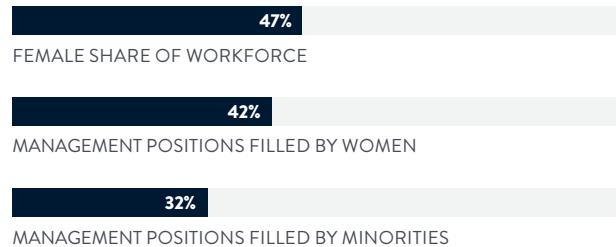
Diversity and Inclusion Performance Updates

In 2020, we delivered new development programs focused on employee growth and engagement and expanded our learning programs dealing with inclusion. We launched an online Fostering Diversity & Inclusion course to drive engagement across all employees, including those working remotely. We have designed the course to meet employees wherever they are in the journey to be more inclusive, incorporating beginner- and advanced-level tools and training.

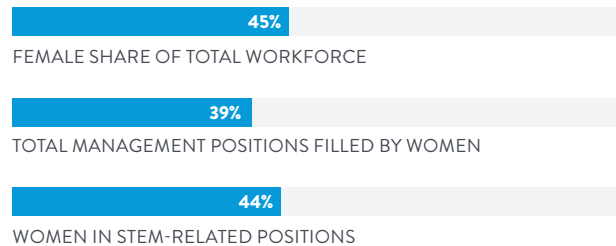
We also placed particular emphasis on mentoring, with a formal program that matches mentors with protégés for 12-month partnerships. In 2020, there was a more than 35% increase in the number of mentor and protégé registrations among employees.

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.

WORKPLACE DIVERSITY IN THE U.S.*



GLOBAL WORKPLACE GENDER DIVERSITY



*These percentages are as of December 31, 2020.

Abbott's commitment to promoting diversity and inclusion is consistently recognized by external organizations. In 2020:

- *Working Mother* magazine included Abbott on its list of the best companies for the 20th consecutive year and also on its list of the best companies for multicultural women. This consistent performance led to Abbott's being inducted into the *Working Mother* Hall of Fame in 2020.
- *DiversityInc* magazine named Abbott No. 4 for diversity in the United States. We've been on the magazine's Top 50 list for 18 consecutive years.
- *DiversityInc* also ranked Abbott No. 1 for Executive Diversity Councils, No. 2 for Supplier Diversity, No. 8 for Black Executives and on the list of Top Companies for ESG.
- *Working Mother Media* named Abbott among the 10 Top Companies for Executive Women on the 2020 Plus list. Abbott has been recognized on this list for 13 consecutive years.
- *Multicultural Women* named Abbott to its 2020 list of Best Companies for Multicultural Women.
- Abbott earned a Top 10% Index spot on the 2020 Diversity Best Practices Inclusion Index.
- Vault.com named Abbott as having one of the best internship programs for diversity.
- *Fortune* magazine recognized Abbott as one of the "Best Big Companies to Work For."
- *Forbes* magazine recognized Abbott as a top employer for diversity.
- *Forbes* named Abbott No. 18 for veterans.
- Abbott achieved a 95% rating on the Human Rights Campaign's 2021 Corporate Equality Index, showing that our business values LGBTQ+ workplace inclusion.



95%
RATING

On the Human Rights
Campaign's 2021 Corporate
Equality Index

BUILDING AN EVEN MORE INCLUSIVE CULTURE

- In 2020, Abbott increased the number of women participating in leadership development programs by almost 24%, from 470 to 581.
- By the end of 2021, all of our U.S.-based employees will have completed mandatory unconscious bias training. We are developing a training program for all employees outside the United States and will roll this out in 2022.
- Approximately 600 employees attended a virtual event on the importance of addressing disability, which was hosted by our Diversity & Inclusion team.
- During the pandemic, our employee networks successfully transitioned to virtual employee development, holding more educational and employee support events in 2020 than ever before.
- Highlights of our employee network virtual events included former National Football League linebacker Emmanuel Acho, creator of the YouTube® series “Uncomfortable Conversations with a Black Man,” in conversation with one of our corporate officers regarding issues of race and identity. Vernice Armour, the first Black female combat pilot, discussed issues of resilience in times of stress. In addition, our Women Leaders of Abbott group hosted weekly movement sessions to strengthen the health and fitness of employees sheltering in place.

EMPLOYEE COMMUNITY ENGAGEMENT

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. In the United States and Puerto Rico, our annual Employee Giving Campaign gives our employees an opportunity to donate to the nonprofits they care the most about.

In 2020, 95% of Abbott employees donated to 8,291 nonprofit organizations. In the United States, the Abbott Fund provides a 50% match to employees’ contributions to qualifying causes. When these matching donations were included, the Employee Giving Campaign pledged a total of \$7.58 million, a significant rise from 2019’s total of \$6.71 million. This rise is particularly noteworthy in the difficult circumstances of the COVID-19 pandemic.

In addition to the annual Employee Giving Campaign, Abbott held a special campaign in the United States in 2020 to help address racial inequity. As part of this campaign, Abbott Fund provided a two-for-one match for every employee donation to certain organizations that address systemic issues of racial inequities through policy, health equity and/or community engagement. Through this campaign, more than 100 different organizations were supported by more than 960 employees. The Abbott Fund provided a match of more than \$413,000 to help these organizations address racial inequality. When these matching donations were added to the employee donations, this special campaign raised more than \$619,000 to help address racial equity.

Throughout the year, Abbott employees are also able to donate to the 1.3 million 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.

2020 SOCIAL INVESTING

Cash contributions	\$ 45,314,931
In-kind giving, product or service donations	25,481,037
Management oversight	4,395,412
Time, employee volunteering	468,416
Total	\$75,659,796

Employee Volunteering

All Abbott employees in the United States can request eight hours of paid time off for volunteering during the working day, and every year in the United States, we designate Martin Luther King Jr. Day as “Day of Caring” to encourage volunteerism. Because of COVID-19, the total number of volunteer hours contributed by Abbott employees declined significantly during 2020, from 37,734 volunteer hours to 7,933. Our volunteers supported causes in more than a dozen countries around the world.

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

2020 FAMILY SCIENCE VOLUNTEERING

Volunteers	49	Participants	183
Volunteer Hours	196	Events	2

2020 OPERATION DISCOVERY VOLUNTEERING

Volunteers	18	Participants	240
Volunteer Hours	32	Events	2

During 2020, 67 of our colleagues volunteered 228 hours to our Operation Discovery and Family Science programs. Operation Discovery has had 1,838 volunteers since its inception in 2002. Since 2006, 6,765 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 \$61 million during this time.



COMPENSATION AND BENEFITS

Our compensation philosophy plays a vital role 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 based on, and competitive in, the markets where we compete for talent 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.
- 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' level of responsibility, expertise and performance. We have processes to ensure consistency in compensation across similar roles in relevant markets. As a result, Abbott compensates employees based on the work they do, regardless of race, ethnicity or gender. We are committed to equal pay for equal work, and do not tolerate discrimination in pay, as stated in our position statement on human rights. 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 2020, Abbott granted RSUs to approximately 12,500 employees in 73 countries.
- In the United States and Puerto Rico, employees can invest in Abbott stock through our 401(k) program, which provides a 5% match to an employee's 2% contribution to the program.
- In most countries outside of the United States, we offer employees the opportunity to purchase Abbott 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 2020, 146 Abbott affiliates in 59 countries participated in the ESPP.

Employee eligibility for nonsalary benefits follows local regulations and practices. In most countries, this means we offer benefits to full-time employees and part-time employees working more than a certain number of hours. Outside the United States, we typically 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 that we can deliver innovative solutions that make a tangible difference and strengthen our value proposition for employees on a local basis.

Abbott has policies in place to help ensure our employees receive comparable compensation, regardless of race or gender.

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.

FREEDOM 2 SAVE

1,290

EMPLOYEES ENROLLED
SINCE 2018

Under the program, employees who put at least 2% of their eligible pay toward their student loan debt can receive a 5% 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 educational debt. More than 1,290 employees have enrolled in the program since it launched in 2018.

For retirement-eligible employees, we offer Freedom to Work, a program that lets them reduce their schedule, workload and/or responsibilities—sharing their knowledge with colleagues while continuing to build their pensions. More than 1,700 employees have enrolled in this program since it launched in 2008.

LISTENING TO OUR EMPLOYEES

Our Approach

We have a listening strategy that includes quarterly surveys to ask our employees about the experience of working at Abbott to understand their engagement in our business strategy. This is an opportunity to learn where we can make meaningful improvements. These surveys include questions related to engagement, culture and the general working environment. All employees are asked for their input at least once a year.

We also participated in Top Employers surveys in Europe and the Middle East, as well as 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 small-group and town-hall-style 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 raise concerns in good faith without fear of retaliation.

The more than 10,000 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.

In 2020, a major focus of our employee well-being programs has been supporting the transition of our office teams to working remotely. This included providing additional online well-being courses from the start of the pandemic onward.

We care about 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 this app is proving particularly valuable during the COVID-19 pandemic because approximately 79% of employees and eligible spouses participated in 2020, and it has helped them take more than 38.1 billion steps.



In Brazil, we implemented a virtual wellness program—with orientation sessions led by physical educators—that included activities such as gymnastics and mindfulness sessions. We've held six virtual sessions per week since April.

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. This provided a valuable shared experience for our employees when socially distanced and working remotely. Around 20% of Abbott employees across 72 countries took part in Exercise Across Abbott in 2020.

We recognize that flexible working is often an essential enabler of employee well-being, and especially so when employees are working from home and taking on additional child care and other responsibilities. Abbott embraces flexibility throughout our workplace, allowing many employees to combine various flex options to meet shifting work-life demands and evolving life needs.



Our comprehensive child care programs include on-site child care, parenting and counseling services, nationwide child care discounts and backup care resources.

Depending on their roles and the country in which they work, employees have access to a variety of formal workplace flexibility options that can include flextime, compressed work weeks, reduced work schedules, job sharing and teleworking, as well as other approaches like shift trades, as-needed flextime, summer hours and phased retirement.

Our comprehensive child care programs in the United States include on-site child care, parenting and counseling services, as well as nationwide child care discounts and backup care resources. We offer new parents eight weeks of paid time off at 100% to use within one year following the birth or adoption of a child, and 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.

In the United States, in early 2021, we launched a comprehensive child care program and parenting benefits site, which offers direct access to Abbott's many benefits for parents and parents-to-be, such as tutoring and child care services.

Abbott offers paid bereavement leave to all employees in the United States in the tragic circumstance of losing a loved one. We provide up to 80 hours of paid leave in the event of losing a dependent child, spouse or domestic partner and 40 hours of paid leave in the event of losing an extended family member.

Voting is a right and a responsibility, and Abbott supports our employees' right to vote. We provided up to four hours of paid leave to enable employees to vote in 2020's federal, primary and general elections in the United States.

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](#).

Additionally, our [Supplier Guidelines](#) require our suppliers to protect workers in the workplace by providing a safe and healthy environment. Abbott expects suppliers to comply with all legal and regulatory requirements regarding employee health and safety.

Abbott's EHS Leadership Council governs our EHS organization. This includes EHS professionals, who manage EHS programs 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.

Our global Occupational Health Services (OHS) team, which forms part of our global EHS organization, provides global occupational health leadership and strategic direction. The team develops and maintains Abbott's global occupational health (OH) policies, procedures and guidelines, trains and develops our OH employees, and consults on regulatory compliance. This team is also responsible for implementing our global strategy to promote employee health and productivity, tracking progress against our key performance indicators (KPIs) and identifying opportunities for improvement.

Our EHS and OHS teams also lead Abbott's global response to public health emergencies with potential business impact and have taken a key role in our measures taken to protect employees during the COVID-19 pandemic. Throughout the pandemic in 2020, Abbott conducted regular testing and screening of our employees. This has helped to maintain healthy work environments and ensure the health and safety of our people. In fact, Abbott employees have tested positive for COVID-19 at lower rates than their communities.

We have developed two technical standards that support our OHS team in its role. Our Occupational Health Services Standard requires that all Abbott facilities provide their employees with appropriate occupational health services, including adequate resources and a designated healthcare professional. Our Reproductive Hazard Management Standard ensures the health and safety of employees and their potential future children through specific hazard control, documentation and risk communication requirements.

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 130 Abbott occupational health professionals who oversee our employees' health and well-being, treat occupational illnesses and injuries, and maintain employee medical records.

We also use established external standards and certification to help drive continuous improvement in occupational health and safety. At the end of 2020, three Abbott sites were certified to Occupational Health and Safety Assessment Series (OHSAS) 18001 and International Organization for Standardization (ISO) 45001.

For full details of our EHS governance structure, including the groups that support implementation of our EHS programs and initiatives, see the Environment section on [page 61](#).

Throughout the COVID-19 pandemic in 2020, Abbott conducted regular testing and screening of our employees, helping to maintain healthy work environments and ensure the health and safety of our people.

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.

Our technical standard on Contractor EHS Management extends to all contractors working at Abbott locations and requires that each Abbott site implements a written Contractor EHS Management Program. This management program includes the following:

- Training for all Abbott employees responsible for contractor activity
- An EHS approval process for contractor companies
- EHS orientations for contractor employees
- Project-specific EHS plans for all projects more than \$2 million
- A full-time, dedicated safety representative on large construction projects
- EHS inspections of contractor activity
- Requirements for contractors to complete a Job Hazard Analysis or Risk Assessment and Method Statement
- A process for evaluating each contractor company's EHS performance

We maintain global policies and standards for managing employee health and safety.

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 targets. The scorecard captures important data, such as the number of significant 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 requirement for each site to increase its score year over year.

In alignment with industry best practices, in 2019, we developed a new scorecard that includes the eight pillars of health. We planned to implement the new scorecard in 2020, but were forced to delay as a result of the COVID-19 pandemic. Our plan is to continue with our current scorecard until it is safe to increase in-person screening and health activities.

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 the following:

- 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
- Our Emergency Preparedness Standard, which sets out requirements for emergency preparedness planning
- Technical standards covering specific areas, such as Fleet Safety, Control of Hazardous Energy, Confined Spaces, Ergonomics, Electrical Safety, Biological Safety and Working at Heights, among others

We updated Abbott's Emergency Preparedness Standard in 2018 and launched our new standard in 2019. This standard sets out minimum requirements for ensuring people's health and safety at our sites and in the surrounding communities, and establishes procedures for Abbott employees to report and respond to emergencies.

The requirements for compliance with the standard include the following:

- Maintaining detailed site descriptions and lists of any hazardous chemicals present
- Identifying potential emergency conditions and the actions and clean-up procedures required in response
- Maintaining emergency response equipment and clearly identifying where it is located
- Identifying a designated emergency coordinator and members of the emergency response team
- Having clear procedures for reporting emergency situations and evacuating the site
- Having employee and emergency response team training
- Performing annual reviews of all emergency preparedness procedures

A full list of our EHS management and technical standards is available on our [website](#). Details of our training and awareness programs of our policies and standards can be found in the Environment section on [page 63](#).

We strive to operate a workplace that is not only safe and healthy but that 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 and Abbott contractors in several locations. 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.

Strategy

We have been tracking 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, as measured by lost-time case rate. Our 2020 lost-time case rate target was 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, as measured in accidents per million miles (APMM). Our 2020 APMM-driven rate target was 4.0.

Our EHS professionals develop programs to drive continuous progress toward these targets and provide support to all Abbott employees and contract 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.



SUPPORTING HEALTH IN THE WORKPLACE

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
- 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

Our 2020 Targets

The lost-time case rate records work-related injuries that require days away from work. In 2020, our lost-time case rate decreased significantly to its lowest level in 13 years. We believe that this reduction is the result of moving our office workers and many sales teams to remote working, as well as the constraints on travel and other business activities that have resulted from the pandemic.

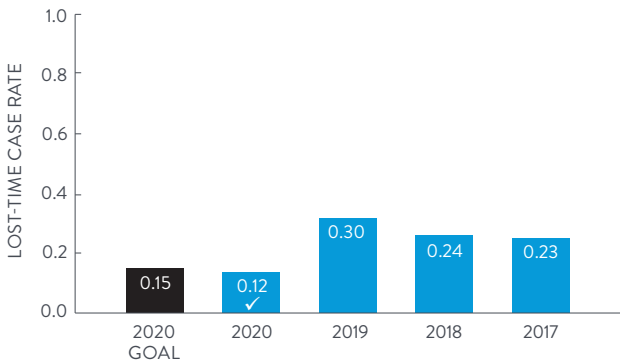
Our ultimate objective is the elimination of all work-related injuries for Abbott's employees and contract workers.

We have developed a global safe-driving program as part of our efforts to reduce vehicle accidents across Abbott. EHS personnel in each region administer the program, which applies to all Abbott businesses and all commercial employees. It includes behind-the-wheel and defensive-driving training, commentary drives, incident reporting and investigation and post-incident coaching.

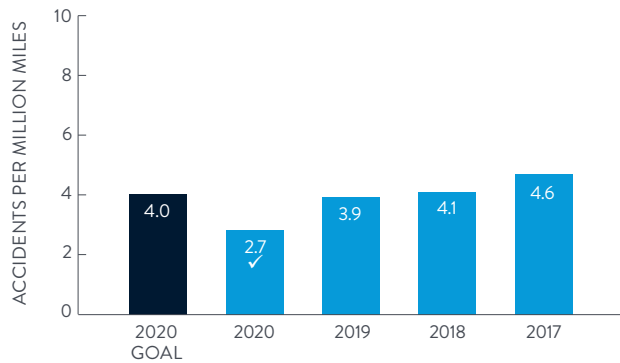
We aim to achieve continuous reductions in APMM through our safe-driving program, which promotes safer driving behaviors among our field-based employees and raises awareness of the dangers of distracted driving, including mobile-phone use.

In 2020, this program helped drive a 30% reduction in our global APMM to 2.70, Abbott's lowest rate ever, which is significantly better than our 2020 target. The reduction takes place in the context of a significant overall reduction in miles driven as a result of the pandemic.

LOST-TIME CASE RATE*
EMPLOYEE AND CONTRACTOR



ACCIDENTS PER MILLION MILES*
EMPLOYEE



SAFE-DRIVING PROGRAM



30%

REDUCTION IN ACCIDENTS
PER MILLION MILES
FROM 2019 TO 2020*

*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. In 2020, we completed the rollout of new vehicle safety features to all commercial vehicles in the United States. These features include adaptive cruise control; automatic braking; reverse cameras; and collision, lane departure and blind-spot warnings.

In an initial study, the accident rate for vehicles equipped with these features was 40% 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 2020, COVID-19 positively impacted the accident rate because employees were not driving as much as they normally do.

Additionally, as part of our Helmet Observation Program in India, 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 this program has played a significant role in reducing the severity of injuries during the year.

Protective Equipment During the Pandemic

During the COVID-19 pandemic, some of our businesses were essential to customers, and our employees went into buildings and facilities to provide support. As a result, Abbott provided personal protective equipment (PPE), such as masks, gloves, face shields, disposable gowns and shoe covers, to field sales and service employees to ensure they could safely meet customer needs. In addition to PPE, employees were provided a safe work practice training on good hygiene practices and how to wear PPE.

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 decreased from 0.46 in 2019 to 0.27 in 2020—a decrease of 41%. As with our lost-time case rate, this represents our lowest rate in 13 years. The reduction reflects the constraints on activity and reduction in driving that have resulted from the pandemic. However, they also highlight our targeted road safety programs in India and our progress integrating Abbott's EHS standards and policies into our recently acquired rapid diagnostics business.

Fatalities

We are grateful to report that Abbott experienced no fatalities among our employees or contractors in 2020. We will continue to promote safety and are determined to keep this number at zero going forward. 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

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

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 2019, our occupational illness frequency rate has remained at 0.1 illnesses reported per million working hours.

Our global OHS programs aim to address the health and well-being of our employees in and out of work. In 2020, our occupational health and safety professionals performed more than 300,000 COVID-19 tests.

Our approach to case management for Abbott employees exposed to or diagnosed with COVID-19 was essential for keeping our operations running in 2020. We provided training on case management principles to all clinical staff and implemented a telephone-based case management program globally. All COVID-19 cases were reported to our Global Occupational Health Organization, which managed more than 40,000 cases and reviewed them to identify patterns that we could use to reduce the risk of workplace exposure.

COVID-19 HEALTH PRACTICES

In response to the COVID-19 pandemic, we have implemented global standards for social distancing, face covering, hand sanitization, prepackaged meal services and enhanced facility cleaning. We have also implemented regular COVID-19 testing and established global case management protocols to manage COVID-19 cases. These have been successful in limiting workplace transmission.

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SAFEGUARDING 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.

Under our 2030 Sustainability Plan, we have established targeted goals for reducing carbon emissions, sustainably managing our water use and applying circular economy principles to reduce the environmental impact of product packaging and waste in our operations. To support these goals, we have updated our strategy, policies and targets to reflect our commitment to environmental protection both across our own operations and through our work with strategic stakeholders and suppliers.



ENVIRONMENT

2030 SUSTAINABILITY PLAN TARGETS



30% REDUCTION
IN SCOPE 1 AND SCOPE 2
CARBON EMISSIONS



ACHIEVE
WATER
STEWARDSHIP
CERTIFICATION

at all of our high-water impact
manufacturing sites operating in
water-stressed areas.

90%
DIVERSION
RATE

by using a circular-
economy approach.



IMPLEMENTING
SUSTAINABLE
PROGRAMS

to reduce our Scope 3
carbon emissions.



ADDRESS 50
MILLION
POUNDS

of packaging through high-impact
sustainable design programs.



WITNEY, ENGLAND

is one of 38 Abbott sites that sends
zero waste to landfills.



2030 SUSTAINABILITY PLAN TARGETS

Our Sustainability Plan establishes new 2030 goals for protecting a healthy environment, which will further build on our progress in these priority areas. These goals include:

- Reduce absolute Scope 1 and 2 CO₂e emissions by 30% on an absolute basis compared with our 2018 baseline, which aligns with the objectives of the Science Based Targets initiative (SBTi) of well below the two-degree Celsius warming scenario
- Work with our key carbon-intensive suppliers to implement sustainable programs to reduce our Scope 3 carbon emissions (Quantitative Scope 3 target is forthcoming)
- Achieve water stewardship certification at all of our high-water-impact manufacturing sites operating in water-stressed areas
- Implement accredited water stewardship management practices in more than 75% of all manufacturing sites operating in water-stressed areas
- Work with 50 key suppliers in high water-stressed areas to reduce risks to water quality and quantity for Abbott and the community
- Apply high-impact sustainable design programs to 50 million pounds of packaging
- Reduce waste impacts using a circular-economy approach, achieve and maintain at least a 90% diversion rate
- Develop and track waste diversion initiatives for our key suppliers



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 and ensuring responsible water and waste management.

Abbott's commitment to sustainable business starts at the top and is integrated across our organization. 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) provides Abbott with guidance on strategic sustainability issues, including identifying sustainability risks and opportunities. It is made up of independent expert advisors and thought leaders in the area of sustainability.

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 leads our EHS management efforts and reports to our CEO. As part of this role, the Senior Vice President is also the executive sponsor for the development of Abbott's next-generation climate and water strategy, and played a key role in the development of our 2030 Sustainability Plan.

We implement our EHS sustainability programs and initiatives through four leadership councils, which include representation from Abbott's various businesses and relevant operational areas such as engineering, quality and supply chain.

- The Global Operations Council (GOC) oversees the execution of Abbott's operations strategy in 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.
- The Supply Chain Council identifies key, strategic and critical suppliers to engage with to address shared sustainability responsibilities and implement initiatives in sourcing categories where positive sustainability impacts can be made.

PROTECTING THE ENVIRONMENT: THROUGH THE LENS OF A SINGLE PRODUCT

Our 2030 Sustainability Plan focuses on a healthier future, including protecting our environment. One of the ways we're reducing our environmental impact is with our *FreeStyle Libre*[®] continuous glucose-monitoring (CGM) system for diabetes care.

- **Less plastic:** the *FreeStyle Libre 3* system* has a smaller, more discreet sensor and a one-piece applicator, reducing the total volume of the sensor by more than 70%.
- **Zero waste production:** One of our sites producing *FreeStyle Libre*, in Witney, England, is also one of Abbott's 38 sites that sends zero waste to landfills. All waste is recycled, reused, composted or responsibly incinerated.
- **Reduced emissions:** The Witney site has reduced its absolute carbon emissions by nearly 20% over the past decade, even with increased production.
- **Engaging consumers:** We launched a pilot program for people to send back used sensor kits for free, keeping them out of landfills.



41%

LESS PLASTIC USED IN
FREESTYLE LIBRE 3



0%

ZERO WASTE
TO LANDFILL

**FreeStyle Libre 3* is not available in the United States.

STRATEGY

Our 2020 Targets




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

These targets were:

- A 40% 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% reduction in our total water intake
- A 50% reduction in the total waste we generate

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 maintain progress toward our 2030 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](#).

2020 ENVIRONMENTAL TARGETS

	2010 BASELINE	→ 2020*	→ 2020 TARGET*
 REDUCTION IN CO ₂ e EMISSIONS		51% ^{†✓}	40%
 REDUCTION IN TOTAL WATER INTAKE		34% [✓]	30%
 REDUCTION IN TOTAL WASTE		47% ^{**}	50%

*Normalized to sales.

†Calculated using the market-based method.

✓Goal achieved.

**See [page 81](#).

2020 COMPLETED ENVIRONMENTAL IMPACT REDUCTION PROJECTS

 93 ENVIRONMENTAL IMPACT REDUCTION PROJECTS COMPLETED	 37 SITES ACROSS 13 COUNTRIES
 ~\$1,380,000 ANNUAL SAVINGS	



Policies and Management Systems

We aim to drive continuous improvement in our environmental performance through our EHS policy and our management and technical standards. We have designed these policies and standards to ensure all Abbott operations comply with applicable regulations at local, state, national and international levels. This includes protecting the environment, health and safety of the communities where we operate.

In December 2020, we updated the Abbott EHS policy that expands the focus of our environmental protection from our own operations to our entire value chain. Under this new policy, we engage with strategic stakeholders and suppliers to promote new approaches for reducing our environmental impact. The policy also commits us to routinely monitoring our value chain for accountability.

We train all EHS employees in both our standards and 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 the following:

- [Environment, energy and water policies](#), which detail our environmental commitments to reduce our impact on climate, protect human health and recognize water as a critical natural resource
- [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, the 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.

By the end of 2020, 48% of Abbott manufacturing and R&D sites held environment-related ISO certifications. This included 35 manufacturing and R&D sites with ISO 14001 and 19 with ISO 50001 certifications. In addition, eight nonmanufacturing sites achieved ISO 14001, and one achieved ISO 50001 certification. Similarly, 14 facilities achieved LEED certification, including one platinum, six gold and five silver certifications. Combined, these facilities represent more than 3.8 million square feet of LEED-certified buildings.

YEARLY ENVIRONMENTAL CERTIFICATIONS	2019	2020
Total ISO 14001 Certifications	45	43
Total ISO 14001 Manufacturing and R&D Sites Certified	37	35
Total ISO 14001 Nonmanufacturing and R&D Sites Certified	8	8
Total ISO 50001 Certifications	18	20
Total ISO 50001 Manufacturing and R&D Sites Certified	17	19
Total ISO 50001 Nonmanufacturing and R&D Sites Certified	1	1
Total LEED Certifications	19	14
Platinum	1	1
Gold	5	6
Silver	6	5
Certified	7	2

Our efforts to improve environmental efficiency depend upon engaging employees at all levels of our organization through policies and initiatives such as:

- Evaluating our EHS leaders against EHS performance goals as part of their annual performance reviews
- Raising awareness of priority EHS issues through dedicated time, 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, and awards for outstanding individual and team initiatives.

Environmental and Ecosystem Protection

Protecting biodiversity and ecosystems is an important aspect of Abbott’s environmental management programs. Many Abbott sites have implemented measures to protect the functioning of natural ecosystems and promote biodiversity, including measures to remediate impacted soil and groundwater, protect and restore wetlands and prairies, and remove invasive species.

As part of the due diligence we conduct for business and property acquisitions, we prepare detailed risk assessments to identify known or suspected environmental/ecosystem damage and develop strategies to remediate impacted environments and protect sensitive ecosystems, like wetlands.

Our programs to protect vulnerable and endangered species include a long-term initiative to protect the threatened eastern prairie fringed orchid. This conservation program focuses on 160 acres of undeveloped land owned by Abbott near our headquarters in Illinois and involves Abbott volunteers hand-pollinating the endangered plants, monitoring bloom rates and analyzing the impact of a species of soil fungus on successful germination.

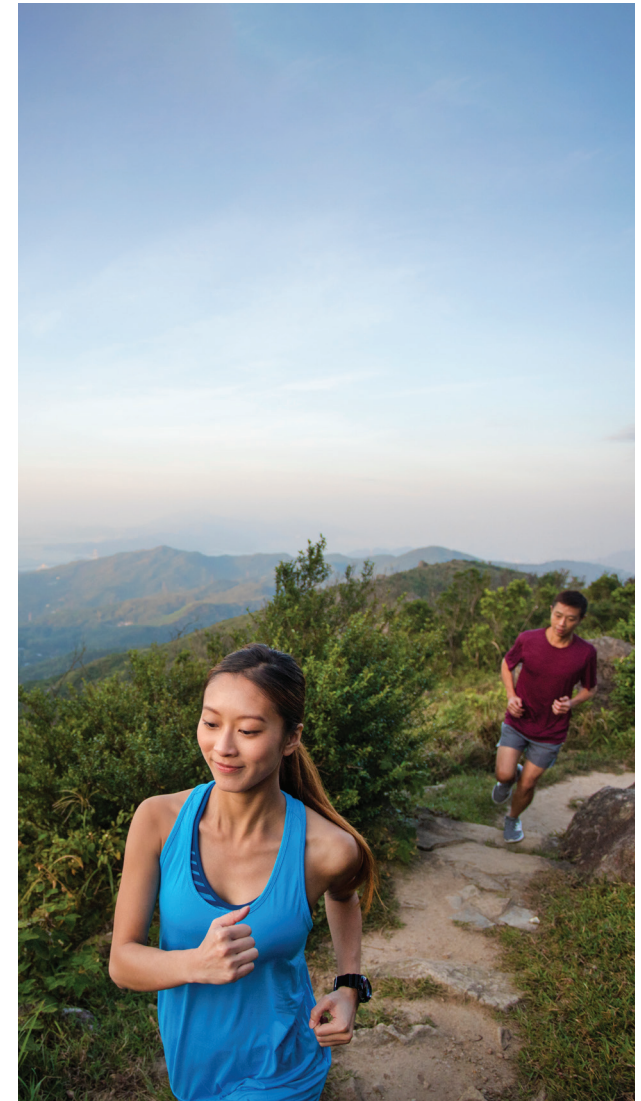
Abbott employees are also involved in a range of initiatives to develop insect habitats at our sites in North America and Europe.

Mergers and Acquisitions

Our updated EHS policy specifies that compliance with the policy will be integrated into all Abbott 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. We provide all relevant training and resources to enable the acquired business to implement our EHS policy and standards successfully. We then conduct multiple assessments at different stages of the program to ensure the effectiveness of our training and the progress made on its 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 company-wide 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.

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, please go to the Sustainability Overview section on [page 17](#).

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 61](#).

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 Disclosure response](#).

RISK MANAGEMENT

We have published our processes for identifying and managing climate-related risks and opportunities on this page and the next. Additional details are available in our latest [CDP Climate Change Disclosure response](#).

METRICS AND TARGETS

The end of this report (in the Reporting on Sustainability section beginning on [page 122](#)) includes a list of climate-related metrics that we track and report.

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, Business Continuity and Supply Chain organizations use scenario-sensitivity risk modeling to understand the financial implications of climate-related risks. This has included analyzing potential risks resulting from the 21st Conference of Parties (COP 21) 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 strategies for mitigating and responding to them across our value chain. 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 resiliency in the face of extreme weather events.

These processes have also served to increase business resiliency in the face of other forms of extreme events. During the COVID-19 pandemic, at a time when flights were grounded and many borders closed, our processes enabled us to produce millions of COVID-19 tests in a matter of weeks while continuing to provide all of our other essential products to people around the world.

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 67](#)), Protecting Water Resources ([page 72](#)) and Extended Producer Responsibility ([page 77](#)).

Opportunities

As part of our product research and development (R&D) 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 with many industries, Abbott's carbon footprint is relatively small, and our success in exceeding our 2020 carbon reduction target means that we have fewer opportunities to realize significant operating efficiencies and cost savings in the future. Although further opportunities in this area exist and are incorporated in our 2030 Sustainability Plan, 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, nutrition products and pharmaceuticals that Abbott makes.

Our 2030 Sustainability Plan commits us to continuing to respond to increased humanitarian needs as a result of severe weather events, new disease threats and changes in the spread of disease. We will do so in line with our priority of innovating for access and affordability, which has characterized our company's response to the COVID-19 pandemic.

We do not anticipate that changes to the disease burden as a result of climate change will have a substantive financial or strategic impact on our business beyond this. We will continue to respond to these in line with our caring value and primarily through our philanthropic organization and product donations.

REDUCING ENERGY AND EMISSIONS

Protecting a healthy environment requires Abbott to continue reducing energy consumption and greenhouse gas (GHG) 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 GHG emissions through business travel, the way that we dispose of waste, and our upstream and downstream value chains. These are known as Scope 3 emissions and also include emissions from 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.

In 2012, we set an ambitious target to reduce our Scope 1 and 2 emissions by 40% by 2020, when compared to 2010 and adjusted for sales. We exceeded this target in 2019 and continued to build on this progress in 2020. By the end of the year, we had achieved a 51% reduction compared with 2010 levels.

2030 Sustainability Targets

Under our 2030 Sustainability Plan, we have set new targets to reduce our absolute Scope 1 and 2 emissions by 30% compared with our 2018 baseline. This aligns our sustainability plan with the objectives of the Science Based Targets initiative (SBTi), well below the two-degree Celsius warming scenario.

In addition to this, we are working to develop a 2030 target for Scope 3 emissions and will work with our key carbon-intensive suppliers to implement sustainable programs to reduce these emissions. For more details, see the Supply Chain section on [page 84](#).

Our 2030 targets, like those for 2020, will be measured in terms of CO₂e emissions. They will include all GHG emissions covered by the World Resources Institute/World Business Council for Sustainable Development (WRI/WBCSD) Greenhouse Gas Protocol (GHGP) methodology for GHG reporting. This includes nitrogen oxide (NO_x) and sulfur oxide (SO_x), as well as carbon dioxide (CO₂), refrigerants and other greenhouse gases.

For details of how we measure and manage Scope 3 GHG emissions¹ in our value chain, see [page 71](#).



2030 SUSTAINABILITY TARGETS

Under our 2030 Sustainability Plan, we have set new targets to reduce our absolute Scope 1 and 2 emissions by 30% compared to our 2018 baseline.

Our Energy Policies and Guidelines

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

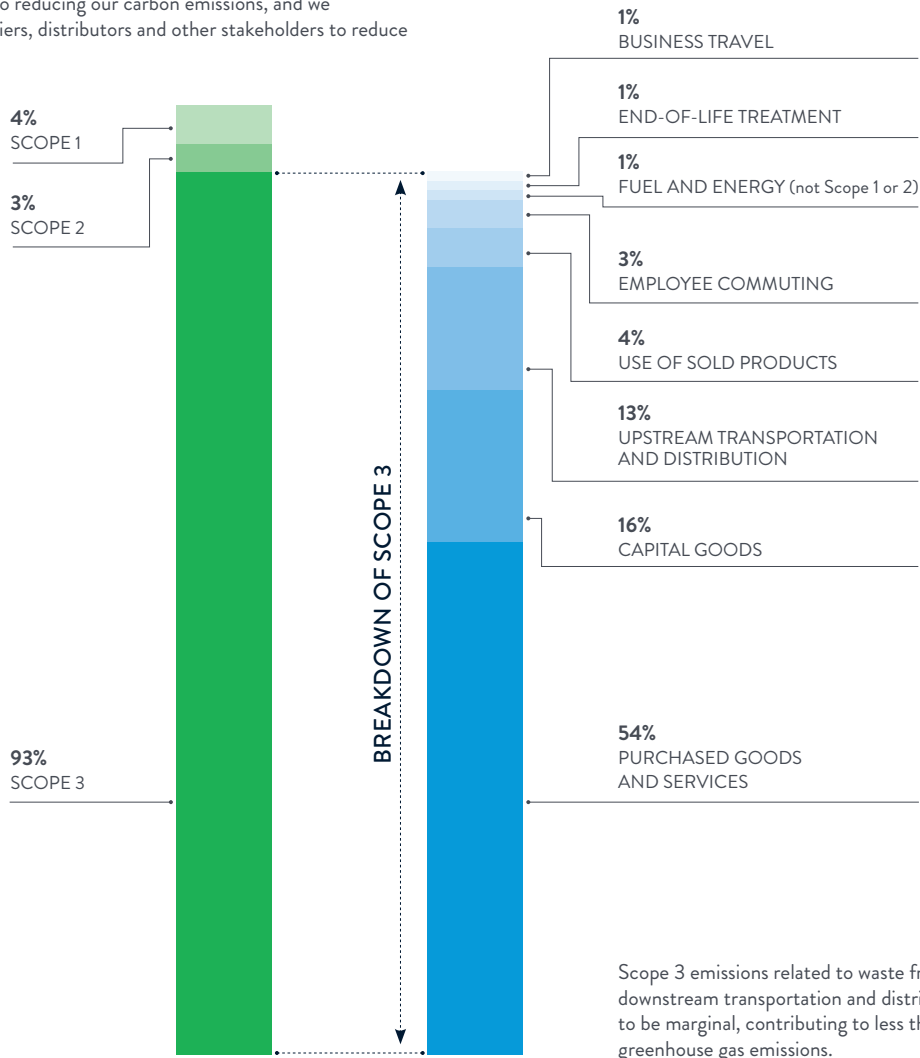
- Increasing energy efficiency in our manufacturing operations
- Investing in low-carbon energy
- Improving the efficiency of our transportation fleet
- Encouraging a lower carbon footprint in our supply chain
- Publicly reporting our performance

We work within international commitments and frameworks, like CDP and the GHG Protocol, to measure, track, reduce and report emissions of GHG emissions, volatile organic compounds (VOCs) and SO_x. Detailed information on our performance is on [page 131](#) in the Reporting on Sustainability section.

In 2020, we received a B rating for our [CDP Climate Change Disclosure response](#), which represents a drop in performance compared with our A- rating in 2019. We have analyzed the reasons for this drop in performance and are developing a long-term strategy to address them. We also received an A- rating for our latest [CDP Climate Supplier Engagement response](#).

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% 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.

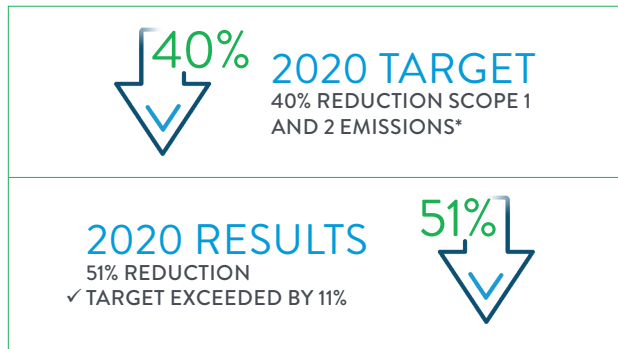
Each of Abbott's businesses and divisions sets annual energy efficiency targets. In addition, all manufacturing sites that produce Scope 1 and Scope 2 emissions of more than 25,000 metric tons of CO₂e annually are required to set annual carbon reduction goals.

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 93% of the Scope 1 and Scope 2 emissions associated with our direct operations.²

We have exceeded our 40% emissions reduction target for 2020 by reducing our emissions by 51% since 2010, normalized to sales. This equates to a 29% reduction on an absolute basis compared to 2010 levels and a 5.8% reduction since 2019. For more details, see [pages 129-131](#) and [133-135](#) in the Reporting on Sustainability section.

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

EMISSIONS REDUCTION EXCEEDED



*Compared with 2010 levels.
✓ Goal achieved.

Using Cleaner Sources of Energy

We anticipate that the majority of the reductions in GHG emissions under our 2030 Sustainability Plan will be achieved by Abbott purchasing a greater proportion of our electricity from renewable energy sources. We are currently developing a Renewable Energy Procurement initiative to drive continuous improvement in this area.

Since 2017, 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. We purchased 170 million kilowatt-hours of low-carbon energy in 2020. This resulted in savings of 78,000 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. In 2020, six of our facilities used cogeneration units, which are power-generating units that produce electricity and capture heat for use in manufacturing processes. We produced 59 million kilowatt-hours of electricity through cogeneration in 2020, an increase of 68% since 2010. In total, we generated 1.5 million kilowatt-hours of energy at our sites, mostly through solar panels.

For a detailed breakdown of our energy footprint and performance, see [pages 131–132](#) and [136–138](#) in the Reporting on Sustainability section.

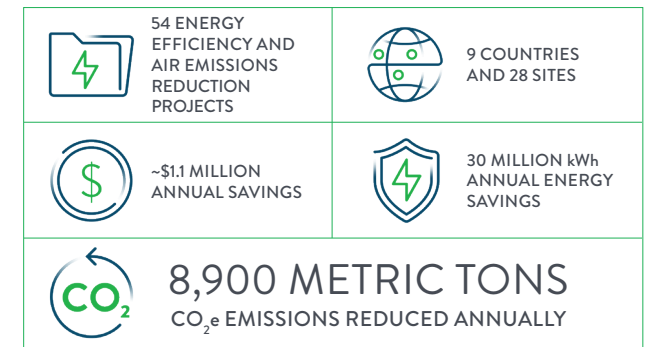
Our 2020 Targets

In addition to our focus on using cleaner sources of energy, we remain committed to reducing energy use across our operations and reducing the energy demands that our business makes.

Each Abbott business and site has developed energy efficiency programs to help meet our Scope 1 and Scope 2 reduction targets. These programs have been successful in decreasing our absolute Scope 1 and 2 emissions by 29% from 2010 to 2020, despite continual increases in production during this time.

In 2020, we implemented 54 energy efficiency and air emissions projects at 28 manufacturing and R&D sites in nine countries. These projects resulted in more than \$1.1 million annual cost savings and more than 30 million kilowatt-hours in annual energy savings, preventing more than 8,900 metric tons of CO₂e emissions. In several cases, we achieved significant savings by upgrading and optimizing building control technologies, HVAC systems, and manufacturing processes and equipment.

2020 COMPLETED ENERGY AND EMISSIONS REDUCTION PROJECTS



Fuel-Efficient Initiatives

We have launched a number of long-term initiatives to manage fuel consumption in our commercial fleet, which contributed to 25% of our Scope 1 emissions in 2020. These initiatives include requirements for more fuel-efficient vehicles and car-sharing programs.

During the COVID-19 pandemic, our sales teams worked from home for several months, with the exception of those providing necessary support to hospitals. This resulted in a significant reduction in fuel consumption for our commercial fleet and contributed to a reduction in Scope 1 emissions. Offsetting this, disruption caused by the pandemic meant that we could rely less on our most fuel-efficient modes of transportation when it came to delivering COVID-19 tests and other Abbott products when and where they were needed. For more details, see the Supply Chain section on [page 88](#).

ENERGY REDUCTION HIGHLIGHTS

In 2020, some of our greatest energy reduction and efficiency projects included the following:

INITIATIVE	DIVISION AND LOCATION	ANNUAL ENERGY SAVINGS	ANNUAL COST SAVINGS
Installed LED lighting for greater energy efficiency (18 projects)	Medical Devices Costa Rica; Brazil; United States (California, Minnesota, South Carolina, Texas) Corporate United States (Illinois) Nutrition Spain Rapid Diagnostics Scotland	1.7 million kWh 1,200 MT CO ₂ e emissions	\$170,000
Optimized HVAC and energy systems using upgraded building technologies and system settings (15 projects)	Medical Devices Ireland; United States (Arizona, California, Minnesota) Corporate United States (Illinois) Nutrition United States (Virginia)	4.4 million kWh 2,800 MT CO ₂ e emissions	\$350,000
Upgraded and/or replaced boiler, cogeneration and other utility equipment and evaluated and implemented compressed air systems resulting in improved equipment efficiency (8 projects)	Branded Generic Medicines Russia Medical Devices Malaysia; United States (Minnesota) Nutrition China; United States (Ohio)	2.2 million kWh 770 MT CO ₂ e emissions	\$220,000



Regulated Air Emissions

The production of some Abbott products involves substances that are ozone-depleting or classified as hazardous or toxic air pollutants (HAPs) by the Environmental Protection Agency (EPA). We require all Abbott facilities using these substances to take all necessary steps to ensure the protection of human health and the environment. This includes adhering to all applicable regulations, as well as to Abbott technical standards. Our [Supplier Guidelines](#) establish that the same standards are expected of all Abbott suppliers.

Abbott prohibits the use of certain hazardous substances across all operations and continually evaluates new toxicological information, regulatory changes and alternatives to substances that are identified as hazardous.

Scope 3 Emissions

Our Scope 3 emissions are an estimated 12 times larger than our Scope 1 and 2 emissions combined. They 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 on [page 68](#) 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 39%. This is a result of reducing overall waste by 22% and waste sent to landfill by 48%, since 2010. Under our 2030 Sustainability Plan, we will work with Abbott's carbon-intensive suppliers on programs to reduce our Scope 3 carbon emissions, and we are developing a target for these reductions.

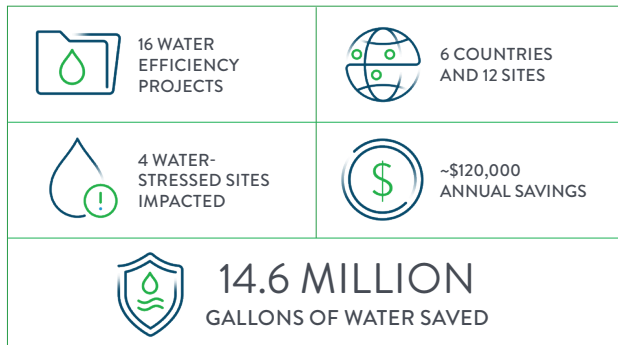
We describe how we currently engage suppliers to reduce their Scope 3 emissions on [pages 95–96](#).

PROTECTING WATER RESOURCES

Abbott recognizes that water is a critical natural resource essential to sustaining life, human health, economic growth and ecosystems. It is also essential to Abbott's business continuity and manufacturing operations and 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.

2020 COMPLETED WATER REDUCTION PROJECTS



Context-Based Approach

We are leveraging our Alliance for Water Stewardship (AWS) membership and resources and World Resources Institute (WRI) resources to develop a context-based approach to water management that monitors water impacts across the water catchment basin we operate in and source from. This delivers a better understanding of our business's water-related risks and enables us to mitigate these risks and ensure business continuity in the communities where we operate and also across our value chain.

A context-based approach to water management is important because water issues are wide-ranging, from water scarcity to flooding, including localized issues that affect both the business and customers. Our approach ensures we invest in what and where it matters when it comes to water resources.

Our approach to water management 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:

- Using a context-based water-management approach that considers our water impacts across our value chain in water-stressed areas
- 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

Some Abbott sites have regulations governing direct water discharges, which include specific provisions to ensure that any discharge does not harm water quality or people's health. The vast majority of water that Abbott discharges goes directly to municipal plants for treatment prior to direct discharge to a waterway.

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.

2030 Sustainability Targets

We have aligned our 2030 Sustainability Plan and our water management technical standard, which governs our operational water management, with the principles of a context-based approach. Our Sustainability Plan includes the following water-related targets for 2030:

- Achieve water stewardship certification at all high-water impact manufacturing sites in water-stressed areas
- Implement accredited water stewardship management practices in more than 75% of all manufacturing sites operating in water-stressed areas
- Work with 50 key suppliers in high water-stressed areas to reduce risks to water quality and quantity for Abbott and the community

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 and Opportunities section on [page 65](#).

Through our water-management technical standard, we monitor our impact on water resources in the communities where we operate and assess water-related risks at the basin level and across our value chain. We also work with community stakeholders and within our own operations to reduce water-related risks.



>75%
OF ALL

MANUFACTURING SITES

in water-stressed areas to employ accredited water stewardship management practices by 2030.

We identify manufacturing and R&D sites 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 risks to our operations and in the communities where we operate.

Our water-management technical standard identifies three categories of manufacturing and 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 basins 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 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 2020, 28 of our 112 manufacturing and R&D sites operated in water-stressed regions. However, more than 54% 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, and minimized our impacts in the water-stressed areas where we operate.

Our annual water stress mapping and analysis also help 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 the 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

EVALUATING WATER STRESS AND INTENSITY OF USE TO DETERMINE SITE WATER-RISK PROFILE

BASELINE WATER STRESS USING THE WORLD RESOURCES INSTITUTE AQUEDUCT™ TOOL		+	ANNUAL WATER USE INTENSITY		LEVEL OF WATER MITIGATION DESCRIPTION BASED ON SITE WATER-RISK PROFILE	
 <p>WATER-STRESSED</p>		+	HIGH WATER USE	=	LEVEL 1	<p>LEVEL 1</p> <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 <p>LEVEL 2</p> <ul style="list-style-type: none"> Evaluate local water risks Identify opportunities to mitigate water-related risk Set and track water targets <p>LEVEL 3</p> <ul style="list-style-type: none"> No action required
		+	MEDIUM-LOW WATER USE	=	LEVEL 2	
		+	MINIMAL WATER USE	=	LEVEL 3	
 <p>NOT WATER-STRESSED</p>		+	HIGH WATER USE	=	LEVEL 1	
		+	MEDIUM, LOW, MINIMAL WATER USE	=	LEVEL 3	

Our Water Footprint

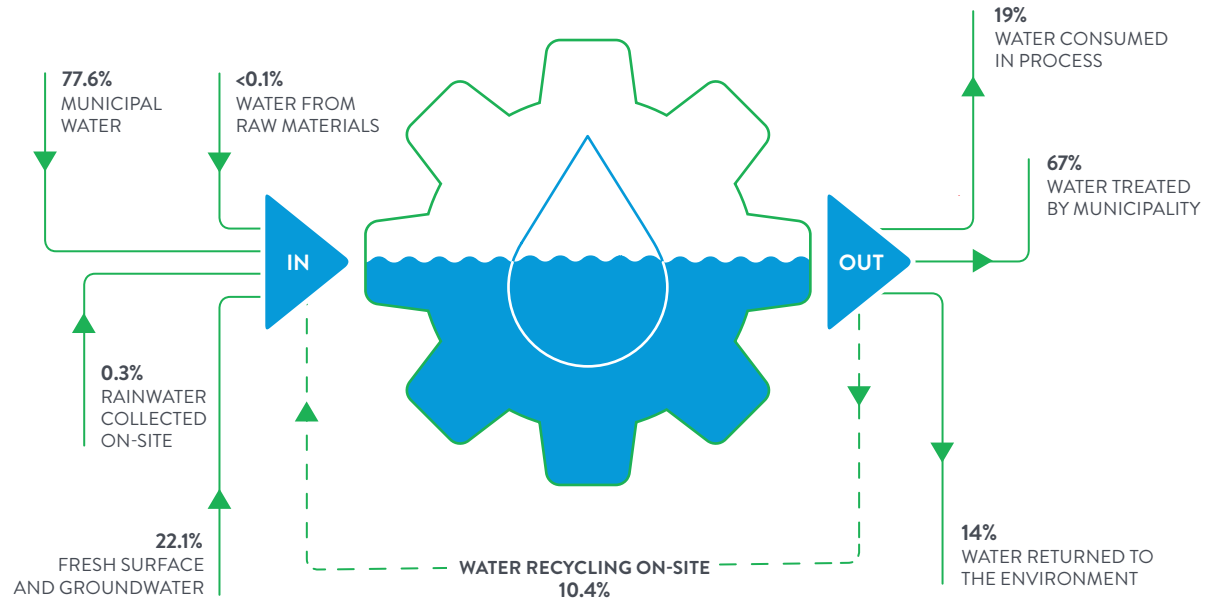
Each year, we map our water footprint to understand where the water that we consume comes from, how it is discharged and treated, and the impacts that we have on our local water basins. In 2017, we began collecting water source, discharge and on-site recycling data for our manufacturing and R&D sites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



Our 2020 Targets

We have met our target to reduce Abbott’s total water intake by 30% by 2020, when compared with 2010 and adjusted for sales. At the end of 2020, we had reduced our water intake compared with 2010 by 4.1% on an absolute basis and 34% when adjusted for sales. We have achieved this 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 2020 was 3.49 billion gallons, a 2% decrease compared with 2019. In 2020, we recycled and reused 17% of water at sites employing water recycling practices. In addition, the number of facilities with water recycling activities also increased from 25 to 29.

In 2020, we implemented 16 water efficiency and reduction projects at 12 manufacturing and R&D 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 2020 resulted in a savings of \$120,000 and 14.6 million gallons of water per year.

In 2020, we received a B rating for our [CDP Water Disclosure response](#), consistent with our rating of B in 2019. This aligns Abbott with the global average of all the businesses in our activity group. For detailed information on our water management performance, see [pages 140–143](#) in the Reporting on Sustainability section.

2020 WATER REDUCTION HIGHLIGHTS

In 2020, some of our greatest water efficiency projects included the following:

INITIATIVE	DIVISION AND LOCATION	ANNUAL WATER SAVINGS	ANNUAL COST SAVINGS
General site water management improvements (7 projects)	Corporate United States (Illinois) Medical Devices Belgium; Costa Rica; United States (California, Minnesota)	4.1 million gallons	\$38,000
Optimization of manufacturing/utility processes to improve water efficiency (2 projects)	Nutrition Netherlands; Spain	10 million gallons	\$33,000
Sewer service charge adjustment request, reducing the sewer discharge rate from 93% to 47% (1 project)	Medical Devices United States (California)	None	\$47,000

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 the fate and treatment of waste that Abbott produces, as well as waste diversion in a circular-economy context
- 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, and the targets that we have set as part of our 2030 Sustainability Plan reflect this.

2030 Sustainability Targets

Our targets for 2030 include:

- Addressing 50 million pounds of packaging through high-impact sustainable design programs that do the following:
 - Employ circularity principles through smart design and material selection
 - Eliminate and reduce materials
 - Improve the energy efficiency of Abbott’s products
 - Optimize packaging, pallet and truckload efficiency
- Reducing waste impacts using a circular-economy approach to achieve and maintain at least a 90% waste-diversion rate
- Engaging with key suppliers to reduce the environmental impact of materials supplied to Abbott that become waste in our operations

2020 COMPLETED WASTE REDUCTION PROJECTS



Circular Economy

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.

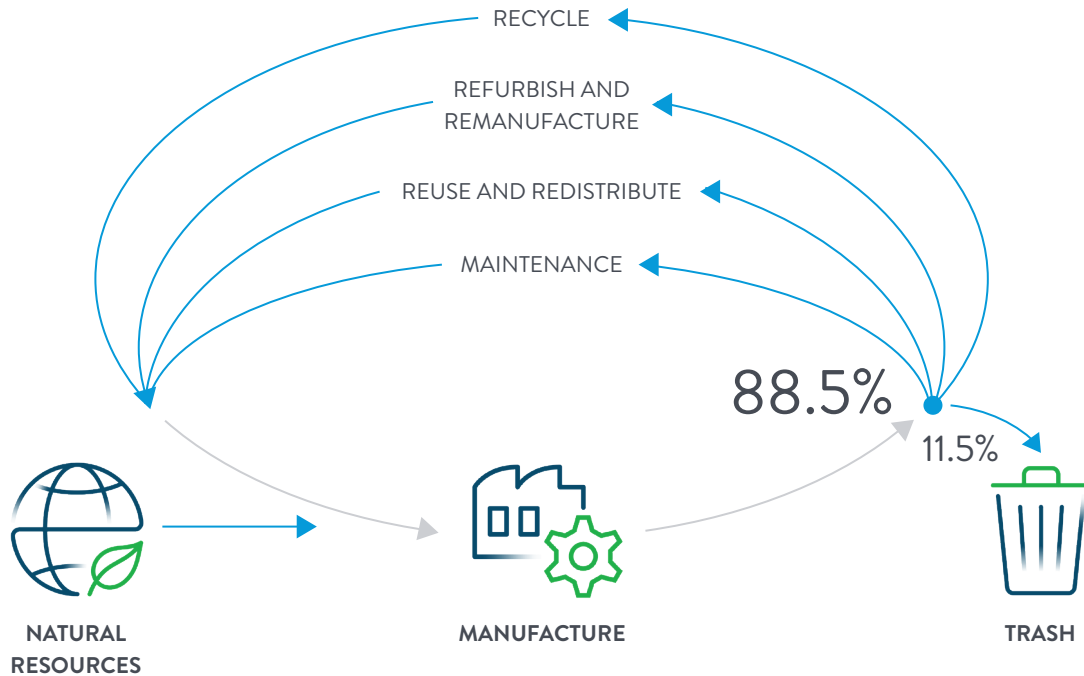
Our waste-management strategy and 2030 targets commit us to finding ethical, economical and efficient ways to reduce the volume and hazardous characteristics of our waste and to ensure proper waste-disposal practices. However, it also goes further, with a commitment to maximizing the recovery of resources 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 13% of our waste footprint. In 2020, hazardous waste made up about 17% of our waste. This increase was the result of a one-time site expansion construction project that negatively impacted hazardous waste.

CIRCULAR-ECONOMY APPROACH TO OUR WASTE MANAGEMENT

88.5% of waste and beneficial-use materials produced in our operations are diverted from landfill and incineration without energy recovery.



Circular Approach to Waste Management

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 the following:

- 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
- Recycling and incinerating with energy recovery



Zero Waste to Landfill

In 2012, we launched a Zero Waste to Landfill program to provide our sites with a clear target for diverting waste away from landfills. In total, 31 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, helps to engage employees in our environmental initiatives and motivates sites to direct waste to higher levels of waste management.

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 807 waste vendors within the last five years and 172 waste vendors in 2020.

We work with our waste vendors to ensure they employ the most efficient and responsible disposal techniques in the management of our waste.

Our IT standard for evaluating and approving electronic-waste vendors is used to ensure that responsible recycling of IT waste and controls are in place for resale of viable assets. Our electronic equipment reuse and recycling program recycled 162 U.S. tons and resold 61 U.S. tons of electronic equipment in 2020. Our IT program supports our waste strategy of keeping materials in use and reducing raw material inputs by reusing or recycling IT-related materials and waste.

See the Supply Chain section on [page 101](#) for more details about our waste management in our value chain.

Managing Hazardous and Chemical Waste

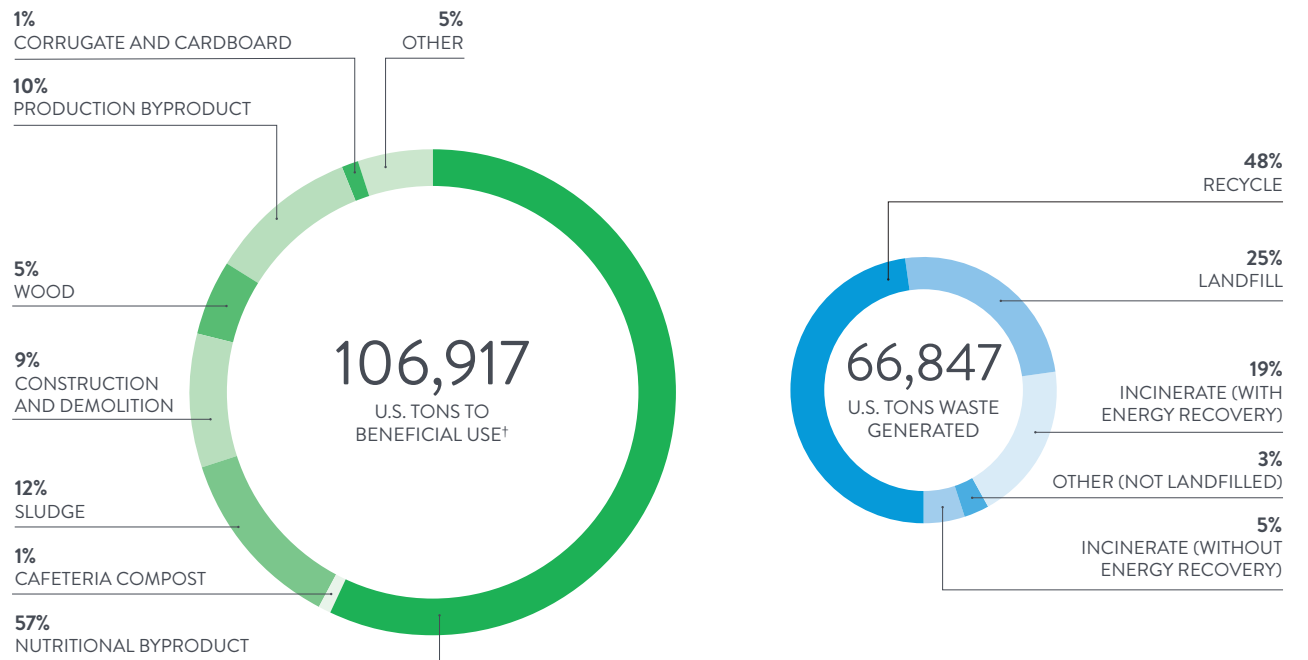
Abbott’s hazardous-waste management program is governed by our internal waste management standard, which also covers the disposal of chemical waste. The standard includes specific requirements for storing, segregating, labeling and documenting hazardous waste, and for biohazardous waste to be decontaminated prior to final disposal. It also requires that all Abbott employees and contract workers undertake hazardous-waste management training before undertaking responsibility for hazardous-waste management, and for this training to be completed annually.

Our Operational Waste Footprint

Waste management is a priority for our business. Managing our waste to higher levels of disposition (including incineration with energy, recycling and beneficial use), where we keep materials in use and extract additional value from waste and our materials, is part of that commitment. Ultimately, we are also focused on designing out waste and reducing the burden on raw materials.

The chart on this page shows our operational-waste footprint in detail, including how waste from our own operations is diverted from landfills and how we seek to ensure energy recovery from any incineration of our waste.

MORE THAN 59% OF THE MATERIALS THAT ABBOTT GENERATES THAT WOULD HAVE BECOME WASTE* IS PUT TO BENEFICIAL USE



*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.

Our 2020 Targets

In 2020, we produced 66,847 tons of waste, an absolute decrease of 5% compared with 2019. Since 2010, we have reduced our total waste footprint by 22% on an absolute basis and by 47% when adjusted for sales, nearly achieving our 2020 50% reduction target.

In 2020, we produced 11,175 tons of hazardous waste, an increase of 32% compared with 2019. This increase was the result of a one-time site construction project that negatively impacted hazardous waste. In partnership with our global electronic-waste partners, we recycled 162 tons and resold 61 tons of electronic equipment.

Through our efforts to maximize the economic value of material over time, we diverted 88.5% of our operational waste and beneficial-use materials from landfills and incineration without energy recovery. In 2020, our beneficial-use activities exceeded the total waste that Abbott generated by 59.9%, with 106,917 tons of materials beneficially used from 88 sites in 26 countries. This included composting 1,146 tons of cafeteria waste.

For additional details on our waste metrics, see [pages 144–150](#) in the Reporting on Sustainability section.



0%
WASTE TO LANDFILL

31 Abbott manufacturing facilities and seven nonmanufacturing facilities, located across 18 countries, have now achieved Zero Waste to Landfill status

SUSTAINABLE LIFE CYCLES WITH PRODUCTS AND PACKAGING

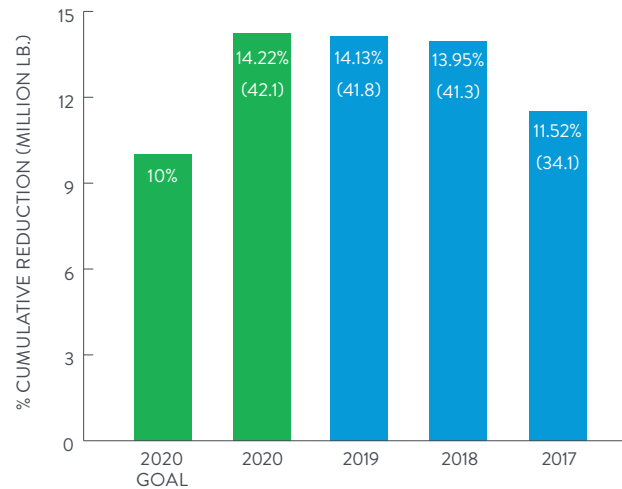
Many different Abbott functions work together to incorporate sustainability considerations into the design of our products and packaging to improve sustainability throughout the product life cycle. When possible, we prioritize the following considerations in the design and manufacture of our products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

Our 2020 Targets

Abbott’s cross-functional Packaging Council set an aggressive target to reduce the total weight of packaging for Abbott products by 10% by 2020, when compared with our 2010 baseline. We surpassed this initial goal in 2017 and continued to build on our progress through 2020. By the end of 2020, we had reduced our total weight of packaging by 14.2% compared with 2010. Through this achievement, we have eliminated approximately 42.1 million pounds of packaging and saved more than \$100 million since 2010.

CUMULATIVE PACKAGING REDUCTION



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.

Responsible Sourcing and Product Stewardship

Our Product Stewardship, Supply Chain, 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 Supply Chain section on [page 84](#).

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 2020 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 2020, 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, in cooperation with the Environmental Protection Agency (EPA) 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 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.
2. 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 129–131](#) and [133–135](#) in the Reporting on Sustainability section.
3. A Form SD is an Exchange Act Form used to satisfy special disclosure requirements implemented under the Dodd-Frank Wall Street Reform Consumer Protection Act.

SUPPLY CHAIN

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SUPPLY CHAIN RESILIENCE

Abbott works with approximately 70,000 suppliers in 145 countries. We spent \$17 billion with these suppliers in 2020. 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 business continuity and flexibility while minimizing risks and our shared sustainability impacts. Working closely with our suppliers on new solutions supports our delivery of life-changing technology. Our strategy also promotes new approaches to protect and multiply long-term environmental, social and economic value for all stakeholders that we engage across our value chain as well as across the life cycle of our products.



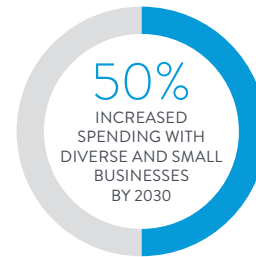
SUPPLY CHAIN 2030 SUSTAINABILITY PLAN TARGETS

Our robust and diverse supply chain is built to function even under the greatest stress.



DELIVERING

even stronger supply chain progress through 2030.



CERTIFY THAT 80%

of newly contracted direct material spends are linked to contracts that incorporate social responsibility requirements.



150% INCREASE IN SPENDING

with Black- and women-owned businesses by 2025.



ENSURE ETHICAL SOURCING

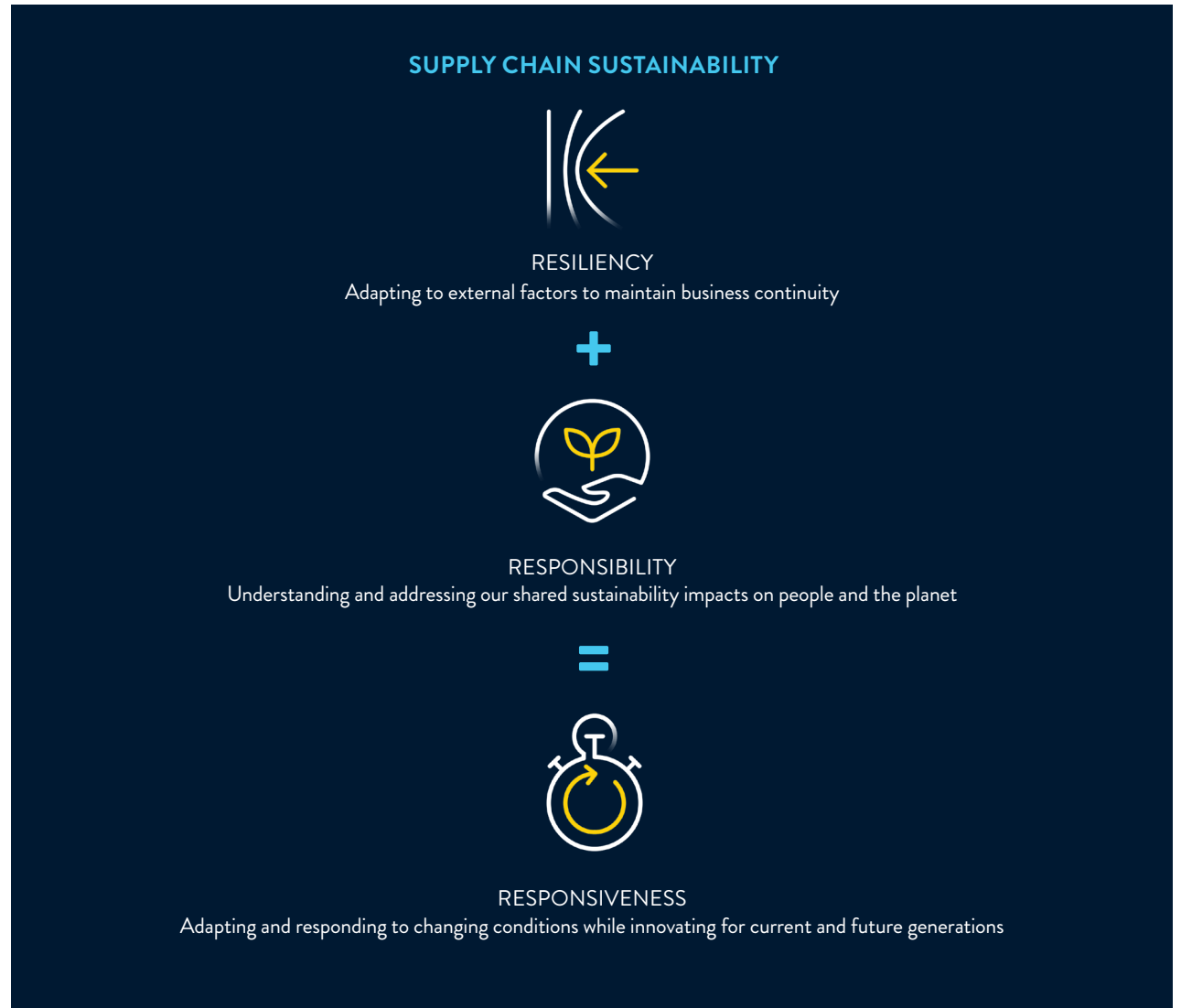
from all suppliers with high-risk sustainability factors through 100% auditing.

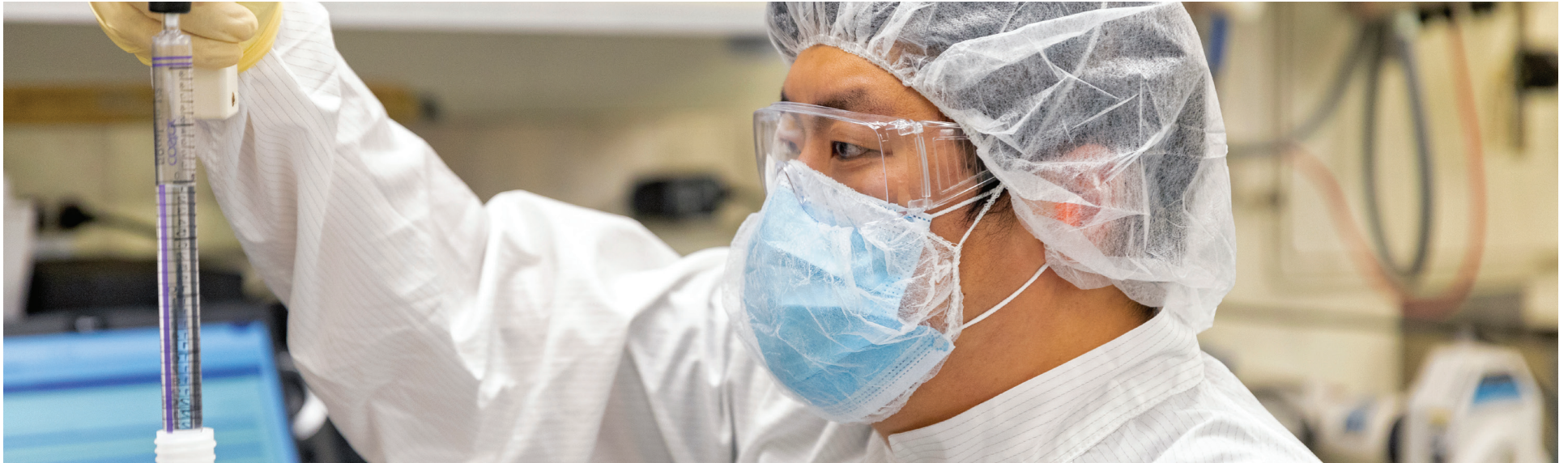


2030 SUSTAINABILITY PLAN TARGETS

Our 2030 Sustainability Plan highlights the importance of supply-chain sustainability to deliver innovative healthcare solutions to the millions of people who need them. Our Plan sets the following 2030 targets for the development and management of our shared sustainability impacts across our supply chain:

- Certify that 80% of newly contracted direct material spends are linked to contracts that incorporate social responsibility requirements
- Ensure ethical sourcing from all suppliers with high-risk sustainability factors through 100% auditing
- Ensure an inclusive environment by increasing spending with diverse and small businesses 50% by 2030, and Black- and women-owned businesses 150% by 2025, from a 2020 baseline
- Work with our key carbon-intensive suppliers to implement sustainable programs to reduce our Scope 3 carbon emissions (Quantitative Scope 3 target is forthcoming)
- Work with 50 key suppliers in high water-stressed areas to reduce water quality and quantity risks to Abbott and the community
- Engage with key suppliers to reduce the environmental impact of materials sent to Abbott that become waste in our operations, and to develop and track supplier waste diversion initiatives
- Address 50 million pounds of packaging through high-impact sustainable design programs
- Reduce waste impacts using a circular-economy approach to achieve and maintain at least a 90% waste diversion rate





SUPPLY CHAIN RESILIENCE IN A TIME OF DISRUPTION

In 2020, the world needed urgent new answers to battle the COVID-19 pandemic.

We answered the call, developing a broad portfolio of tests to confront the virus in different ways. We accomplished in months what traditionally takes years. But just creating the tests wasn't enough. We also had to manufacture and distribute them in massive quantities.

Getting tests to people who needed them required a comprehensive effort. Securing supplies. Scaling up manufacturing. Quickly expanding distribution. The key to making it a reality was the strength and resilience of our supply chain.

Our intricate global network—approximately 70,000 suppliers in 145 countries—enables us to get our life-changing technologies into the hands of the millions of people around the world who need them, when they need them. With a supply chain this sweeping, even small disruptions can have a major impact. And the COVID-19 pandemic tested it in ways few have ever seen. We were prepared, thanks to our long-time commitment to reinforcing the continuity and flexibility of our supply chain.

We established new railway routes for transporting our essential medicines from our established pharmaceuticals business.

We quickly ramped up three new production facilities for COVID-19 tests, sourced the needed materials for the tests and pulled in hundreds of employees from businesses across the company to ensure we had enough people to do the work.

All of this was made possible by outstanding management of our robust supply chain—the resilience of which helped us avoid significant disruptions in a very challenging year.

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 sourcing 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 Head 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 and opportunities across our value chain.

Several additional Abbott committees and teams support the SCC in its work to improve the adaptability, resilience and flexibility of our supply chain:

- 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 spending.
- 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.
- The Environmental, Health and Safety (EHS) Leadership Council is responsible for governing EHS-related topics and provides subject-matter expertise to advise supply chain assessment and engagements.

MANAGEMENT APPROACH

Our management approach emphasizes the importance of sustainability, resilience and flexibility in our supply chain. We work closely with our suppliers on solutions to support the delivery of our life-changing technologies, reduce our environmental and social impacts, enable innovation and multiply the social and economic value that we create. The SCC has established multiple initiatives to embed sustainability as a key element in our supplier engagements.

These initiatives enable us to manage risks systematically, identify opportunities to reduce our shared impacts and enhance the sustainability of Abbott's global business.



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 integrate 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 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 business functions. 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.

Abbott achieved our goal for 100% of our more than 1,300 Global Procurement professionals to be trained in supplier diversity and sustainability, requiring this training to be completed by all existing and new employees in 2020.

OUR SUSTAINABLE SUPPLY CHAIN

We update our Supplier Guidelines to align with evolving global expectations, including the UN Global Compact and the Pharmaceutical Supply Chain Initiative (PSCI).

We build transparency and resilience through improving supply chain business continuity, developing real-time visibility and monitoring, and performing scenario analysis.

We maintain a formal process for assessing supplier risk and compliance with our Social Responsibility Guidelines by surveying suppliers on social and environmental sustainability issues.

We ensure a diverse supply chain that secures inclusion of diverse suppliers to drive economic growth in North America.

We engage high-sustainability-risk and key suppliers to reduce shared sustainability impacts through strategic supply chain initiatives (including priority areas, such as labor, human rights, environment and anti-corruption).

We create competitive advantage with sustainability through partnering with our suppliers to redesign products and services across the value chain and to leverage best practices and shared experiences through one-on-one partnerships and mentoring.

Guidelines, Standards and Policies

As a responsible corporate citizen, Abbott is committed to supporting and applying the fundamental principles of human rights, labor, the environment and anti-corruption to ensure long-term business success, as well as improving lives around the world.

Abbott’s [Supplier Guidelines](#) document the principles, standards and expectations for establishing and maintaining a business relationship with Abbott. As an extension of our business, we expect our suppliers to share our dedication to these principles by incorporating them into strategies, policies and procedures, and establishing a culture of integrity.

Our 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. In 2020, we updated our supplier guidelines to embed a clear focus around ethics, human rights and labor, health and safety, the environment and management systems.

Abbott’s Supplier Guidelines reflect the Ten Principles of the UN Global Compact and the PSCI Principles for Responsible Supply Chain Management. By incorporating the Ten Principles of the UN Global Compact into strategies, policies and procedures, and by maintaining a culture of integrity, Abbott and our suppliers are not only upholding their basic responsibilities to people and the planet, but are also setting the stage for long-term success.

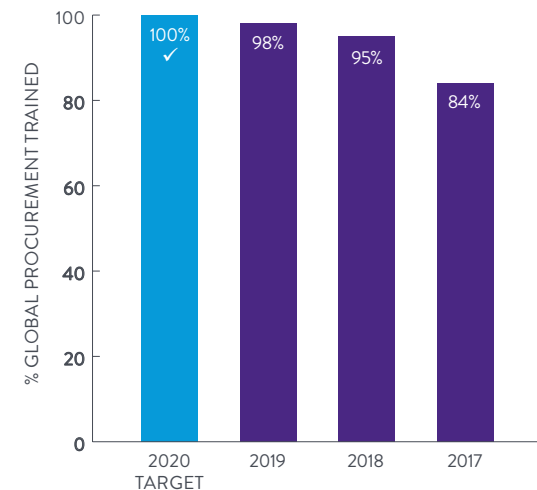
Suppliers are responsible for confirming their compliance and providing relevant training to their employees in order to meet our standards. We monitor compliance with these guidelines through our Supplier Responsibility Program and contracting process, and we work with suppliers to improve their performance, where required.

We make our Supplier Guidelines available in multiple languages on our website. To read Abbott’s Supplier Guidelines in their entirety, visit our [website](#).

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.

SUPPLIER DIVERSITY AND SUSTAINABILITY TRAINING



✓ Goal achieved.

- Our Climate Responsible Energy Guidelines encourage suppliers to reduce their carbon footprint 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 underrepresented group (for example, women, ethnic minorities, veterans, members of the LGBTQ+ community or individuals with a disability).

Conducting Business in an Ethical Manner

Our guidelines require that all suppliers conduct their business in an ethical manner, act with integrity and comply with all legal and regulatory requirements. This includes complying with all applicable legal requirements and industry codes, encouraging workers to report concerns or illegal activities, ensuring that animals are treated humanely, tracking and reporting on the presence and use of conflict minerals, and safeguarding the use of personal information.

Human Rights and Labor

Our Supplier Guidelines require that all suppliers are committed to protecting and upholding the internationally proclaimed human rights of workers, including treating workers with dignity and respect, making sure that suppliers are not complicit in human rights abuses and that they comply with all legal and regulatory requirements pertaining to human rights and labor practices.

Ensuring Worker Health and Safety

Our Supplier Guidelines require that suppliers provide a secure, safe and healthy workplace, minimizing exposure to accidents, injury and health risks, and comply with all legal and regulatory requirements. Our guidelines apply to protecting workers in the workplace and also in any living quarters and vehicles that suppliers provide.

Embedding Environmental Standards

Our guidelines specify that suppliers shall operate in an environmentally responsible and efficient manner to minimize adverse impacts on the environment. We expect suppliers to be transparent in embedding environmental management principles into their operations, with systems in place for safe handling, movement, storage, recycling, reuse or management of waste, air emissions and wastewater discharges.

We also expect suppliers to engage in initiatives to promote a circular-economy approach to help reduce waste through continued use of resources, conserve natural resources, avoid the use of hazardous materials and encourage the development and diffusion of environmentally friendly technologies.

We require suppliers in certain high-risk categories to have certified environmental management systems in place. These categories include third-party manufacturers, suppliers of active pharmaceutical ingredients (API) and chemicals of environmental concern, and waste vendors.

SUPPLIER GUIDELINES TOPICS

ETHICS	HUMAN RIGHTS AND LABOR	HEALTH AND SAFETY	ENVIRONMENTAL MANAGEMENT AND COMPLIANCE	MANAGEMENT SYSTEMS
<ul style="list-style-type: none"> • Business integrity and fair competition • Identification of worker concerns • Animal welfare • Conflict minerals • Privacy and confidentiality 	<ul style="list-style-type: none"> • Freely chosen employment • Child labor and young workers • Nondiscrimination • Fair treatment • Wages, benefits and working hours • Freedom of association 	<ul style="list-style-type: none"> • Secure, safe and healthy workplace • Accident, injury and health risk • Legal and regulatory 	<ul style="list-style-type: none"> • Environmental management systems • Waste storage and management • Water and wastewater • Air emissions • Environmental permits, licenses and reporting requirements 	<ul style="list-style-type: none"> • Legal and customer requirements • Risk management • Documentation • Training and competency • Continuous improvement • Communication

SUPPLIER RISK ASSESSMENT AND ENGAGEMENT

Selecting and Classifying Suppliers

When selecting our suppliers, we consider environmental, social and governance factors, 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 the levels of risk and shared sustainability impacts involved in each supplier relationship.

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 consider the degree of transparency and complexity involved in a specific supply chain, whether a supplier is certified to one of several certification schemes, including, but not limited to International Organization for Standardization (ISO) 14001 or 50001; how close the supplier's position is to our customers in the supply chain; and whether there is the potential for a supplier counterfeiting our products.

Our contracts include provisions for supplier transparency and require Tier 1 suppliers to maintain an evaluation program for their own suppliers and identify any high-risk suppliers that operate as Tier 2 suppliers for Abbott. This helps to ensure that raw materials and services from our Tier 2 suppliers meet Abbott's requirements.

Monitoring and Evaluating Suppliers

Abbott has global policies and procedures for evaluating the potential sustainability risks of new and existing suppliers. Our Supplier Responsibility Program uses a risk-based approach to determine the level of monitoring, assessments and audits required for each supplier. This takes into account supplier industry taxonomy, the region of the world in which they operate and the amount that Abbott spends with them.

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.

Each year, we request our top 200 to 250 critical suppliers identified through the Resilience tool to participate in our Supplier Sustainability Survey. In addition, our Global Procurement team proactively identifies suppliers in high-risk industries, geographies and spend categories, and conducts intensive screening in emerging markets. Our category sourcing leads identify an additional 100 to 150 key suppliers each year to be included in our annual Supplier Sustainability Survey.

Abbott's Supplier Sustainability Survey is made up of about 30 questions covering management systems, compliance and reporting, 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. See [page 94](#) for more results of our 2020 survey.

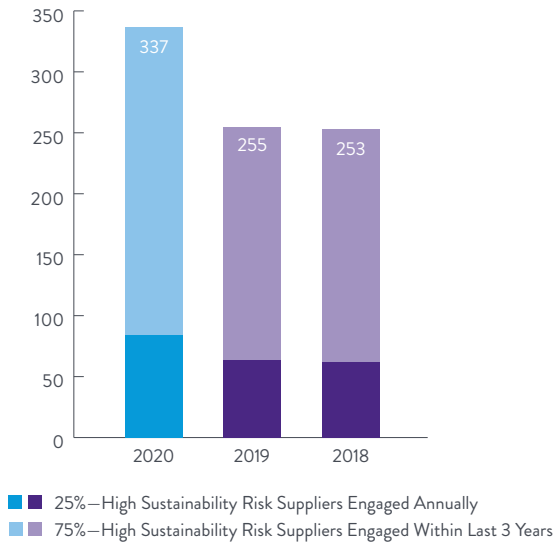
Third-party auditors conduct Abbott's supplier audits. An Abbott EHS leader and the supplier relationship owner within our Procurement team then interpret the results and identify any necessary actions. We define suppliers as "sustainability high risk" when our surveys, audits and screenings identify failure to comply with our Supplier Guidelines, or when there is risk of unintended environmental or social damage, business discontinuity or regulatory lapses.

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, API and waste suppliers to ensure that they are appropriately evaluating and mitigating environmental, health and safety risks associated with their industries. See [page 95](#) for more details about these programs.

HIGH SUSTAINABILITY RISK SUPPLIERS¹

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



2020 Supplier Sustainability Performance

In 2020, we evaluated 100 suppliers through Abbott’s Supplier Sustainability Survey. The suppliers surveyed represent all businesses and provide a variety of products and services to Abbott, including packaging, ingredients and clinical trials, manufacturing and product solutions, operational, technology and professional services, and commercial services.

Key findings of the 2020 survey indicated the following:

- 100% have code-of-conduct and ethics policies in place or are developing them.
- 74% of suppliers have supplier diversity programs in place, and 15% are certified diverse or small businesses.
- 43% of suppliers have environment, health and safety, and sustainability programs, and an additional 57% are developing programs.
- 56% of suppliers are tracking carbon performance, 11% are tracking waste, and 5% are tracking water and wastewater performance.
- 23% have business continuity plans.
- 4% were subject to climate-related risk.

In the past three years, Abbott has also conducted site audits at 67 suppliers that we identified as being at high risk for sustainability issues. These audits used Workplace Conditions Assessment standards. We worked with the remaining suppliers to address the needs that the audits identified. In total, we have audited 3% of our Tier 1 suppliers, by spend, over the past three years.



SAFEGUARDING BUSINESS CONTINUITY

In the face of an ever-more dynamic and fast-changing world, maintaining a resilient and adaptable supply chain is key to business success. Abbott works to ensure the resilience of our supply chain by collaborating across business functions to address complex supply chain challenges, leverage technology and improve transparency.

This approach delivers an increased understanding and, through this, we are able to adapt our supply chain to address external factors that may impact business continuity and improve our shared sustainability impacts across our value chain. These external factors include environment, social and economic risks, such as worker rights, climate change, natural disasters, resource scarcity, cybersecurity and disease outbreaks.

Abbott's SCC and a Business Continuity group use the DHL Resilience360[®] risk matrix tool to: analyze sourcing locations for our critical suppliers², assess their level of risk and track geopolitical, security, sustainability, environmental and infrastructure risks that could affect our supply chain. Through this system, we monitor supply-chain disruptions in real time to identify suppliers and locations at high risk of impacting business continuity owing to natural disasters and other issues. 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% 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 73](#) in the Environment section.

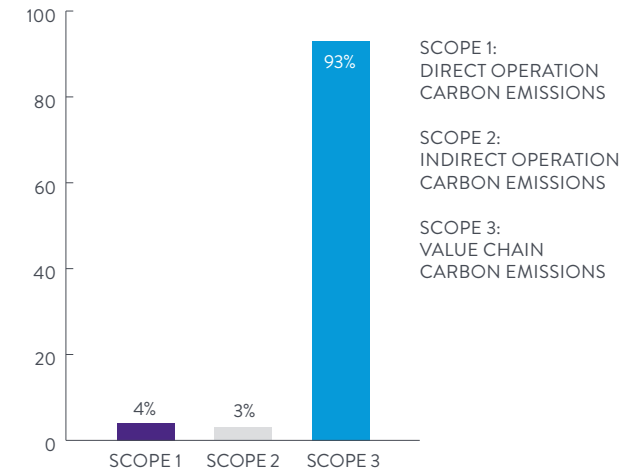
The COVID-19 pandemic tested the resilience of Abbott's supply chain to the extreme. We worked across our business functions to respond to the external challenges that the pandemic created, in the following ways:

- Building an inventory of raw materials and finished goods to ensure continuity of supply and, where possible, level loading within our supply chain
- Monitoring supplier performance more tightly to identify distressed companies far enough in advance to enable contingency plans
- Mapping supplier manufacturing sites in known COVID-19 hot spots or in sites affected by government lockdowns
- Offering COVID-19 testing for suppliers' employees (for a very few strategic suppliers) to ensure continued operations and supply

Energy and Climate-Change Management

An organization's average upstream emissions are around 11.4 times greater than its direct operations. Because of this, organizations have much greater potential to reduce global emissions by influencing their supply chains. Abbott's Scope 3 emissions made up 93% of our carbon footprint. These emissions result from the sourcing, distribution, consumption and disposal of our products.

OUR 2020 CARBON FOOTPRINT



We engage our suppliers to understand their climate-related activities, risks and opportunities through targeted initiatives across multiple Abbott functions. These functions include procurement, business continuity, risk management, environment, health and safety (EHS), and quality. Abbott's SCC has expanded this engagement by developing strategic initiatives for several high-sustainability-risk sourcing categories: energy, transportation and distribution, agriculture, chemicals of environmental concern and API, packaging, dairy and waste management. These initiatives span our supply chain and the life cycle of our products.

We engage our suppliers in order to do the following:

- Identify and address climate-related risks that may impact business continuity
- Identify opportunities to design, produce and distribute our products with consideration for their impact on the environment and human health
- Reduce suppliers' Scope 1 and 2 emissions associated with the products and services that they supply to Abbott (our Scope 3 emissions)
- Implement solutions to reduce emissions affiliated with our business operations, such as business travel, meetings and the end-of-life treatment of products, and Abbott waste

Details about each of these strategic initiatives are included in the Strategic Supply Chain Initiatives section on [page 97](#).

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. For survey results, please see the Supplier Sustainability Performance information on [page 94](#).

The CDP (formerly Carbon Disclosure Project) provides a Supplier Engagement Rating (SER), which assesses how effectively companies are engaging their suppliers on climate change using their responses to questions on governance, targets, Scope 3 emissions and value-chain engagement. Abbott received an SER of A- in 2020, which places our business in the Leadership band. This is higher than the North America regional average of B-, and higher than the Medical Equipment and Supplies sector average of C. Abbott is among 21% of companies in our sector to be placed in the Leadership band.



Product Traceability and Critical Materials Use

Abbott maintains traceability of our products within the manufacturing and distribution chain by leveraging product identification technologies and enterprise resource planning solutions. Through these systems, we ensure compliance with regulatory, quality and control requirements.

Critical materials used in our products are managed through our product stewardship program. See [page 82](#) for more information about our product stewardship program.

One-on-One Strategic Supplier Engagements

Our Global Procurement and Global Environment, Health and Safety (GEHS) teams actively engage with strategic suppliers in one-to-one partnerships to identify and address sustainable supply-chain risks and opportunities. We work with these suppliers to share best practices on the management of sustainability issues, as well as to explore initiatives to improve the sustainability of Abbott products and the products and services our suppliers provide to us. In the past three years, Abbott has partnered with nine strategic suppliers to engage on sustainability issues, and in 2020 we partnered with three.

Supply Chain Partnerships and Training

Abbott partners with various stakeholders across our value chain to identify and mitigate our shared sustainability impacts. 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.

Abbott is also a member of the Pharmaceutical Supply Chain Initiative (PSCI) to establish and champion responsible supply chain management in order to continuously improve social, health, safety and environmentally sustainable outcomes for our supply chains. Through the PSCI, we collaborate with peers and suppliers to improve our supply-chain sustainability programming, as well as to offer our suppliers capability training through both online and in-person learning opportunities.

STRATEGIC SUPPLY CHAIN INITIATIVES

As part of our approach to managing environmental and social sustainability risks and opportunities in our supply chain, the SCC has developed strategic initiatives for several high-sustainability-risk sourcing categories. These aim to reduce shared impacts across our value chain.

In 2020, our strategic supply chain initiatives engaged with more than 9,000 suppliers, influencing more than 40% of Abbott's supply-chain spend.

Supplier Diversity

Supplier diversity is an essential element of a sustainable supply chain. Building an inclusive supplier base enables Abbott to leverage a broader range of talent, insights and ideas while increasing supply-chain resilience and doing business the right way.

Abbott's Supplier Diversity Program is designed to create competitive advantage for diverse and historically disadvantaged suppliers and provide them with opportunities. In 2020, we continued to prioritize our efforts to increase our spend with minority-, women- and LGBTQ-owned businesses. We also continued to strengthen our Supplier Diversity Tier 2 program, which focuses on growing the diversity of our extended supply chain.

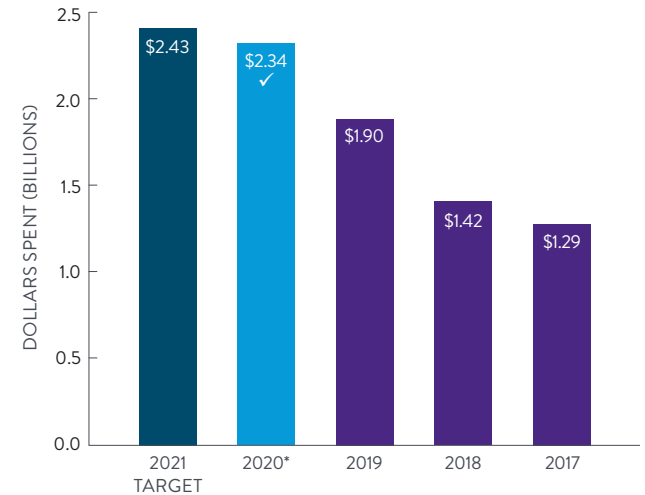
Under our Tier 2 program, we work with key and strategic suppliers to encourage them to increase their own supplier diversity.

Abbott's efforts to support supply chain diversity include our partnerships with the Council for Supplier Diversity and Chicago United, through which we have developed the Abbott Supplier Diversity Connections and Five Forward program. This program connects diverse suppliers to business opportunities and helps develop business skills through mentoring. Abbott also continues to play an active role within the Diverse Manufacturing Supply Chain Alliance (DMSCA), which supports small and minority-owned manufacturing suppliers bringing innovative solutions to market.

In 2020, we completed an economic impact analysis to understand how partnering with diverse and small businesses has a positive impact on business growth, employment and revenue. From this analysis, we found that our 2019 Supplier Diversity Program supported more than 9,400 jobs and had an estimated economic impact of \$1.9 billion in the communities where our diverse suppliers operate in the United States and Puerto Rico. In addition, the communities we impact through our supplier diversity program saw significant growth in the female workforce employed, particularly for African American, Hispanic and Asian demographics.

In 2020, we surpassed \$2 billion in spend with diverse and small businesses for the first time, increasing our economic impact beyond that of 2019. In 2020, we worked with 5,575 diverse and small businesses, representing \$2.3 billion in procurement spend, an increase of 23% from 2019 to 2020. During this same time frame, our spend with small businesses increased 19% and spend with minority-owned businesses increased 39%.

ANNUAL SPEND ON DIVERSE SUPPLIERS



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

Diverse and small businesses also played key roles as Abbott developed and accelerated COVID-19 testing throughout 2020. In total, 11 small and diverse businesses were involved in bringing testing solutions to our customers in 2020. These suppliers provided construction services and manufacturing equipment as we built out additional manufacturing capacity to meet global demand for COVID-19 testing. These suppliers also supplied goods and services for the creation of the tests themselves, including all starting materials.

In total, these 11 suppliers represented \$94.7 million in procurement spend in 2020, offsetting some of the impact of the pandemic on small businesses and their communities in the United States and Puerto Rico.

DiversityPlus magazine listed Abbott as a 2020 Top 10 Champion of Diversity in recognition of our Supplier Diversity Program. The journals *Black EOE Journal*, *Hispanic Network*, *U.S. Veterans Magazine* and *Professional Women's Magazine* also awarded Abbott the title of Best of the Best Supplier Diversity Program.

ACCELERATED EFFORT IN OUR SUPPLIER DIVERSITY PROGRAM

	2020	2018–2020
Diverse Suppliers Engaged	5,575 suppliers	8,024 suppliers
Spend with Diverse Suppliers	\$2.3 billion	\$5.5 billion
Increase in Diverse and Small Spend	23% increase 2019–2020	65% increase 2018–2020

Agriculture

We have identified agriculture as a strategic sourcing category where opportunities exist to reduce our shared sustainability impacts across the supply chain. In recent years, we have engaged with strategic agriculture suppliers to ensure that they are appropriately managing potential social and environmental impacts associated with the products that they source for Abbott.

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. 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 also implement sourcing strategies to mitigate sustainability issues and risks when they are identified. For example, Abbott does not use palm oil in our products and has a program to ensure that all palm-affiliated product suppliers (such as palm nuts) are certified to be responsibly and ethically sourcing these products.

Abbott does not use palm oil in our products; 100% of palm-affiliated ingredients used in our products are certified to be ethically and sustainably sourced.

In our nutrition business, more than 95% of our milk supply (by spend) is certified to improve the health and welfare of the dairy animals that produce our ingredients.

Animal Welfare in Dairy

Abbott is committed to improving the health and welfare of the dairy animals that produce 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 animal welfare both enriches the lives of dairy cows and has social and economic benefits for dairy farmers. In 2020, 95% of the milk that we procured (by spend) was certified to animal welfare standards.

From 2018 to 2020, we worked in partnership with World Animal Protection and our local dairy suppliers to advance our animal welfare training program in India, which promotes better access to water, proper housing, animal nutrition and proper veterinary care.

World Animal Protection implemented a “train the trainer” strategy to educate more than 11,000 farmers and family members through the program, identifying the farmers with the greatest potential for implementing change, and then encouraging them to share their experiences and results with others.

An early-stage report in 2020 found that 44% of participating farmers reported higher milk production and/or a higher quality of milk.

CHEMICALS OF ENVIRONMENTAL CONCERN AND ACTIVE PHARMACEUTICALS SUPPLIER ASSESSMENT PROGRAM

	2020	2019	2018	2017
Suppliers Evaluated	161	165	185	182
Supplier On-Site Audits	14 (+32 desktop audits owing to COVID-19)	36	42	36
Supplier Self-Assessments	57	52	82	85

Chemicals of Concern and Active Pharmaceutical Ingredients

In 2017, Abbott's branded generic medicines business established an engagement program to identify suppliers operating in at-risk regions that handle chemicals of high environmental concern if released into the environment, including active pharmaceutical ingredients (APIs). These regions include China, Europe, India and Latin America. The program aims to minimize our environmental risk exposure and ensure business continuity.

Through this engagement program, we assess and audit suppliers that we determine to be critical to business continuity, that have negative media exposure and/or notices of violation. Since this program launched in 2017, we have completed 160 EHS audits at supplier facilities (31 desktop audits were permitted in 2020 owing to COVID-19); 276 suppliers have completed self-assessments.

In 2020, through this program, 57 self-assessments were completed by suppliers, and 14 on-site EHS audits and 32 desktop audits were completed.

Energy Procurement

Our GEHS and Global Procurement teams work together to purchase electricity from utility providers that include above-average renewable generation in their energy mix. We estimate that 78,000 metric tons of CO₂e were avoided through the purchase of renewable energy in 2020. For more details of our renewable energy supply initiatives, see the Environment section on [page 69](#).

Business Travel

In response to the COVID-19 pandemic, Abbott significantly reduced nonessential business travel in favor of virtual meetings and events. As a result, we were able to reduce the carbon emissions affiliated with business travel by 59% compared to 2019.



TRANSPORTATION MODES (% OF GLOBAL SPEND)

	2020	2019	2018
Air	22%	20%	17%
Over the Road	31%	33%	34%
Parcel	22%	28%	31%
Multimodal and Rail	12%	9%	9%
Ocean	13%	10%	9%
Total Global Spend in Scope	100%	100%	100%

Transportation and Fuel Efficiency

Abbott’s transportation and distribution strategy prioritizes the need to provide patients with timely access to life-saving technologies. We have identified upstream and downstream transportation as one of the greatest opportunities to reduce our Scope 3 carbon emissions, and we strive to minimize the environmental impacts related to the transportation and distribution of our products whenever possible. However, we have to balance this with the need to expedite shipping and get our products to where they are needed, when they are needed.

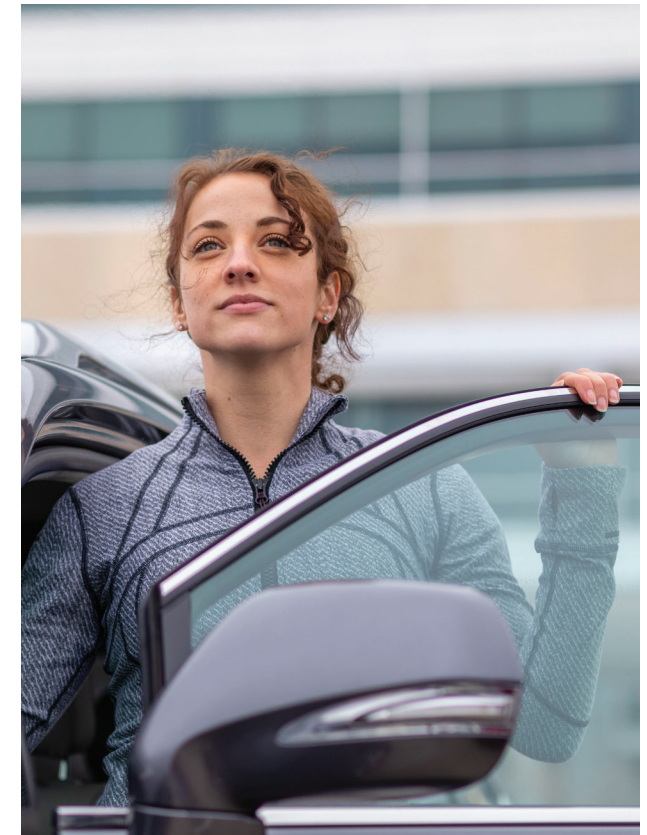
This balance has been particularly important during 2020, owing to the impact of COVID-19. Disruption caused by the pandemic meant that we could rely less on many of our most fuel-efficient modes of transportation. In order to deliver COVID-19 tests and other Abbott products to those in need, we increased our use of air freight and paid premiums to maintain or improve delivery times for these essential products.

We have implemented several global initiatives to improve the fuel efficiency of our transportation services:

- Shifting to more sustainable transportation methods
- Optimizing packaging and truckload efficiency
- Implementing fuel efficiency requirements in contracts with our transportation suppliers
- Maximizing efficiencies through fleets dedicated to each customer

For example, in 2020, Abbott transported freight more than 42 million miles using multiple modes of transportation across North America. This included 2.7 million miles and 1,386 shipments through intermodal transport and 39.4 million miles and 66,250 truckloads sent over the road. Through operational improvements, we eliminated more than 6,500 loads shipped (8.8%) during 2020, despite a 4.4% increase in sales, compared to 2019.

Since 2018, Abbott’s U.S. businesses have also been part of the U.S. Environmental Protection Agency (EPA) SmartWay® program, which helps companies advance supply-chain sustainability by measuring, benchmarking and improving freight transportation efficiency. We will continue to encourage our transportation and distribution providers to adopt more fuel-efficient technologies as they become available.



Sustainable Packaging and Waste

Our waste and materials management efforts extend beyond our own operations and require partnership with our material suppliers, as well as our waste-disposal vendors. Establishing partnerships with suppliers and other stakeholders is a key tenet of our strategy to reduce Abbott’s waste and material impacts across our value chain.

Abbott partners with suppliers and other material management stakeholders to implement more sustainable packaging materials, designs and manufacturing processes for our product packaging and the packaging of inbound materials to Abbott operations.

Through these supplier partnerships, we have optimized the use of packaging materials, increased the sustainability of our fiber-based packaging, reduced the use of nonrecyclable plastic, implemented reusable packaging and takeback initiatives, and implemented recycling and reuse opportunities that divert our operational waste streams from landfill.

Our 2020 Targets

Supplier partnerships have played a key role in the achievement of our 2020 packaging and waste reduction goals. These partnerships helped Abbott eliminate more than 42.1 million pounds of packaging from 2010 to 2020, to achieve an 88.5% diversion rate of materials from landfill and incineration without energy recovery, and to certify 31 of our manufacturing sites and seven nonmanufacturing sites as Zero Waste to Landfill.

WASTE VENDOR ASSESSMENT PROGRAM

	2020	2019	2018	2017	2016
Waste Suppliers Evaluated	172	168	159	149	159
Hazardous Waste Supplier On-Site Audits*	56	59	51	67	50

*Desktop audits permitted in 2020

2030 Sustainability Targets

With the adoption of our 2030 Sustainability Plan, we will continue to partner with suppliers to adopt a circular waste and materials management approach through our goals to do the following:

- Address 50 million pounds of packaging through high-impact sustainable design programs
- Reduce waste impacts using a circular-economy approach to achieve and maintain at least a 90% waste-diversion rate
- Engage with key suppliers to reduce the environmental impact of materials sent to Abbott that become waste in our operations, as well as develop and track supplier waste-diversion initiatives

Waste Supplier Evaluation

Abbott seeks to partner with waste vendors that have the expertise required for responsible and efficient waste management and processing. We evaluate all suppliers that manage Abbott waste through our Waste Vendor Assessment Program, which assesses suppliers that manage our waste every five years, or more frequently, depending on the type of waste and level of risk identified.

100% of our waste and materials management suppliers are assessed at least once every five years—ensuring only qualified and responsible suppliers manage Abbott’s waste.

In 2020, as a result of COVID-19, we granted an exception for waste vendors required to participate in on-site audits to complete desktop audits instead. In 2020, we assessed 56 waste suppliers, completed 24 on-site audits and 32 desktop audits under the 2020 COVID-19 protocol.

We will require on-site audits within one to three years, depending on risk, if the progress of the pandemic allows. In the meantime, we have adopted a policy of only authorizing new waste vendors to handle hazardous waste for Abbott if it is absolutely necessary, or until they have been able to complete on-site audits.

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.
2. Critical suppliers are defined as suppliers whose goods, materials or services have a significant impact on business continuity; they include high-volume suppliers, suppliers of critical components and nonsubstitutable suppliers.


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FOUNDATIONS OF QUALITY AND SAFETY

Abbott's 2030 Sustainability Plan focuses our strategy on bringing innovative healthcare solutions to the people who need them. It also sets clear objectives that support this priority in areas such as building a diverse, innovative workforce and protecting a healthy environment.

We recognize that these objectives and priorities must rest on sustainable foundations. We cannot improve the lives of more people without the trust of patients, healthcare practitioners, regulators and other stakeholders. We earn this trust by always operating ethically and with integrity, and through our determination to protect the quality and authenticity of our products.



ALYSSA DIAS
Engineer, Diagnostics Manufacturing
Lake Forest, Illinois

SUPPORTING COMMUNITY

Focusing on Noncommunicable Diseases

Finding new solutions to treat chronic diseases has long been a part of our work to help people live fuller, healthier lives. With noncommunicable diseases (NCDs) currently the leading cause of mortality worldwide, turning the tide—whether through prevention, diagnosis or treatment—is more critical than ever.

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, such as diabetes and cardiovascular disease. The school-based Future Well Kids program helps encourage the development of lifelong healthy habits at an early age.

We've reached almost 1,000 students in underserved communities of Ireland, Mexico and the United States in the program's first year. In 2020, we successfully pivoted the program to respond to the changed circumstances of the COVID-19 pandemic, developing virtual lesson plans that our classroom volunteers could teach remotely and launching a new website, Future Well Kids—For Families, with resources to encourage exercise and healthy eating at home.

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

We launched Future Well Communities in 2019 in Stockton, California, one of the most diverse communities in the United States, where nearly 60% of adults have diabetes or prediabetes and 33% are obese. During the COVID-19 pandemic, we have provided grants to our partner organizations in Stockton to provide screening services, food and frontline support to more than 100,000 people.

We have also continued to help residents address diabetes, focused on increasing access to health, education, transportation and healthy food.

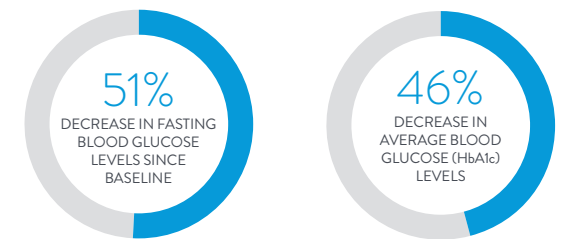
For example, to address the need for healthcare workers trained to manage diabetes, we have partnered with the University of the Pacific to provide scholarships for students committed to working locally, as well as to create clinical and nonclinical diabetes certificate programs and a diabetes track for graduate-degree programs in nursing and social work.

To better meet the communities' critical needs and address the racial inequities further exacerbated by COVID-19, we refined our strategy at the end of 2020 to prioritize the five most vulnerable neighborhoods in Stockton, linking patients to multiple services and driving consistent usage.

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.

ABBOTT | CARE PARTNERSHIP MARAWI, PHILIPPINES



DIABETIC AND PREDIABETIC PATIENTS IN MARAWI

Launched in June 2019, this partnership aims to improve lives by creating a scalable and replicable new model for the effective prevention and care of chronic diseases in humanitarian settings around the world. Program work in Marawi City includes screening to identify people with NCDs and those at risk of developing NCDs. Nurses and other healthcare providers have been 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 have been raising awareness and educating on the prevention and control of NCDs from the community to the national government level.

To deliver this new model, the Abbott Fund is providing \$1 million in funding, and Abbott is donating rapid-testing technology, diabetes monitors and test strips.

Initial results from the program have been promising. More than half (51%) of diabetic and prediabetic patients saw a decrease in their fasting blood-glucose levels since baseline, and 46% saw a decrease in their average blood-glucose (HbA1c) levels, which is an indicator of better glucose control and lower risk of complications.

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, pre-positioning products in at-risk areas. These packs provide critically needed products to nearly 20,000 people every year.

Because of the COVID-19 pandemic, Abbott volunteers did not participate in preparing disaster relief packs alongside Feeding America, as they have in recent years. However, with the help of our food banks, our donated nutritional products again filled 4,000 packs—enough to assist 12,000 adults and children. The packs are stored at the food banks ready for deployment in the hours following a hurricane, targeting heavily impacted regions like Florida, Louisiana, Puerto Rico and Texas. Abbott products 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 in Natural Disasters

Besides working to prepare communities, Abbott aims to respond rapidly when natural disasters or other emergencies strike. In 2020, Abbott and the Abbott Fund donated more than \$1.8 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 and wildfires in Australia and on the West Coast of the United States. For more than a decade, our rapid response to earthquakes, typhoons and flooding worldwide has involved providing more than \$50 million in funding and medical supplies.



PROMOTING ETHICS AND INTEGRITY

Abbott exists to enable people to live fuller, healthier lives through better health. 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 leader.

We have a clear strategy for building a culture of compliance at Abbott that engages all of our employees and that 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.

Compliance committees monitor compliance at the global, business, regional and country levels, providing training, ensuring employee awareness and engagement, and meeting regularly to discuss emerging issues.

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 have dedicated regional and country OEC personnel who support our global businesses with country-specific compliance requirements.

PROTECTING OUR SUPPLY CHAIN THROUGH PUBLIC AND PRIVATE PARTNERSHIP

Every day, all around the world, people see the Abbott brand and know they can trust they're getting only the highest-quality products. We work to earn that trust every day, creating and manufacturing products as if they were for our own families.

So, it's of vital importance to us that when people see the Abbott brand, they're actually getting an Abbott product, one that has been handled properly and kept safe in our established supply chain. That's why we have developed an ongoing and extensive program to prevent counterfeiting and diversion of Abbott goods around the world.

It's a task that requires constant vigilance. Over the past several years, we've developed a successful partnership with law enforcement agencies in Guatemala, which provides an excellent example of the ways in which we work to keep our products—and the people who depend on them—safe.

In the past, when it was suspected that our products were being counterfeited or diverted, our Global Security Team

would contract a third-party vendor to conduct an investigation. Over time, it became clear that this approach—due to a diversity of professional backgrounds and skill sets—was inefficient.

In Guatemala, our team worked with both local law enforcement and INTERPOL to develop a comprehensive training program to help individual law enforcement officers identify the Abbott nutrition products that are authorized to be commercialized in Guatemala and to recognize the signs of illegal diversion of those products. The success of these efforts led the Guatemalan Attorney General to create a Fraudulent Crimes Against Diversion and Contraband Division.

Since the program's inception in 2018, Guatemalan authorities have seized roughly 18,000 counterfeit or illegally diverted products. And, as an additional benefit, media coverage of these efforts has served to help educate the public on the risks associated with consuming contraband products.



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. We arrange for our compliance program to be reviewed externally on a regular basis.

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.

In most of the countries in which Abbott conducts business, there are laws and regulations to protect personal information, including protected health information. For many years, Abbott has dedicated resources, standards and training focused on data privacy and data-protection topics and, in 2018, we formally incorporated the Global Privacy Compliance Program into the Office of Ethics and Compliance.

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 they adhere to it. We roll out our code to every business that Abbott acquires, along with administering our compliance policies and procedures.

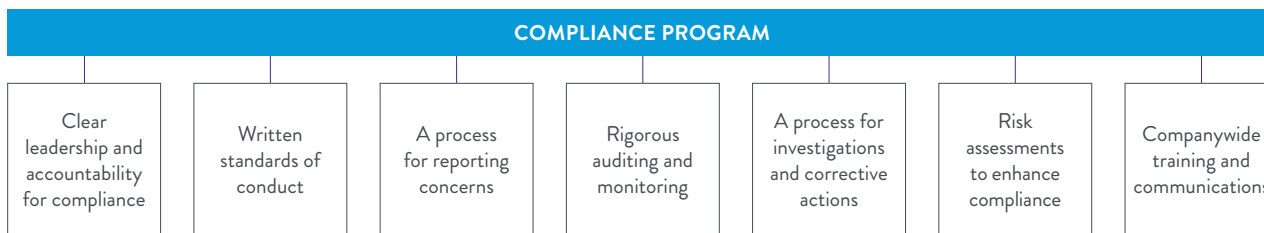
The code explains Abbott's values and that it is every employee's responsibility to live them every day. This includes employees holding themselves to the highest ethical standards, keeping a watchful eye on our activities, reporting concerns in good faith, and always operating with honesty, fairness 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. Our code and other policies are aligned with the code of conduct guidelines issued by medical technology trade associations such as AdvaMed, APACMed, MedTech Europe and Mecomed.

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 this page 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. The OEC reviews product and brand promotions as part of its internal monitoring, and this activity is also included in our internal and external audits.

We update our ethics and compliance policies regularly to reflect changes to the law or industry codes, including rules on interactions with healthcare professionals.

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.

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 it strictly forbids any retaliation against any person who raises a complaint.

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. This person assigns an investigator from the appropriate function to gather evidence so that 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 the OEC, Legal 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.

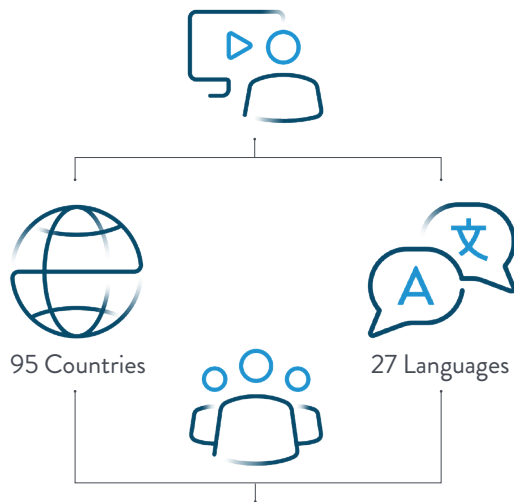
Training and Awareness

Abbott's employees participate in a global online Legal and Ethics Resource Network (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. LERN follows an annual curriculum, under which the OEC assigns courses to every full- and part-time Abbott employee, based on their role and responsibilities and the specific training that they require. In 2020, 100% 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.

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.

LEGAL AND ETHICS RESOURCE NETWORK (LERN) TRAINING



- 100% employees completed all assigned LERN courses in 2020 and sign certifications annually.
- Training includes all aspects of our Code of Business Conduct.
- Courses cover responding to legal and ethical issues.

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.

Corruption risks are also included in the enterprise-wide risk assessments conducted by our corporate audit group, which are carried out at least once a year.

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, as well as for different types of interactions and activities. We track all action items resulting from our audits and hold business leaders accountable for making any improvements to our business processes in a timely manner.

Managers and supervisors have a heightened responsibility for leading by example when it comes to 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

As a global healthcare company, we interact with thousands of people daily, from consumers and healthcare professionals to third-party distributors to government agents. It is, therefore, essential that we never provide or accept anything of value in order to gain an improper business advantage or inappropriately influence a business decision.

Abbott's Global Anti-Corruption Policy prohibits bribery and corruption in any form and is available in 29 languages. Each year, employees complete training on anti-corruption and other policies and procedures, and we have established internal controls to prevent bribery and corruption, including the following:

- Risk assessments
- Policies and procedures that provide guidelines and approval requirements for various business interactions and activities
- An independent internal audit team that reports directly to the audit committee of the Board of Directors, which conducts audits verifying compliance to our policies and procedures
- A platform allowing employees and external parties to raise concerns of potential misconduct in a manner that is confidential and (where permitted) anonymous (see [Process for Reporting Concerns](#) on page 108)
- OEC approval of all procedures regarding items that could be characterized as gifts, including brand reminders, cultural courtesies and items of medical utility
- Investigations of all reports of potential violations (see [Investigations and Corrective Actions](#) on page 109)

As a publicly traded company, we are also subject to continuous audits by external auditors, the results of which are reported periodically to the audit committee of our Board of Directors.

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 that performs work on our behalf must act in accordance with these same laws.

Third-Party Compliance

We expect third parties that work with Abbott to hold themselves to the same high standards of legal and ethical compliance to which we, as a company, hold ourselves. We have detailed these requirements in our [Third-Party Guidelines](#), and any third party that has been or will be performing work on behalf of Abbott is expected to comply with them. These guidelines are available to third parties in 18 languages through our website.

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. Each potential third-party partner is required to answer a detailed questionnaire, and Abbott engages an external vendor to issue a due-diligence/background check report covering risks, such as human rights and labor abuses, social accountability, corruption, arms trafficking and war crimes, fraud, violations of government-imposed sanctions, terrorism, money laundering, organized crime, anti-competitive behavior and regulatory breaches.

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. When risks are identified, the OEC and our Legal team implement appropriate remedial action. Remedial action can include additional contract terms, auditing, monitoring, training or termination/rejection of the third party.

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.

DELIVERING QUALITY AND SAFETY

Preventing Anti-Competitive Practices

Abbott is committed to complying with competition laws in every country where we do business. These laws prohibit agreements and practices that eliminate or discourage competition and apply to many aspects of our business, including relationships with competitors, prices and terms of sale to distributors and other customers, and marketing and trade practices.

We have implemented a program to ensure that our operations comply with competition laws around the world. This compliance program includes policies and procedures for interacting with competitors, risk assessments, training and monitoring.

As part of the program, we have established an in-house Competition Law Practice Group, which is composed of members of our Legal team, including experienced competition lawyers, and members of the OEC. The group meets regularly to identify competition law risks and determine how best to address them. They also discuss competition law developments that impact the company's global operations and assist in providing ongoing competition law training to employees.

We encourage employees to contact our Legal team or the OEC directly for legal guidance regarding interactions with competitors and to report any inappropriate conversations. Reports can also be made through the company's Ethics and Compliance helpline. See our [Process for Reporting Concerns](#) on [page 108](#) for more details.

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 and high-quality products. That's why we treat the people who depend on us as if they were our family. 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 Abbott evolves 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.



GOVERNANCE

Responsibility for global quality, engineering 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.



MANAGEMENT APPROACH

We take a holistic view of quality across our organization and beyond, with systems and policies to drive consistency (as appropriate), 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 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.

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 effects and analysis (FMEA) to ensure robust processes and embed quality by design.

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 continue to introduce predictive analytics to our quality-performance tracking. This involves applying machine-learning models that identify and enhance our ability to predict potential performance, quality and compliance risks.

Our global internal audit programs assess compliance with both regulatory standards and our own internal standards and processes. Our audits assess internal processes, 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.

Our Nutrition Business

Abbott's nutrition business ensures food safety through a tightly controlled manufacturing process that encompasses all steps from accepting materials from suppliers through to final product distribution. We monitor and verify microbiology, packaging integrity, and nutrient and lot control. We complete extensive finished product testing before releasing it for commercial distribution.

Our Devices and Diagnostics Businesses

Safety requirements are 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.

Pharmacovigilance

Abbott’s branded generic medicines business uses a single pharmacovigilance (PV) system for all of our 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.

We collate information on any suspected adverse reaction to our pharmaceutical products from a wide range of worldwide sources. These sources include business partners, health authorities and patients who can communicate with us via phone, website, mail and email.

PHARMACOVIGILANCE SYSTEM



We process all cases of suspected adverse reactions through a single global database. Trained personnel investigate each case, and we use medical review and quality-control checks throughout this process to ensure accuracy. In each case, we assess whether further information is needed and request

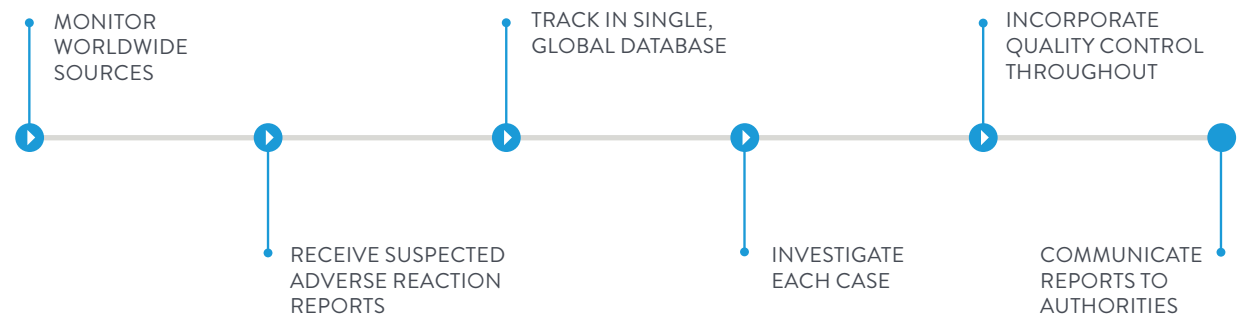
it when required. Once each case is completed, we communicate any reportable suspected adverse reactions to the applicable health authorities, in line with local regulations.

We perform safety surveillance activities on a product-by-product basis. We follow predefined, risk-based criteria and applicable local legislation on which products require surveillance and the frequency of the surveillance. We document the results of all safety surveillance appropriately.

We adopt a range of additional approaches to pharmacovigilance, including the following:

- Screening scientific literature and relevant social media
- Publishing periodic safety reports
- Handling safety-related inquiries from healthcare professionals, consumers, health authorities and medical societies
- Monitoring and analyzing clinical studies and other relevant external sources
- Documenting appropriately the results of ongoing safety surveillance

SUSPECTED ADVERSE REACTIONS



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 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 has hosted global conferences that have 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% 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)
- FSSC 22000
- Safety Assurance Certification
- HACCP (Hazard Analysis and Critical Control Points)
- Halal
- QAI (Quality Assurance International)
- Organic Certification
- Kosher
- Class A Certification
- SQF (Safe Quality Food)

Every Abbott nutrition manufacturing operation is certified to local and globally recognized GMP and food safety standards (e.g., SQF, ISO 22000 and FSSC 22000).

Training and Certification

In 2020, we launched new quality training courses on data analytics, clean-room qualification, risk management and documentation controls. All employees will receive this training every three years to augment our established quality training programs. Also in 2020, the American Society for Quality (ASQ) and the Regulatory Affairs Professionals Society (RAPS) certified 25 of our quality and regulatory professionals as Hazard Analysis and Critical Control Points (HACCP) auditors, biomedical auditors, quality engineers and regulatory affairs auditors.

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, delivering training in both online and instructor-led formats.





We determine our key topics for training through a review of current course offerings, inspection outcomes, the training needs of our target audiences and emerging industry topics, such as cybersecurity. We engage subject-matter experts from across Abbott to ensure the training is relevant and includes an appropriate depth of learning for each audience.

We hold a monthly global webcast to share key information that impacts our operations and to connect learning with knowledge and performance. The webcast acts as a forum for exchanging information and insights within key areas such as quality, compliance, operations, regulatory and medical affairs. Annually, a global leadership forum is held, providing the business leaders with an opportunity to learn, share, connect

and collaborate. Presentations and workshops focus on key topics to promote benchmarking and sharing of challenges and innovation between business sectors.

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 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 93 sites across North America, Latin America, Europe and the Asia Pacific region, 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 findings or observations. Our sites received almost 500 visits from global regulators and health authorities in 2020, 81% of which resulted in zero findings. Our objective is to continuously improve this number, year over year.

The effects of COVID-19 meant that 2020 was a unique year for on-site visits. The overall number of visits decreased by around 25%, and a large proportion of the visits that did take place were conducted remotely. We maintained a high level of quality and compliance, while learning how to navigate new technologies that enable remote visits and new ways of fulfilling information requests. In addition, internal audit teams adapted to remote visits, with on-site visits as permitted per pandemic conditions.

We also respond proactively to all FDA warning letters and product recalls that relate to Abbott products. In 2020, Abbott had zero new warning letters. We successfully closed an open cardiac rhythm management (CRM) warning letter from 2017 that related to a business acquired by Abbott. The FDA completed an evaluation of Abbott’s corrective actions in response to the warning letter and concluded that Abbott CRM had addressed the items listed. A close-out letter was issued on April 28, 2020.

In 2020, there were one Class I and 23 Class II FDA recalls for our products. These recalls impacted different products across Abbott’s diverse businesses.

All Abbott contract manufacturing facilities are audited by external regulators. A majority of our direct suppliers’ facilities are ISO certified (ISO 9001 or ISO 13485), as applicable, and demonstrate compliance and quality through certification audits.

2020 QUALITY INSPECTIONS AND AUDITS	
Quality/regulatory inspections by global health authorities	490
Percentage that resulted in zero observations	81%
Food and Drug Administration (FDA) inspections of Abbott sites	4
Percentage that resulted in zero observations	75%
Average number of observations per FDA inspection	0.25
Internal independent audits to ensure compliance with Abbott quality standards	96

FDA WARNING LETTERS ISSUED	
Total letters issued for Abbott	0

2020 PRODUCT RECALLS			
	OUR DEVICES BUSINESS	OUR DIAGNOSTICS BUSINESS	2020 TOTALS
Class I recalls	1	0	1
Class II recalls	9	14	23

Aligning with Global Standards

The world's regulatory environment continually evolves, and ensuring compliance globally requires significant technical expertise and investment. One example of this evolution is the publication of the Medical Devices Regulation (MDR) and In Vitro Diagnostics Regulation (IVDR) by the European Union (EU) in 2017. Both the MDR and IVDR include multiyear implementation periods, which take effect on May 26, 2021 (MDR) and May 26, 2022 (IVDR). We are working to ensure that Abbott's global quality-management system is fully aligned with the new regulations by the end of these implementation periods. The leaders of our affected businesses and functions are working on identifying and implementing necessary product and process changes to comply with these new requirements.

In addition, our businesses took action in early 2019 to prepare for the United Kingdom's (UK) withdrawal from the EU (Brexit) and ensure continuity of supply to both the EU and UK markets. With the Brexit transition period having come to a close at the end of 2020, our attention is now focused on meeting the regulatory requirements that are in the process of being established in the UK and that will become mandatory on July 1, 2023.

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 hazardous, 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 collaborate with the appropriate stakeholders, such as R&D, Procurement, Operations, Environmental, Health and Safety, and Regulatory, to ensure compliance to these regulations.

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 continually monitor global hazardous chemical regulations to ensure that Abbott products are complying with current regulations when placed on the market.

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 SD¹ 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.

Clinical Trials

Clinical trials in humans (also referred to as clinical studies) are essential in developing and evaluating the safety and effectiveness of medical products for the diagnosis, treatment and prevention of disease, and for drugs of abuse screening. We are committed to conducting clinical studies ethically, protecting the safety and privacy of the enrollees and ensuring data integrity. Where feasible, we conduct studies involving patients in regions of the world where the product is intended to be marketed. Where allowable and appropriate, we provide continued access to our investigational products.

Abbott follows all applicable regulations in the countries where we conduct clinical studies or register products. We also follow nationally and internationally accepted standards for the rights, safety and welfare of enrollees, such as the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use Good Clinical Practices (ICH GCP), the principles of the Declaration of Helsinki, ISO 14155, ISO 20916 and other standards. We train employees and clinical sites on the proper conduct of clinical studies and employ both external and internal oversight of studies.

When planning our clinical studies, Abbott identifies and reduces controllable risks to patients. Either our Institutional Review Board (IRB) or Independent Ethics Committee (IEC) reviews any proposed research prior to commencement to assure patient protections. The informed consent procedures and consent form documents for any clinical study must conform to all relevant legal statutes and governmental regulations. During the course of a study, patients can report any concerns to the IRB. We monitor our studies on an ongoing basis to ensure compliance with Abbott standards and identify any unforeseen risks to patient safety.

This includes audits of contract research organizations (CROs) that conduct or manage studies on behalf of Abbott. If Abbott becomes aware of study misconduct, we report it to the appropriate authorities. No Good Clinical Practice inspections by regulatory agencies of the company or clinical trial investigators led to fines, penalties, warning letters or product seizures in 2020.

Clinical Trial Registrations

Abbott registers all applicable and/or covered clinical trials, regardless of outcome, in a publicly accessible clinical trials registry, such as ClinicalTrials.gov. For branded generic pharmaceuticals, this means that we register interventional clinical studies in patients as designated by national laws and regulations. For medical devices and diagnostics, this means we register interventional clinical studies of health outcomes and pediatric post-marketing surveillance studies, as designated by national laws and regulations.

Clinical Trial Results Disclosures

Abbott is committed to transparency and sharing important information about the clinical trials we sponsor. We recognize that there are important public health benefits to making clinical trial information available to healthcare providers, patients and the public. Our registrations and results disclosures adhere to all applicable national laws and regulations in countries where we operate.

Abbott discloses the results of all applicable or covered clinical trials as described above, regardless of outcome, in a publicly accessible clinical trials results database, such as ClinicalTrials.gov. We also report the results of any exploratory pharmaceutical clinical studies if the findings have significant medical importance, such as with important safety findings.

Clinical Trial Data Sharing

The regulatory environment around sharing clinical trial data for research purposes is evolving. We continuously engage with stakeholders' different approaches for sharing clinical trial data with scientific and medical researchers to advance medical science, while protecting confidential information.

Animals in Research

Abbott is committed to minimizing the role of animals in research and maintaining the highest standards of humane care and treatment while meeting requirements enforced by regulatory agencies. The FDA and other regulatory agencies still require animal safety and efficacy data for many of the innovative products we bring to patients today. We also have an ethical obligation to fully explore the potential health benefits and risks of our products before they are used by patients.

Abbott consistently works to develop new testing methods and programs to eliminate or reduce the need for animal models where feasible. Additionally, when animal tests are required, we strive to minimize the number and frequency of tests.

We employ the 3Rs approach by looking for ways to replace, reduce and refine the use of animals. Whenever possible, we adopt alternatives to animal research in the following ways:

- Replacing the need for animal testing through non-animal research methods
- Reducing the number of animals used in any conducted tests to the minimum necessary for valid results
- Refining experimental procedures to avoid or minimize pain or distress

Our laboratory-animal research programs and facilities meet or exceed U.S. and EU regulations, as well as those in other countries. For more than 35 years, we have also maintained accreditation from AAALAC International, the organization that helps ensure optimal practices, as set forth in the Guide for the Care and Use of Laboratory Animals and other international standards and regulations for animal welfare. AAALAC accreditation is entirely voluntary and is widely considered to be the preferred method to meet and maintain high standards of animal care and use.



SECURITY AND BRAND PROTECTION

Protecting Product Authenticity

Ensuring the authenticity of our 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 our global supply chain through continual analysis to find weak points and advanced investigative tools to identify and prevent suspicious activities
- Overt and covert security features to identify authentic Abbott products, which include customized security labels, tamper-resistant seals and security features for cartons
- Collaborating with local law enforcement and regulatory organizations to identify and disrupt the criminal organizations involved in counterfeiting, illegal diversion and theft
- Working closely with industry, governments and other organizations to 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 2020, this technology helped us remove more than 6,650 marketplaces, apps, websites and social media sites selling counterfeit, diverted, outdated and stolen products and more than 9,500 individual product listings.

In 2020, we continued to expand our partnerships with local and federal law-enforcement organizations 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 maintain and grow brand trust and presence in these markets and improve overall sales.



We innovate constantly to deter, detect and mitigate the risk of counterfeit and illegally diverted products while maintaining a competitive advantage across our global supply chain. Abbott's Global Security, Legal, Trademark, Regulatory, Public Affairs and Business Unit (BU) teams drive this innovation, along with other internal and external entities.

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). These measures include the following:

- Partnering with CBP and an external vendor to implement a low-cost, highly effective surveillance system to assess and mitigate the risk from theft, counterfeiting and/or illegal diversion of Abbott's products
- Ensuring that Abbott remains a Tier 3 partner of the CTPAT (the highest level), which enables our products to move in and out of the United States with expedited processing and 80% fewer customs exams, saving millions of dollars annually

Abbott's BUs and Business Support Teams (BSTs) have developed playbooks for our key products that document product-identifying data through pictures of authorized packaging, authorized manufacturing locations and typical shipping lanes. This program coordinates, integrates and aligns Abbott's anti-counterfeiting and anti-diversion efforts with external agencies, and fosters awareness among government entities involved in import and export, enables us to detect counterfeit and illegally diverted products earlier, and amplifies investigative opportunities.

Our BSTs and BUs also work with ministries of health and law enforcement entities worldwide to identify counterfeit and illegally diverted products and also detect non-Abbott products that falsely claim they contain key active pharmaceutical ingredients (APIs) contained in genuine Abbott products. These efforts remove products that harm consumers, negatively impact the Abbott brand and reduce revenue.

Abbott's Legal and Trademark teams, BSTs and BUs have partnered with an external vendor to implement a wide-ranging, highly effective online enforcement program. This program removes hundreds of fraudulent listings for counterfeit and diverted products from online marketplaces every month, creating value by protecting consumers and the Abbott brand from counterfeit products.

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 the importance of trade secret protection and train them in risk-reduction strategies.
- We conduct Security Quality Reviews (SQRs) that take a holistic approach to identifying risks to Abbott's critical assets and developing mitigation strategies. These SQRs include the assessment and mitigation of risk from trade secret misappropriation, as well as from illicit electronic monitoring and infiltration from malevolent insiders.
- We work with key BUs to develop insider risk-mitigation programs that are comprehensive, implementable and fully compliant with external and internal governance. These efforts greatly reduce the risk to Abbott's people, processes and assets (including our trade secrets).

In 2020, our Global Security Team continued to expand our trade-secret protection efforts by developing a virtual Security Quality Review (vSQR) process. The vSQR process has enabled us to assess risk across multiple Abbott business segments, despite the severe restrictions on travel imposed by the pandemic.

We also carried out multiple on-site, enhanced SQRs for the facilities and processes that are essential to development, production and transportation of our COVID-19 testing products. These enhanced SQRs ensured that the risk to Abbott's competitive advantage and revenue was mitigated, without impacting production goals that were essential for Abbott and the U.S. economy.

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 perform at their best. Our Global Security 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, who are 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 2020, our Global Security team provided training, including SAFE training, to more than 16,850 employees worldwide. Our Travel Safety program supported more than 15,000 international trips by more than 9,950 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. This participation has included providing feedback on the new MSC for CTPAT that took effect in 2020. A revalidation audit of our CTPAT program under these criteria resulted in Abbott maintaining our highest status level.

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 2020, our Global Security Team developed and implemented a framework to secure delivery of Abbott's COVID-19 tests. This included monitoring 1,274 shipments with GPS and temperature sensors, reporting on 837 risk events and reducing the risk-events-to-shipments ratio from 84% to 65%. The team developed a Driver Departure Interview form in multiple languages and completed more than 400 background checks on carriers. To date, we have experienced zero losses among these high-value shipments.

PUBLIC POLICY ENGAGEMENT

Public policy impacts our ability to develop the next generation of medical advances and make those advances accessible to the people they can help. Abbott's role in these discussions is to work to ensure that policy positively impacts the people who rely on our work, our employees and our ability to continue to develop new products.

At the federal and state levels, we engage with governments, think tanks, trade associations, patient groups and other organizations to find policy solutions to the complex issues that challenge our healthcare system. We see this as part of our responsibility to ensure that legislators and regulators understand Abbott's views on major healthcare issues and the repercussions of public policy.

It is vital that our engagement in this area always meets our ethical standards and complies with all relevant laws.

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

- We are committed to transparency and guided by our Code of Business Conduct in all public policy engagement.
- We pursue activities that shape policies to benefit the people who need our products, with a focus on improving access to new medical advances.
- We are committed to participating in public policy discussions that have the potential to impact patients, consumers and our employees or Abbott's ability to continue to produce new medical and nutritional advances.

Abbott is a member of U.S. trade organizations that engage in lobbying and other political activity. This activity is designed to advocate for our interests, those of our industry and, most importantly, those of the people who rely on our products.

We participate in the political process by contributing to U.S. state and local candidates and political organizations through our Abbott Employee Political Action Committee (AEPAC). We choose to support candidates and organizations that we believe understand how government actions can affect access to medical advances, in addition to candidates and organizations that will work to promote an environment that fosters continued medical progress.

We do not make direct independent expenditures on behalf of candidates running for public office. If such expenditures are made in the future, they would be included in our semiannual report. Our political contributions are bipartisan, made without regard for the private political preferences of our officers and executives, and are based on the following criteria:

- Policy positions of candidates that reflect Abbott's interests
- Representation of geographic areas where Abbott employees and facilities are located
- Relevant legislative committee assignments of office holders
- A candidate's ability to be elected
- The need for financial assistance

Abbott's U.S. Government Affairs function, under the direction of the Vice President of U.S. Government Affairs, reviews and approves all political contributions. This includes ensuring that all contributions are consistent with the company's guidelines and in accordance with applicable laws. The Public Policy Committee of Abbott's Board of Directors reviews the company's U.S. political contributions policy annually.

In the United States, in compliance with the Lobbying Disclosure Act, Abbott files a quarterly report that includes the following:

1. Total federal lobbying expenditures
2. The name of the specific piece of legislation or subject that was the topic of communication
3. Disclosure of Abbott individuals who lobbied on behalf of Abbott
4. Identification of the legislative body or executive branch that was contacted

This report incorporates expenses associated with lobbying the federal government, including our federal Government Affairs office and the portion of trade association dues associated with federal lobbying.

In 2020, Abbott reported \$3,960,000 in U.S. federal lobbying. Abbott's latest federal lobbying disclosure filings can be found on the U.S. Senate Office of Public Records website or the U.S. House of Representatives Office of the Clerk website. The Public Policy Committee of the Abbott Board of Directors reviews an annual report of our advocacy priorities.

1. 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.

REPORTING ON SUSTAINABILITY

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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 continually 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 our 2030 Sustainability Plan. Throughout our 2020 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 standards (Global Reporting Initiative), 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.

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 2020 results.
- 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.

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, the SustainAbility Institute 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 2020 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
2020	\$34,608
2019	\$31,904
2018	\$30,578
2017	\$27,390

DIVIDENDS PAID DOLLARS IN MILLIONS

	TOTAL
2020	\$2,560
2019	\$2,270
2018	\$1,974
2017	\$1,849

R&D INVESTMENT DOLLARS IN MILLIONS

	TOTAL
2020	\$2,420
2019	\$2,440
2018	\$2,300
2017	\$2,260

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 152](#) for endnotes.



KEY SOCIAL METRICS

EMPLOYEES

	TOTAL	% of Women in Management (U.S.) ^(a)	% of Minorities in Management (U.S.) ^(a)
2020	109,000 ^(a)	42%	32%
2019	107,000 ^(a)	41%	36%
2018	103,000	40%	34%
2017	99,000	43%	30%

SOCIAL INVESTING DOLLARS IN MILLIONS

	TOTAL
2020	\$75.7
2019	\$70.6
2018	\$62.7
2017	\$65.0

U.S. EMPLOYEE GIVING CAMPAIGN RESULTS DOLLARS IN MILLIONS

	TOTAL
2020	\$7.58
2019	\$6.71
2018	\$6.58
2017	\$5.61

WOMEN IN MANAGEMENT POSITIONS

	PERCENTAGE
Women in Junior Management Positions	40%
Women in Top Management Positions	32%
Women in Management Positions in Revenue-Generating Functions	39%

FULL-TIME EMPLOYEES BY AGE GROUP

	PERCENTAGE
<30 Years Old	18%
30-50 Years Old	64%
>50 Years Old	18%

EMPLOYEE TURNOVER RATE





	PERCENTAGE
Total Employee Turnover Rate	13.42%
Voluntary Employee Turnover Rate	9.84%

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 152](#) for endnotes.






KEY SOCIAL METRICS

HEALTH AND SAFETY GLOBAL PERFORMANCE

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

2020		0.1
2019		0.1
2018		0.2
2017		0.2

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



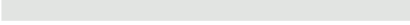
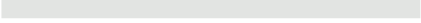
		TOTAL Employee and Contractor	Employee	Contractor
2020 GOAL		0.15		
2020	 -60% ^(e)	0.12	0.14	0.03
2019		0.30	0.32	0.06
2018		0.24	0.27	0.03
2017		0.23	0.25	0.04

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 152](#) for endnotes.



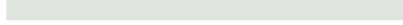
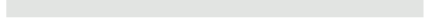
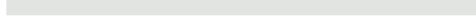
KEY SOCIAL METRICS

HEALTH AND SAFETY GLOBAL PERFORMANCE

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

2020		0.27
2019		0.46
2018		0.40
2017		0.41

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

2020 GOAL		4.0
2020	 -30.8% ^(e)	2.7
2019		3.9
2018		4.1
2017		4.6



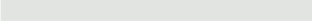

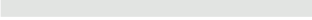
Totals and percent changes may differ from listed metrics due to rounding.
To ensure data accuracy, the most accurate number has been used.
Refer to [page 152](#) for endnotes.

KEY ENVIRONMENTAL METRICS—EMISSIONS AND ENERGY

EMISSIONS AND ENERGY GLOBAL PERFORMANCE



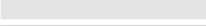
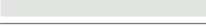

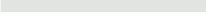
SCOPE 1 AND 2 CARBON EMISSIONS

1,000 METRIC TONS CO₂e

			TOTAL (Scope 1 and Scope 2) Market-Based CO ₂ e Emissions ^{(h),(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 ^{(h),(i)}	Purchased Energy (Scope 2) Location-Based CO ₂ e Emissions ^(j)
2020		-5.8% ^(e)	906	980	493	7	500	406	480
2019			962	1,042	534	9	543	419	498
2018			980	1,056	529	10	539	441	517
2017			1,018	1,068	531	9	540	478	527
2010 ^(f)			1,269	1,269	571	6	578	691	691

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 ^{(h),(i)}	Purchased Energy (Scope 2) Location-Based CO ₂ e Emissions ^(j)
2020 GOAL		-51.0% ^{(g),(h)}	32				
2020		-13.2% ^(e)	26	28	14	12	14
2019			30	33	17	13	16
2018			32	35	18	14	17
2017			37	39	20	17	19
2010 ^(f)			53	53	24	29	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 152](#) for endnotes.

KEY ENVIRONMENTAL METRICS—EMISSIONS AND ENERGY

EMISSIONS AND ENERGY GLOBAL PERFORMANCE

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

	2010 ⁽ⁿ⁾	2017	2018	2019	2020
STATIONARY SOURCES					
Electricity (Purchased)	613	413	388	382	367
Natural Gas	294	362	373	366	361
Fuel Oils	41	6	4	4	4
Coal	83	0	0	0	0
Misc. Fuels (Propane, Kerosene, LPG, LNG)	1	10	12	12	13
Purchased Steam, Hot Water and Chilled Water	24	6	6	6	5
Biofuels	0	0	0	0	0
Generated Electricity (Cogeneration and Renewables)	0	0	0	0	0
Other Building Electricity	50	64	51	35	38
Other Building Natural Gas	9	14	11	8	10
Stationary Total	1,116	875	845	813	796
MOBILE SOURCES					
Sales Fleet Gasoline	108	99	92	98	72
Sales Fleet Diesel	28	27	26	34	25
Aviation Fuel	8	6	6	6	4
Plant/Shuttle Fleet (Diesel, Gasoline, E85, Propane)	2	1	1	2	1
Mobile Total	146	134	125	140	103

SCOPE 3 CARBON EMISSIONS⁽ⁿ⁾ PERCENTAGE OF TOTAL EMISSIONS

	PERCENTAGE OF TOTAL
2020	93%
2019	92%
2018	91%
2017	91%
2010	91%

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 152](#) for endnotes.

KEY ENVIRONMENTAL METRICS—EMISSIONS AND ENERGY

EMISSIONS AND ENERGY GLOBAL PERFORMANCE

OTHER EMISSIONS⁽⁶⁾ 1,000 METRIC TONS

	2010 ⁽⁹⁾	2017	2018	2019	2020
Volatile Organic Compound (VOC) Emissions	1.47	1.17	1.23	1.15	1.32
Sulfur Oxide (SO _x) from Combustion	0.58	0.06	0.06	0.05	0.05
Nitrous Oxide (NO _x) from Combustion	0.41	0.32	0.33	0.33	0.32
Particulate Matter	0.13	0.07	0.07	0.06	0.06

OTHER EMISSIONS—NORMALIZED TO SALES⁽⁶⁾ METRIC TONS PER \$ MILLION SALES

	2010 ⁽⁹⁾	2017	2018	2019	2020
Volatile Organic Compound (VOC) Emissions	0.062	0.043	0.040	0.036	0.038
Sulfur Oxide (SO _x) from Combustion	0.025	0.002	0.002	0.002	0.001
Nitrous Oxide (NO _x) from Combustion	0.017	0.012	0.011	0.010	0.009
Particulate Matter	0.006	0.003	0.002	0.002	0.002

ENERGY CONSUMPTION 1,000 GIGAJOULES

	2010 ⁽⁹⁾	2017	2018	2019	2020
Purchased Fuels (Scope 1) ⁽⁹⁾	9,388	9,372	9,364	9,397	8,771
Purchased Energy (Scope 2) ⁽¹⁰⁾	5,087	4,347	4,275	4,293	4,457
Total (Scope 1 and Scope 2) Energy Consumption	14,475	13,718	13,639	13,690	13,228

ENERGY CONSUMPTION—NORMALIZED TO SALES GIGAJOULES PER \$ MILLION SALES

	2010 ⁽⁹⁾	2017	2018	2019	2020
Purchased Fuels (Scope 1) ⁽⁹⁾	395	342	306	295	253
Purchased Energy (Scope 2) ⁽¹⁰⁾	214	159	140	135	129
Total (Scope 1 and Scope 2) Energy Consumption	610	501	446	429	382

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 152](#) for endnotes.

KEY ENVIRONMENTAL METRICS—EMISSIONS AND ENERGY

EMISSIONS AND ENERGY GLOBAL PERFORMANCE

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

	2010 ⁽ⁿ⁾	2017	2018	2019	2020
STATIONARY SOURCES					
Electricity (Purchased)	4,177	3,807	3,854	3,963	4,086
Natural Gas	5,546	6,854	7,051	6,918	6,821
Fuel Oils	556	85	56	51	53
Coal	935	0	0	0	0
Misc. Fuels (Propane, Kerosene, LPG, LNG)	21	127	140	149	159
Purchased Steam, Hot Water and Chilled Water	536	108	115	108	91
Biofuels	58	9	9	10	8
Generated Electricity (Cogeneration and Renewables)	0	4	5	4	5
Other Building Electricity	500	499	376	292	330
Other Building Natural Gas	2	258	194	150	170
Stationary Total	12,332	11,751	11,799	11,644	11,723
MOBILE SOURCES					
Sales Fleet Gasoline	1,599	1,470	1,360	1,448	1,071
Sales Fleet Diesel	395	382	367	482	353
Aviation Fuel	114	94	95	93	61
Plant/Shuttle Fleet (Diesel, Gasoline, E85, Propane)	36	21	19	22	19
Mobile Total	2,144	1,967	1,840	2,045	1,504

RENEWABLE ELECTRICITY MILLION KILOWATT-HOURS

	2010 ⁽ⁿ⁾	2017	2018	2019	2020
Generated On-Site from Cogeneration	35.51	55.86	65.66	64.20	59.15
Generated On-Site from Renewables	0.05	1.18	1.30	1.21	1.53
Purchased Renewables from Third Party	0.00	134.13	150.47	151.36	166.45
Purchased Cogeneration from Third Party	38.44	3.87	4.28	4.33	4.24

ENERGY CONSUMPTION BY TYPE 1,000 GIGAJOULES

	2010 ⁽ⁿ⁾	2017	2018	2019	2020
Grid Source	4,539	3,809	3,672	3,694	3,801
Renewable Energy	139	501	562	565	620
Electricity Consumed Total	4,678	4,310	4,234	4,259	4,421
% of Grid-Sourced Electricity	97%	88%	87%	87%	86%
% of Renewable Energy Procured	3%	12%	13%	13%	14%

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 152](#) for endnotes.

KEY ENVIRONMENTAL METRICS—EMISSIONS AND ENERGY

EMISSIONS AND ENERGY REGIONAL PERFORMANCE

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

	2010 ^(a)	2017	2018	2019	2020
ASIA PACIFIC					
China	19	31	30	31	31
India	18	37	34	38	39
Indonesia	2	3	3	4	4
Japan	2	2	2	2	3
Korea (South)	4	3	3	2	3
Malaysia	0	9	9	9	9
Pakistan	19	22	24	23	25
Singapore	45	43	45	44	43
Vietnam	1	2	3	3	4
Commercial and Other Buildings Region Total	37	90	81	74	63
Region Total	147	241	234	230	223
CARIBBEAN AND LATIN AMERICA					
Argentina	8	8	7	8	7
Brazil	3	5	6	6	4
Chile	4	4	3	3	3
Colombia	1	3	3	3	3
Costa Rica	0	0	1	0	1
Mexico	16	13	13	13	13
Peru	1	1	2	2	1
Puerto Rico	57	14	11	10	13
Commercial and Other Buildings Region Total	7	27	21	24	25
Region Total	97	75	67	68	71

	2010 ^(a)	2017	2018	2019	2020
EUROPE					
Belgium	0	0	0	0	0
Germany	33	25	16	17	12
Ireland	66	31	31	31	30
Netherlands	71	40	35	31	31
Norway	0	0	0	2	2
Russia	17	25	27	23	22
Spain	11	8	10	10	9
Sweden	0	0	0	0	0
Switzerland	0	0	0	0	0
United Kingdom	19	11	12	12	11
Commercial and Other Buildings Region Total	8	40	38	41	34
Region Total	225	179	169	167	152
NORTH AMERICA					
Canada	22	15	15	17	15
United States	634	461	456	432	410
Commercial and Other Buildings Region Total	145	48	39	49	35
Region Total	801	523	510	497	460
Total for All Regions	1,269	1,018	980	962	906

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 152](#) for endnotes.

KEY ENVIRONMENTAL METRICS—EMISSIONS AND ENERGY

EMISSIONS AND ENERGY REGIONAL PERFORMANCE

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

	2010 ^(f)	2017	2018	2018	2020
ASIA PACIFIC					
China	4	10	10	10	10
India	1	11	15	17	16
Indonesia	0	1	1	1	1
Japan	0	0	0	0	0
Korea (South)	0	0	0	0	0
Malaysia	0	0	0	0	0
Pakistan	16	19	20	20	21
Singapore	18	20	23	22	22
Vietnam	0	0	0	0	0
Commercial and Other Buildings Region Total	0	48	41	44	35
Region Total	40	108	110	115	105
CARIBBEAN AND LATIN AMERICA					
Argentina	3	3	2	3	3
Brazil	2	2	4	4	3
Chile	1	0	0	0	0
Colombia	0	0	1	1	1
Costa Rica	0	0	0	0	0
Mexico	15	12	13	13	13
Peru	0	0	0	0	0
Puerto Rico	2	4	1	0	1
Commercial and Other Buildings Region Total	0	19	17	18	13
Region Total	24	42	38	40	34

	2010 ^(f)	2017	2018	2019	2020
EUROPE					
Belgium	0	0	0	0	0
Germany	12	12	11	12	11
Ireland	38	29	30	31	30
Netherlands	41	34	35	31	31
Norway	0	0	0	0	0
Russia	13	15	17	13	13
Spain	7	5	5	5	6
United Kingdom	5	3	3	3	3
Commercial and Other Buildings Region Total	0	31	33	36	29
Region Total	116	129	135	132	122
NORTH AMERICA					
Canada	13	9	9	10	9
United States	250	210	209	205	199
Commercial and Other Buildings Region Total	136	43	37	42	31
Region Total	398	261	255	257	239
Total for All Regions	579	540	539	544	500

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 152](#) for endnotes.

KEY ENVIRONMENTAL METRICS—EMISSIONS AND ENERGY

EMISSIONS AND ENERGY REGIONAL PERFORMANCE

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

	2010 ^(a)	2017	2018	2019	2020
ASIA PACIFIC					
China	16	21	20	20	21
India	17	27	19	22	22
Indonesia	2	3	3	3	3
Japan	2	2	2	2	3
Korea (South)	3	3	2	2	3
Malaysia	0	9	9	9	9
Pakistan	2	3	3	4	5
Singapore	26	23	22	21	21
Vietnam	1	2	3	2	4
Commercial and Other Buildings Region Total	36	42	40	30	28
Region Total	106	133	124	116	118
CARIBBEAN AND LATIN AMERICA					
Argentina	5	5	5	5	4
Brazil	1	2	1	2	2
Chile	3	3	3	3	2
Colombia	1	2	3	2	2
Costa Rica	0	0	0	0	0
Mexico	0	1	0	0	0
Peru	1	1	1	1	1
Puerto Rico	54	10	11	10	12
Commercial and Other Buildings Region Total	7	7	4	6	12
Region Total	73	33	29	28	37

	2010 ^(a)	2017	2018	2019	2020
EUROPE					
Belgium	0	0	0	0	0
Germany	21	13	5	5	1
Ireland	28	1	0	0	0
Netherlands	30	6	0	0	0
Norway	0	0	0	2	2
Russia	4	10	10	9	10
Spain	4	3	5	5	4
Sweden	0	0	0	0	0
Switzerland	0	0	0	0	0
United Kingdom	13	8	9	9	8
Commercial and Other Buildings Region Total	8	9	5	5	5
Region Total	109	50	33	34	30
NORTH AMERICA					
Canada	10	6	6	6	6
United States	384	251	247	227	211
Commercial and Other Buildings Region Total	9	5	2	7	5
Region Total	403	262	255	240	221
Total for All Regions	691	478	441	419	406

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 152](#) for endnotes.

KEY ENVIRONMENTAL METRICS—EMISSIONS AND ENERGY

EMISSIONS AND ENERGY REGIONAL PERFORMANCE

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

	2010 ^(a)	2017	2018	2019	2020
ASIA PACIFIC					
China	124	288	282	284	287
India	140	272	360	401	399
Indonesia	15	21	21	27	26
Japan	17	15	15	15	18
Korea (South)	37	37	37	37	52
Malaysia	0	46	48	50	51
Pakistan	306	311	350	332	369
Singapore	515	539	604	593	588
Vietnam	9	14	24	26	32
Commercial and Other Buildings Region Total	238	997	876	846	698
Region Total	1,402	2,539	2,617	2,612	2,520
CARIBBEAN AND LATIN AMERICA					
Argentina	87	92	87	98	102
Brazil	81	92	113	117	98
Chile	40	32	28	31	26
Colombia	33	52	58	63	70
Costa Rica	0	102	106	109	106
Mexico	275	219	231	230	232
Peru	19	19	21	22	24
Puerto Rico	652	160	121	103	109
Commercial and Other Buildings Region Total	62	354	292	324	318
Region Total	1,249	1,123	1,057	1,095	1,084

	2010 ^(a)	2017	2018	2019	2020
EUROPE					
Belgium	3	3	3	3	3
Germany	376	340	298	293	286
Ireland	728	660	674	693	685
Netherlands	961	870	923	856	851
Norway	21	21	21	21	19
Russia	265	357	385	329	320
Spain	144	125	130	127	140
Sweden	30	0	0	0	0
Switzerland	5	2	2	2	2
United Kingdom	192	134	140	133	128
Commercial and Other Buildings Region Total	119	577	559	597	498
Region Total	2,845	3,088	3,137	3,056	2,932
NORTH AMERICA					
Canada	408	292	312	343	381
United States	6,493	5,995	5,949	5,895	5,808
Commercial and Other Buildings Region Total	2,078	680	568	688	502
Region Total	8,979	6,968	6,829	6,926	6,691
Total for All Regions	14,475	13,718	13,639	13,690	13,228

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 152](#) for endnotes.

KEY ENVIRONMENTAL METRICS—EMISSIONS AND ENERGY

EMISSIONS AND ENERGY REGIONAL PERFORMANCE

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

	2010 ^(a)	2017	2018	2019	2020
ASIA PACIFIC					
China	53	176	168	168	166
India	75	149	211	238	237
Indonesia	7	8	9	11	12
Japan	0	0	0	0	0
Korea (South)	2	2	2	3	3
Malaysia	0	1	1	1	1
Pakistan	288	284	319	300	327
Singapore	329	351	401	400	392
Vietnam	0	0	1	3	3
Commercial and Other Buildings Region Total	1	729	633	658	520
Region Total	755	1,700	1,744	1,782	1,659
CARIBBEAN AND LATIN AMERICA					
Argentina	39	41	40	46	52
Brazil	25	39	72	70	34
Chile	13	5	4	6	5
Colombia	7	9	12	14	17
Costa Rica	0	2	4	3	3
Mexico	272	215	230	227	229
Peru	3	3	3	3	4
Puerto Rico	27	57	10	5	13
Commercial and Other Buildings Region Total	0	292	253	272	205
Region Total	386	663	628	646	560

	2010 ^(a)	2017	2018	2019	2020
EUROPE					
Belgium	1	1	1	1	1
Germany	222	198	197	191	185
Ireland	512	509	519	535	523
Netherlands	717	600	624	558	552
Norway	0	0	0	0	0
Russia	228	267	288	234	224
Spain	105	90	93	89	98
United Kingdom	96	54	56	52	47
Commercial and Other Buildings Region Total	0	455	483	528	418
Region Total	1,881	2,173	2,261	2,187	2,048
NORTH AMERICA					
Canada	224	161	162	182	168
United States	4,148	4,041	4,018	3,975	3,877
Commercial and Other Buildings Region Total	1,994	634	551	624	458
Region Total	6,367	4,836	4,731	4,781	4,503
Total for All Regions	9,388	9,372	9,364	9,397	8,771

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 152](#) for endnotes.

KEY ENVIRONMENTAL METRICS—EMISSIONS AND ENERGY

EMISSIONS AND ENERGY REGIONAL PERFORMANCE

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

	2010 ^(a)	2017	2018	2019	2020
ASIA PACIFIC					
China	70	112	114	115	121
India	65	123	149	163	163
Indonesia	9	12	12	16	14
Japan	17	15	15	15	18
Korea (South)	35	35	35	35	49
Malaysia	0	45	47	49	50
Pakistan	18	28	32	32	43
Singapore	187	188	202	194	196
Vietnam	9	13	23	24	29
Commercial and Other Buildings Region Total	238	268	244	188	178
Region Total	647	840	873	830	861
CARIBBEAN AND LATIN AMERICA					
Argentina	49	51	47	52	50
Brazil	56	54	41	47	63
Chile	26	26	24	25	21
Colombia	26	43	46	49	53
Costa Rica	0	99	102	106	103
Mexico	3	4	1	2	3
Peru	16	17	18	19	20
Puerto Rico	625	103	112	98	97
Commercial and Other Buildings Region Total	61	63	39	52	113
Region Total	863	461	428	449	524

	2010 ^(a)	2017	2018	2019	2020
EUROPE					
Belgium	2	2	2	2	2
Germany	154	142	101	102	101
Ireland	217	150	155	158	162
Netherlands	244	270	299	298	299
Norway	21	21	21	21	19
Russia	37	90	97	95	96
Spain	39	35	37	38	41
Sweden	30	0	0	0	0
Switzerland	5	2	2	2	2
United Kingdom	96	80	85	81	81
Commercial and Other Buildings Region Total	118	122	76	69	80
Region Total	964	914	876	868	884
NORTH AMERICA					
Canada	184	131	149	161	213
United States	2,345	1,954	1,931	1,920	1,932
Commercial and Other Buildings Region Total	83	46	17	64	44
Region Total	2,612	2,132	2,097	2,145	2,189
Total for All Regions	5,087	4,347	4,275	4,293	4,457

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 152](#) for endnotes.

KEY ENVIRONMENTAL METRICS—EMISSIONS AND ENERGY

EMISSIONS AND ENERGY REGIONAL PERFORMANCE

ELECTRICITY FROM RENEWABLE ENERGY SOURCES BY REGION

MILLION KILOWATT-HOURS

	2010 ^(f)	2017	2018	2019	2020
ASIA PACIFIC					
Generated On-Site from Cogeneration	13	17	18	17	17
Generated On-Site from Renewables	0	1	1	1	1
Region Total	13	17	19	17	18
CARIBBEAN AND LATIN AMERICA					
Generated On-Site from Cogeneration	14	14	21	20	15
Generated On-Site from Renewables	0	0	0	0	0
Purchased Renewables from Third Party	0	0	0	0	1
Purchased from Cogeneration—Barc	38	4	4	4	4
Region Total	52	18	25	25	20

	2010 ^(f)	2017	2018	2019	2020
EUROPE					
Generated On-Site from Cogeneration	8	25	27	28	27
Generated On-Site from Renewables	0	0	0	0	0
Purchased Renewables from Third Party	0	124	137	138	154
Region Total	8	149	164	166	182
NORTH AMERICA					
Purchased Renewables from Third Party	0	10	14	13	12
Region Total	0	10	14	13	12
Total for All Regions	74	195	222	221	231


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 152](#) for endnotes.



KEY ENVIRONMENTAL METRICS—WATER

WATER GLOBAL PERFORMANCE

WATER INTAKE BILLION GALLONS

		TOTAL	Total Water-Stressed Locations ^(p)
2020	 -2% ^(e)	3.49	1.16
2019		3.54	1.21
2018		3.56	1.25
2017		3.48	1.24
2010 ^(f)		3.64	1.61

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

		TOTAL	Total Water-Stressed Locations ^(p)
2020 GOAL	 -30% ^(g)	108	
2020	 -9% ^(e)	101	28
2019		111	48
2018		117	53
2017		127	56
2010 ^(f)		153	68

WATER DISCHARGED BILLION GALLONS

	2010 ^(f)	2017	2018	2019	2020	% Change From 2019 to 2020
Total Water Discharged (Impaired)	2.30	2.30	2.37	2.44	2.32	-5%
Total Water Discharged (Non-Impaired)	0.67	0.50	0.49	0.49	0.51	4%

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

	2010 ^(f)	2017	2018	2019	2020	% Change From 2019 to 2020
Total Water Discharged (Impaired)	97	84	78	77	67	-13%
Total Water Discharged (Non-Impaired)	28	18	16	15	15	-4%

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 152](#) for endnotes.

KEY ENVIRONMENTAL METRICS—WATER

WATER GLOBAL PERFORMANCE

WATER CONSUMED IN PROCESS BILLION GALLONS

	2010 ^(f)	2017	2018	2019	2020	% Change From 2019 to 2020
Total Water Consumed	0.68	0.68	0.71	0.61	0.66	8%

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

	2010 ^(f)	2017	2018	2019	2020	% Change From 2019 to 2020
Total Water Consumed	28	25	23	19	19	0%

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 152](#) for endnotes.

KEY ENVIRONMENTAL METRICS—WATER

WATER GLOBAL PERFORMANCE

WATER WITHDRAWAL^(q) THOUSAND CUBIC METERS

	2010 ^(f)	2017	2018	2019	2020
Total Water Intake	13,767.8	13,173.21	13,493.79	13,419.02	13,201.8

WATER WITHDRAWAL INTENSITY—NORMALIZED TO SALES^(q) CUBIC METERS PER \$1,000 SALES

	2010 ^(f)	2017	2018	2019	2020
Total Water Intake	580	481	441	421	381

WATER CONSUMED THOUSAND CUBIC METERS

	2010 ^(f)	2017	2018	2019	2020
Water Consumed in Process	2,556.88	2,564.17	2,671.29	2,308.25	2,495.18

WATER CONSUMED INTENSITY—NORMALIZED TO SALES CUBIC METERS PER \$1,000 SALES

	2010 ^(f)	2017	2018	2019	2020
Water Consumed in Process	108	94	87	72	72

WATER WITHDRAWAL BY SOURCE^(q) BILLION GALLONS

	2017	2018	2019	2020
Fresh Surface Water	0.14	0.13	0.13	0.14
Groundwater	0.61	0.62	0.62	0.63
Municipal Supply	2.68	2.79	2.43	2.71
Rainwater	0.01	0.01	0.01	0.01
Other	0.04	0.003	0.36	0.001
Total Water Intake	3.48	3.56	3.54	3.49

WATER RECYCLED BILLION GALLONS

	2017	2018	2019	2020
Recycled Water	0.44	0.39	0.32	0.41

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 152](#) for endnotes.

KEY ENVIRONMENTAL METRICS—WATER

WATER REGIONAL PERFORMANCE

WATER INTAKE BY REGION BILLION GALLONS

	2010 ⁽⁹⁾	2017	2018	2019	2020
ASIA PACIFIC					
China	0.03	0.10	0.09	0.09	0.10
India	0.06	0.12	0.14	0.15	0.11
Indonesia	0.01	0.01	0.01	0.01	0.01
Japan	0.00	0.00	0.00	0.00	0.00
Korea (South)	0.01	0.01	0.01	0.01	0.01
Malaysia	0.00	0.03	0.03	0.02	0.02
Pakistan	0.12	0.13	0.15	0.14	0.14
Singapore	0.19	0.19	0.20	0.19	0.20
Vietnam	0.00	0.00	0.01	0.01	0.01
Region Total	0.41	0.58	0.63	0.61	0.59
CARIBBEAN AND LATIN AMERICA					
Argentina	0.06	0.05	0.05	0.05	0.05
Brazil	0.01	0.02	0.02	0.02	0.02
Chile	0.02	0.02	0.02	0.02	0.01
Colombia	0.01	0.02	0.02	0.02	0.02
Costa Rica	0.00	0.03	0.03	0.03	0.02
Mexico	0.04	0.03	0.03	0.04	0.03
Peru	0.01	0.01	0.01	0.01	0.00
Puerto Rico	0.16	0.03	0.02	0.02	0.02
Region Total	0.31	0.18	0.19	0.20	0.19

	2010 ⁽⁹⁾	2017	2018	2019	2020
EUROPE					
Belgium	0.00	0.00	0.00	0.00	0.00
Germany	0.04	0.04	0.04	0.05	0.05
Ireland	0.17	0.17	0.18	0.18	0.18
Netherlands	0.40	0.35	0.37	0.35	0.36
Norway	0.00	0.00	0.00	0.00	0.00
Russia	0.08	0.09	0.09	0.06	0.06
Spain	0.06	0.07	0.07	0.07	0.07
Sweden	0.00	0.00	0.00	0.00	0.00
Switzerland	0.00	0.00	0.00	0.00	0.00
United Kingdom	0.01	0.01	0.01	0.01	0.01
Region Total	0.77	0.74	0.76	0.71	0.73
NORTH AMERICA					
Canada	0.22	0.16	0.20	0.22	0.20
United States	1.91	1.81	1.78	1.80	1.78
Region Total	2.14	1.98	1.99	2.02	1.98
Total for All Regions	3.64	3.48	3.56	3.54	3.49





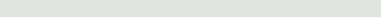
Totals and percent changes may differ from listed metrics due to rounding. To ensure data accuracy, the most accurate number has been used.

Refer to [page 152](#) for endnotes.






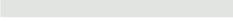
KEY ENVIRONMENTAL METRICS—WASTE

WASTE GLOBAL PERFORMANCE

TOTAL WASTE^(c) TONS

			TOTAL	Total Waste Not Landfilled	Total Waste Landfilled	Total Waste Recycled
2020		-4.7% ^(e)	66,847	50,444	16,403	32,322
2019			70,176	53,998	16,177	31,701
2018			66,079	48,442	17,637	29,696
2017			66,469	47,293	19,176	29,151
2010 ^(f)			85,989	54,742	31,247	36,766

TOTAL WASTE—NORMALIZED TO SALES^(c) TONS PER \$ MILLION SALES

			TOTAL
2020 GOAL		-50% ^(g)	1.8
2020		-12.2% ^(e)	1.9
2019			2.2
2018			2.2
2017			2.4
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 152](#) for endnotes.

KEY ENVIRONMENTAL METRICS—WASTE

WASTE GLOBAL PERFORMANCE

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

	2010 ^(b)	2017	2018	2019	2020	% Change From 2019 to 2020
Hazardous Waste Not Landfilled	9,494	6,857	6,738	7,873	9,568	22%
Hazardous Waste Landfilled	854	619	559	564	1,607	185%
Total Hazardous Waste	10,348	7,476	7,297	8,437	11,175	32%

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

	2010 ^(b)	2017	2018	2019	2020	% Change From 2019 to 2020
Total Hazardous Waste	0.44	0.27	0.24	0.26	0.32	22%

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

	2010 ^(b)	2017	2018	2019	2020	% Change From 2019 to 2020
Nonhazardous Waste Not Landfilled	45,249	40,437	41,704	46,125	40,875	-11%
Nonhazardous Waste Landfilled	30,393	18,557	17,078	15,614	14,796	-5%
Total Nonhazardous Waste	75,642	58,994	58,783	61,739	55,671	-10%

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

	2010 ^(b)	2017	2018	2019	2020	% Change From 2019 to 2020
Total Nonhazardous Waste	3.19	2.15	1.92	1.94	1.61	-17%

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 152](#) for endnotes.

KEY ENVIRONMENTAL METRICS—WASTE

WASTE GLOBAL PERFORMANCE

BENEFICIAL USE^(a)

TONS

	TOTAL	Manufacturing (Tons)	Commercial and Other Buildings ^(a)
2020	106,917	106,605	312
2019	126,513	126,036	476
2018		97,807	
2017		75,076	
2010 ^(f)		39,942	

DIVERSION RATE^(a)

PERCENTAGES

	TOTAL	Manufacturing	Commercial and Other Buildings ^(a)
2020	88.5%	88.9%	72.6%
2019	90.2%	90.5%	76.6%
2018		87.9%	
2017		85.0%	
2010 ^(f)		70.9%	

2020 BENEFICIAL USE^(a) BY WASTE TYPE

	Quantity (Tons)	Percentage
Cafeteria	1,146	1%
Construction and Demolition	10,074	9%
Nutrition Waste	60,998	57%
Corrugate/Cardboard	1,383	1%
Wood	5,224	5%
Sludge	12,569	12%
Production Waste	7,411	7%
Production Byproduct	2,803	3%
Other	5,309	5%
Total Beneficial Use	106,917	100%

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 152](#) for endnotes.

KEY ENVIRONMENTAL METRICS—WASTE

WASTE GLOBAL PERFORMANCE

BREAKDOWN OF WASTE BY FATE PERCENTAGES

	Landfilled	Incinerated without Energy	Incinerated with Energy	Recycled	Other, Not Landfilled
2020	24.5%	5.3%	19.1%	48.4%	2.7%
2019	23.1%	4.3%	25.0%	45.2%	2.4%
2018^(v)	27.1%	3.8%	19.3%	45.5%	4.2%
2017^(v)	29.5%	3.6%	17.2%	44.5%	5.1%
2010^{(f),(v)}	37.2%	6.1%	9.5%	43.2%	4.0%

IT EQUIPMENT RESOLD AND RECYCLED TONS

	Total Sold	Total Recycled
2020	61	162
2019	101	148

PACKAGING REDUCTION MILLION POUNDS OF PACKAGING

	Cumulative Reduction (%)	Cumulative Reduction (Million LB)
2020 GOAL	-10.00%	30.0
2020	-14.22%	42.1
2019	-14.13%	41.8
2018	-13.91%	41.3
2017	-11.52%	34.1
2010^(f)	0%	0

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 152](#) for endnotes.

KEY ENVIRONMENTAL METRICS—WASTE

WASTE REGIONAL PERFORMANCE

TOTAL WASTE BY REGION⁽¹⁾ TONS

	2010 ⁽¹⁾	2017	2018	2019	2020
ASIA PACIFIC					
China	2,763	2,946	2,903	2,952	1,562
India	2,063	2,194	2,170	2,532	2,806
Indonesia	205	26	28	26	20
Japan	755	642	561	612	604
Korea (South)	581	581	581	581	755
Malaysia	0	129	142	120	104
Pakistan	1,257	657	662	610	574
Singapore	3,993	1,836	2,587	2,011	1,909
Vietnam	49	114	70	82	78
Commercial and Noncommercial Region Total	2,172	2,172	1,569	2,218	2,141
Region Total	13,837	11,298	11,274	11,744	10,553
CARIBBEAN AND LATIN AMERICA					
Argentina	948	726	535	627	554
Brazil	680	615	637	709	774
Chile	580	708	633	617	513
Colombia	816	1,765	1,638	1,666	1,674
Costa Rica	0	1,334	1,593	1,369	1,128
Mexico	222	379	459	401	363
Peru	313	346	339	322	312
Puerto Rico	3,292	611	726	543	452
Commercial and Noncommercial Region Total	814	814	658	459	354
Region Total	7,665	7,297	7,218	6,713	6,123

	2010 ⁽¹⁾	2017	2018	2019	2020
EUROPE					
Belgium	368	368	382	433	325
Germany	2,226	2,529	3,062	3,457	3,345
Ireland	5,216	4,088	4,034	8,101	3,333
Netherlands	6,670	4,660	4,653	5,797	6,313
Norway	356	356	356	356	326
Russia	1,206	1,094	1,072	963	4,879
Spain	738	1,251	1,238	973	907
Sweden	113	0	0	0	0
Switzerland	91	49	40	45	36
United Kingdom	1,470	912	1,006	1,162	1,076
Commercial and Noncommercial Region Total	817	817	739	810	691
Region Total	19,272	16,124	16,581	22,095	21,231
NORTH AMERICA					
Canada	1,313	790	728	828	816
United States	43,810	30,867	30,150	28,492	27,791
Commercial and Noncommercial Region Total	93	93	129	303	333
Region Total	45,216	31,750	31,007	29,624	28,940
Total for All Regions	85,989	66,469	66,079	70,176	66,847

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 152](#) for endnotes.

KEY ENVIRONMENTAL METRICS—WASTE

WASTE REGIONAL PERFORMANCE

HAZARDOUS WASTE BY REGION^(a)

TONS

	2010 ^(a)	2017	2018	2019	2020
ASIA PACIFIC					
China	52	71	68	82	143
India	264	502	298	490	527
Indonesia	7	10	14	15	14
Japan	38	32	31	31	35
Korea (South)	36	36	36	36	65
Malaysia	0	60	63	80	68
Pakistan	65	75	114	109	84
Singapore	24	20	19	29	27
Vietnam	16	53	42	51	40
Commercial and Noncommercial Region Total	190	190	157	24	141
Region Total	692	1,050	842	948	1,146
CARIBBEAN AND LATIN AMERICA					
Argentina	375	405	277	366	312
Brazil	117	202	203	342	348
Chile	237	156	164	299	253
Colombia	198	251	298	304	323
Costa Rica	0	386	459	442	415
Mexico	33	62	80	45	51
Peru	79	96	100	124	132
Puerto Rico	1,596	50	47	44	25
Commercial and Noncommercial Region Total	123	123	66	7	6
Region Total	2,757	1,730	1,694	1,974	1,866

	2010 ^(a)	2017	2018	2019	2020
EUROPE					
Belgium	8	8	2	14	11
Germany	490	593	739	781	731
Ireland	536	457	513	639	683
Netherlands	3,283	1,685	1,754	2,518	2,766
Norway	32	32	32	32	26
Russia	294	417	298	189	2,615
Spain	3	4	5	5	3
Sweden	0	0	0	0	0
Switzerland	2	0	0	1	0
United Kingdom	545	128	131	183	131
Commercial and Noncommercial Region Total	66	66	74	27	36
Region Total	5,259	3,390	3,547	4,389	7,003
NORTH AMERICA					
Canada	149	128	112	172	118
United States	1,483	1,169	1,090	950	1,037
Commercial and Noncommercial Region Total	9	9	13	5	6
Region Total	1,641	1,306	1,215	1,126	1,161
Total for All Regions	10,348	7,476	7,297	8,437	11,175

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 152](#) for endnotes.

KEY ENVIRONMENTAL METRICS—WASTE

WASTE REGIONAL PERFORMANCE

NONHAZARDOUS WASTE BY REGION⁽¹⁾ TONS

	2010 ⁽¹⁾	2017	2018	2019	2020
ASIA PACIFIC					
China	2,710	2,876	2,835	2,870	1,419
India	1,799	1,692	1,872	2,041	2,279
Indonesia	198	16	14	11	6
Japan	717	611	529	581	570
Korea (South)	545	545	545	545	689
Malaysia	0	69	80	40	35
Pakistan	1,192	581	548	501	489
Singapore	3,968	1,816	2,568	1,982	1,881
Vietnam	33	60	29	31	38
Commercial and Noncommercial Region Total	1,982	1,982	1,412	2,194	2,001
Region Total	13,145	10,248	10,432	10,796	9,408
CARIBBEAN AND LATIN AMERICA					
Argentina	573	321	258	261	242
Brazil	563	413	433	367	426
Chile	343	552	470	317	259
Colombia	618	1,514	1,339	1,363	1,350
Costa Rica	0	949	1,134	927	712
Mexico	190	317	379	356	311
Peru	234	250	239	198	180
Puerto Rico	1,696	561	679	500	427
Commercial and Noncommercial Region Total	691	691	592	453	348
Region Total	4,908	5,568	5,523	4,740	4,257

	2010 ⁽¹⁾	2017	2018	2019	2020
EUROPE					
Belgium	361	361	379	419	314
Germany	1,736	1,936	2,323	2,676	2,613
Ireland	4,679	3,631	3,521	7,462	2,650
Netherlands	3,388	2,975	2,899	3,279	3,548
Norway	324	324	324	324	299
Russia	912	677	775	774	2,264
Spain	735	1,247	1,233	968	904
Sweden	112	0	0	0	0
Switzerland	89	49	40	44	36
United Kingdom	926	784	875	978	945
Commercial and Noncommercial Region Total	751	751	665	783	655
Region Total	14,013	12,734	13,034	17,705	14,228
NORTH AMERICA					
Canada	1,164	662	617	657	699
United States	42,327	29,698	29,060	27,543	26,753
Commercial and Noncommercial Region Total	84	84	116	298	327
Region Total	43,575	30,444	29,793	28,497	27,779
Total for All Regions	75,641	58,993	58,782	61,739	55,671

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 152](#) for endnotes.

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

EHS FINES, NOTICES OF VIOLATION AND GOVERNMENT AGENCY INSPECTIONS

EHS FINES U.S. DOLLARS

	2010 ^(f)	2017	2018	2019	2020
Environmental Fines	27,950	0	0	16,700	0
Health and Safety Fines	0	751	3,000	0	1,200
Total EHS Fines	27,950	751	3,000	16,700	1,200

EHS NOTICES OF VIOLATION (NOVs)

	2010 ^(f)	2017	2018	2019	2020
Total EHS NOVs	4	4	7	4	5

EHS GOVERNMENT AGENCY INSPECTIONS^(w)

	2010 ^(f)	2017	2018	2019	2020
Total EHS Inspections	46	130	144	187	181

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 152](#) 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) This includes Alere employees.

(b) These percentages are as of December 31, 2020. Percentages represent a count of U.S. employees, excluding the rapid diagnostics business.

(c) Legacy Alere is included in Health and Safety and Scope 3 metrics beginning in 2019. Metrics 2010–2018 do not include Legacy Alere.

(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 2019 to 2020.

(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, steam and chilled water, 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) Water-stressed locations have been determined using the WRI Aqueduct™ global water risk mapping tool.

(q) Water withdrawal is equivalent to water intake.

(r) Waste-generation data does not include materials that are reused beneficially.

(s) 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.

(t) Abbott began calculating beneficial-use commercial activities beginning in 2019.

(u) 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 included in this rate starting in 2019.

(v) The years 2010, 2017 and 2018 data represent manufacturing data only. Nonmanufacturing data was not broken down by fate prior to 2019.

(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.

INDICES

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SASB STANDARDS INDEX

Abbott is reporting under the Sustainability Accounting Standards Board (SASB), and in doing so, we strive to provide material environmental, social and governance information to our investors and stakeholders. The following index provides content aligning with disclosures related to the Medical

Equipment and Supplies Standard; Biotechnology and Pharmaceuticals Standard; and Processed Foods Standard. Unless otherwise noted, all data disclosed is as of December 31, 2020.

Medical Equipment and Supplies Standard
Biotechnology and Pharmaceuticals Standard
Processed Foods Standard

MEDICAL EQUIPMENT AND SUPPLIES STANDARD

SASB METRIC

2020 DISCLOSURE

AFFORDABILITY AND PRICING

HC-MS-240a.1: Ratio of weighted average rate of net price increases (for all products) to the annual increase in the U.S. Consumer Price Index.

YOY%	Total Abbott Net Sales Price Change (year-on-year %)	Global Consumer Price Index (year-on-year %)
2020	-0.4	1.7
2019	0.2	2.4
2018	-1.0	2.6

Abbott's purpose is helping people live fully through our life-changing products and technologies—and our philosophy is that the best healthcare solution is the one that can reach the most people who need it. That's why we're focused on creating products that are not just innovative, safe and effective, but also affordable and accessible to more people. See [page 22](#) in the Access and Affordability section of this report.

As part of our 2030 Sustainability Plan, we have an intentional focus on designing sustainable access and affordability into the creation of our new life-changing technologies so that we can make them widely available at affordable prices to people who need them. Pricing, however, is only one of the factors that determine affordability. Abbott also is advocating for systems and approaches that broaden access while minimizing additional costs for consumers and payers.

In 2020, Abbott's product pricing reflected the company's approach, with an annual global net sales price change of -0.4%, which compares to a Global Consumer Price Index (CPI) of 1.7% for 2020.

This metric is modified from the metric provided by SASB, by substituting a global CPI for the U.S. CPI. Abbott believes that disclosing product pricing as a ratio tied to the Global CPI is an appropriate way for investors and other stakeholders to best understand pricing for products across our diversified, global businesses. Sales outside of the United States in 2020 comprised more than 60% of Abbott's revenue. The global CPI is the total headline CPI for each country weighted by Abbott's geographic revenue exposure. For more on Abbott pricing, see Abbott's [10-K filing for 2020](#).

SASB STANDARDS INDEX

MEDICAL EQUIPMENT AND SUPPLIES STANDARD

SASB METRIC	2020 DISCLOSURE
AFFORDABILITY AND PRICING	
<p>HC-MS-240a.2: Description of how price information for each product is disclosed to customers or to their agents.</p>	<p>Abbott Laboratories sells diagnostics, medical devices, nutritional products and established pharmaceuticals. (For more details, see page 22 in our Access and Affordability section in this report.) Given the breadth of our product offerings, each Abbott division sells products using a variety of contracting methodologies. Divisions use a variety of price concessions in their sales contracting, including point-of-sale discounts, rebates and wholesaler chargebacks. These price concessions can be for single or multiproduct sales and may include products from multiple business units or divisions (such as all medical device business units or rapid and molecular diagnostics). Price concessions may be based upon factors such as volume, market share, purchase commitments or result from competitive bidding processes and are generally documented in executed contracts, purchase orders and term sheets. Point-of-sale discounts are reflected in invoices that show the discounted prices, and rebates are documented in written agreements with rebate calculations provided at the time rebate payments are made. Our customers span the globe and include federal, state and local governments, hospitals, group purchasing organizations, wholesalers, individual healthcare providers and consumers. We maintain pricing flexibility to meet the needs of our diverse customers, large and small, and to ensure that our essential healthcare products are available and affordable across the globe.</p>
PRODUCT SAFETY	
<p>HC-MS-250a.1: Number of recalls issued, total units recalled.</p>	<p>See page 116 in the Foundations of Sustainability section of this report.</p>
<p>HC-MS-250a.2: List of products listed in the FDA's MedWatch Safety Alerts for Human Medical Products database.</p>	<p>See the FDA's MedWatch Safety Alerts for Human Medical Products database.</p>
<p>HC-MS-250a.3: Number of fatalities related to products as reported in the FDA Manufacturer and User Facility Device Experience database.</p>	<p>See the FDA Manufacturer and User Facility Device Experience database.</p>
<p>HC-MS-250a.4: Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type.</p>	<p>See page 116 in the Foundations of Sustainability section of this report.</p>

SASB STANDARDS INDEX

MEDICAL EQUIPMENT AND SUPPLIES STANDARD

SASB METRIC	2020 DISCLOSURE
ETHICAL MARKETING	
HC-MS-270a.1: Total amount of monetary losses as a result of legal proceedings associated with false marketing claims.	When public disclosure criteria are met, monetary losses as a result of legal proceedings associated with false marketing claims are included in our 2020 Annual Report (page 50).
HC-MS-270a.2: Description of code of ethics governing promotion of off-label use of products.	See our Code of Business Conduct on our website and page 107 in the Foundations of Sustainability section of this report.
PRODUCT DESIGN AND LIFE CYCLE MANAGEMENT	
HC-MS-410a.1: Discussion of process to assess and manage environmental and human health considerations associated with chemicals in products, and meet demand for sustainable products.	See page 117 in the Foundations of Sustainability section of this report.
HC-MS-410a.2: Total amount of products accepted for takeback and reused, recycled or donated, broken down by (1) devices and equipment and (2) supplies.	See page 101 in the Supply Chain section of this report.
SUPPLY CHAIN MANAGEMENT	
HC-MS-430a.1: Percentage of (1) entity's facilities and (2) Tier 1 suppliers participating in third-party audit programs for manufacturing and product quality.	See page 116 in the Foundations of Sustainability section of this report.
HC-MS-430a.2: Description of efforts to maintain traceability within the distribution chain.	See page 96 in the Supply Chain section of this report.
HC-MS-430a.3: Description of the management of risks associated with the use of critical materials.	See page 96 in the Supply Chain section of this report.

SASB STANDARDS INDEX

MEDICAL EQUIPMENT AND SUPPLIES STANDARD

SASB METRIC	2020 DISCLOSURE
BUSINESS ETHICS	
HC-MS-510a.1: Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption.	Not disclosed.
HC-MS-510a.2: Description of code of ethics governing interactions with healthcare professionals.	See our Code of Business Conduct on our website and page 107 in the Foundations of Sustainability section of this report.
ACTIVITY METRIC	
Quantitative: Number of units sold by product category.	Not disclosed.

SASB STANDARDS INDEX

BIOTECHNOLOGY AND PHARMACEUTICALS STANDARD

SASB METRIC	2020 DISCLOSURE
ACCESS TO MEDICINES	
<p>HC-BP-240a.1: Description of actions and initiatives to promote access to healthcare products for priority diseases and in priority countries as defined by the Access to Medicine Index.</p>	<p>See page 117 in the Foundations of Sustainability section of this report.</p>
EMPLOYEE RECRUITMENT, DEVELOPMENT AND RETENTION	
<p>HC-BP-330a.1: Discussion of talent recruitment and retention efforts for scientists and research and development personnel.</p>	<p>See pages 41–43 in the Our People section of this report.</p>
<p>HC-BP-330a.2: (1) Voluntary and (2) involuntary turnover rate for (a) executives/senior managers, (b) midlevel managers, (c) professionals and (d) all others.</p>	<p>See page 126 in the Reporting on Sustainability section</p>
SAFETY OF CLINICAL TRIAL PARTICIPANTS	
<p>HC-BP-210a.1: Discussion, by world region, of management process for ensuring quality and patient safety during clinical trials.</p>	<p>See page 117 in the Foundations of Sustainability section of this report.</p>
<p>HC-BP-210a.2: Number of FDA Sponsor Inspections related to clinical trial management and pharmacovigilance that resulted in (1) Voluntary Action Indicated (VAI) and (2) Official Action Indicated (OAI).</p>	<p>Not disclosed.</p>
<p>HC-BP-210a.3: Total amount of monetary losses as a result of legal proceedings associated with clinical trials in developing countries.</p>	<p>Not disclosed.</p>

SASB STANDARDS INDEX



PROCESSED FOODS STANDARD

SASB METRIC	2020 DISCLOSURE
ENERGY MANAGEMENT	
FB-PF-130a.1: (1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable.	See page 69 in the Environment section of this report.
WATER MANAGEMENT	
FB-PF-140a.1: (1) Total water withdrawn and (2) total water consumed, percentage of each in regions with high or extremely high baseline water stress.	See page 76 in the Environment section of this report and our CDP Water Security submission on our website.
FB-PF-140a.2: Number of incidents of noncompliance associated with water quantity and/or quality permits, standards and regulations.	See our CDP Water Security submission on our website.
FB-PF-140a.3: Description of water management risks and discussion of strategies and practices to mitigate those risks.	See our CDP Water Security submission on our website.
PACKAGING LIFECYCLE MANAGEMENT	
FB-PF-410a.1: (1) Total weight of packaging, (2) percentage made from recycled and/or renewable materials and (3) percentage that is recyclable, reusable and/or compostable.	See page 81 in the Environment section of this report.
FB-PF-410a.2: Discussion of strategies to reduce the environmental impact of packaging throughout its life cycle.	See page 82 in the Environment section of this report.


SUSTAINABLE DEVELOPMENT GOALS (SDG) INDEX




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.

GOAL	TARGET	SCOPE
 <p>GOAL 1 No Poverty End extreme poverty in all forms by 2030</p>	1.1 1.5	<p>India Dairy Program</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.</p> <p>Disaster Relief</p> <p>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.</p>
 <p>GOAL 2 Zero Hunger End hunger, achieve food security and improved nutrition, and promote sustainable agriculture</p>	2.1 2.2	<p>Backpack Program</p> <p>During the 2019–2020 school year, through support of Feeding America, the Global FoodBanking Network and the Northern Illinois Food Bank, we helped disburse more than 82,000 backpacks and containers of food, the equivalent of more than 1,000,000 meals, to food-insecure kids and their families so that they had nutritious food when school meals were not available.</p> <p>Vietnam Pediatric Program</p> <p>In Vietnam, Abbott and the Abbott Fund have provided 2,275 school children with nutrient-dense snacks, nutrition supplements, including Abbott's <i>PediaSure</i>®, and have helped their families with hygiene supplies and health education. Despite COVID-19, the program achieved a reduction in malnutrition of 32% among participating children.</p>





GOAL	TARGET	SCOPE
<div data-bbox="88 557 241 706">  </div> <div data-bbox="262 557 569 751"> <p>GOAL 3 Good Health and Well-Being Ensure healthy lives and promote well-being for all at all ages</p> </div>	<p>3.1 3.2 3.3 3.4 3.8</p>	<p>Our 2030 Goal Our goal by decade's end is to improve the lives of more than 3 billion people each year—reaching 1 billion more per year than we do today.</p> <p>Make access and affordability core to new product innovation: We'll design our technologies and products for broader access and affordability at every step—from every phase of our R&D process, to the materials we use, to manufacturing, to the ways we reach the people who need them.</p> <p>Transform care for chronic disease, malnutrition and infectious diseases: Across our business and through collaboration, we'll create new technologies and find new answers for chronic health conditions like diabetes and cardiovascular disease, malnutrition and infectious diseases, such as COVID-19, HIV, malaria, hepatitis and emergent pandemic threats.</p> <ul style="list-style-type: none"> • Support global efforts to address noncommunicable diseases, including diabetes and cardiovascular disease. • Deliver scalable, integrated solutions to help reduce preventable deaths and infectious diseases (malaria, hepatitis, HIV, COVID-19 and others) with diagnostics, treatment and education programs, especially in high-prevalence areas. <p>Advance health equity through partnership:</p> <ul style="list-style-type: none"> • We will work side by side with people and communities we serve, partners, governments and other stakeholders to address health disparities, expand access and remove barriers that prevent people from living healthy lives. • 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 (NCDs). In its first year, the school-based Future Well Kids program, which helps encourage young people to develop lifelong healthy habits at an early age, reached 33 classrooms in underserved communities of Ireland, Mexico and the United States. • In 2020, we successfully pivoted the program to respond to the changed circumstances of the COVID-19 pandemic, developing virtual lessons that our classroom volunteers can teach remotely; and launching a new website, Future Well Kids—For Families, with resources to encourage exercise and healthy eating at home.





GOAL	TARGET	SCOPE
<div data-bbox="88 557 243 706" style="background-color: #008000; color: white; padding: 5px; display: inline-block;"> 3 GOOD HEALTH AND WELL-BEING  </div> <div data-bbox="262 557 569 755" style="margin-left: 10px;"> <p>GOAL 3 Good Health and Well-Being Ensure healthy lives and promote well-being for all at all ages</p> </div>	3.1 3.2 3.3 3.4 3.8	<ul style="list-style-type: none"> • The Navajo Nation is one of the communities hardest hit by COVID-19 in the United States. We collaborated with the Partners In Health and their partner organization Community Outreach & Patient Empowerment (COPE) to advance COVID-19 testing and contact tracing. To date, this has helped to train more than 900 healthcare providers and contact tracers, testing more than 10,000 people and providing follow-up and community support, including Abbott nutrition products, to more than 2,875 people. • We are working with the Alive Faith Network-Rush University Hospital in Chicago and Community-University Health Care Center-University of Minnesota in Minneapolis to expand mobile COVID-19 testing, treatment and education. Our initiatives have targeted the communities at greatest risk from the pandemic, including Black and Latino communities that suffer from extreme poverty and high incidents of diabetes and heart disease. • The Abbott Fund’s COVID-19 Community Grant Program has partnered with Direct Relief to provide \$5 million to support 25 federally qualified health centers in the hardest hit U.S. states. The program is helping community health centers that serve predominantly Black and Latino populations by strengthening their capabilities to screen, test, triage and treat more than 160,000 COVID-19 patients. <ul style="list-style-type: none"> • 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. <ul style="list-style-type: none"> – 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. – Initial results from the program have been promising. More than half (51%) of diabetic and prediabetic patients saw a decrease in their fasting blood glucose levels since baseline, and 46% saw a decrease in their average blood glucose (HbA1c) levels, which is an indicator of better glucose control and lower risk of complications.




GOAL	TARGET	SCOPE
 <p>GOAL 3 Good Health and Well-Being Ensure healthy lives and promote well-being for all at all ages</p>	3.1 3.2 3.3 3.4 3.8	<ul style="list-style-type: none"> In Canada, Colombia, Poland, the United Kingdom and the United States, we donated supplies of our <i>FreeStyle Libre</i>[®] 14-day continuous glucose-monitoring system to remotely monitor patients with diabetes. We are working with Feeding America and others to donate more than 1.7 million feedings of <i>Similac</i>[®] infant formula in eight cities in the United States. In Indonesia and the Dominican Republic, we have developed and piloted mental health training and support for 372 healthcare workers, with a view to rolling out the initiative globally.
 <p>GOAL 4 Quality Education Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	4.3 4.4	<p>Our 2030 Goal Create opportunities in Abbott’s science, technology, engineering and math (STEM) programs and internships for more than 100,000 young people, with 50% of those coming from underrepresented groups.</p> <p>STEM Internships Abbott’s high school STEM internship program has promoted careers in science, technology, engineering and math since its launch in 2012. Our goal is to increase the number of students, especially girls and those from underrepresented backgrounds, who pursue STEM-related educations and careers. In the process, we aim to provide Abbott with a more diverse talent pipeline, and we have seen success. Of the 150 students who have completed the program, 97% have gone on to study STEM subjects in college. We’ve started hiring our first former high school interns as full-time engineers, and 11 of the 15 are young women. In 2020, 58% of those participating in the program were female, and 73% were from minority groups.</p>




GOAL	TARGET	SCOPE
 <p>GOAL 5 Gender Equality Achieve gender equality and empower all women and girls</p>	5.1	<p>Our 2030 Goals</p> <ul style="list-style-type: none"> • Achieve gender balance across our global management team with at least 45% female representation. • Achieve gender balance in STEM roles with at least 45% female representation. <p>STEM Internships Abbott’s high school STEM internship program has promoted careers in science, technology, engineering and math since its launch in 2012. Our goal is to increase the number of students, especially girls and those from underrepresented backgrounds, who pursue STEM-related educations and careers. In the process, we’ve helped increase the diversity of Abbott’s talent pipeline. Of the 150 students who have completed the program, 97% have gone on to study STEM subjects in college. We’ve started hiring our first former high school interns as full-time engineers, and 11 of the 15 are young women. In 2020, 58% of those participating in the program were female, and 73% were from minority groups.</p>
 <p>GOAL 6 Clean Water and Sanitation Ensure availability and sustainable management of water and sanitation for all</p>	6.3 6.4	<p>Our 2030 Goals</p> <ul style="list-style-type: none"> • We have aligned our 2030 Sustainability Plan and our water management technical standard, which governs our operational water management, with the principles of a context-based approach. Our Plan includes the following water-related targets for 2030: <ul style="list-style-type: none"> – Achieve water stewardship certification at all high-water impact manufacturing sites in water-stressed areas. – Implement accredited water stewardship management practices in more than 75% of all manufacturing sites operating in water-stressed areas. – Work with 50 key suppliers in high water-stressed areas to reduce risks to water quality and quantity for Abbott and the community. <p>Water Commitments/Goals</p> <ul style="list-style-type: none"> • Abbott recognizes that water is critical to sustaining life, human health, economic growth and ecosystems. It is also essential to Abbott’s business continuity and manufacturing operations and 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 in which we operate.




GOAL	TARGET	SCOPE
<div data-bbox="88 560 241 706">  </div> <p data-bbox="262 560 569 779"> GOAL 6 Clean Water and Sanitation Ensure availability and sustainable management of water and sanitation for all </p>	<p data-bbox="569 560 741 584">6.3</p> <p data-bbox="569 592 741 617">6.4</p>	<p data-bbox="741 560 1344 584">Water Risk Management/Reduction Initiatives</p> <p data-bbox="741 592 1344 771"> We are leveraging our Alliance for Water Stewardship (AWS) membership and resources and World Resources Institute (WRI) resources to develop a context-based approach to water management that monitors water impacts across the water catchment basin in which we operate and from which we source. </p> <ul data-bbox="741 787 1344 1063" style="list-style-type: none"> • In 2020, we implemented 16 water efficiency and reduction projects at 12 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 2020 resulted in a savings of approximately \$120,000 and 14.6 million gallons of water per year. <p data-bbox="1365 560 2030 584">Water Performance</p> <ul data-bbox="1365 592 2030 1136" style="list-style-type: none"> • We met our target to reduce Abbott’s total water intake by 30% by 2020, compared to 2010 and adjusted for sales. At the end of 2020, we had reduced our water intake compared to 2010 by 4.1% on an absolute basis and 34% when adjusted for sales. • Abbott’s total water intake in 2020 was 3.49 billion gallons, a 2% decrease compared to 2019. During 2020, we recycled and reused 17% of water at sites employing water recycling practices. In addition, the number of facilities with water recycling activities also increased from 25 to 29 manufacturing sites. • In 2020, 28 of our 112 manufacturing and R&D sites operated in water-stressed regions. However, more than 54% 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.





GOAL	TARGET	SCOPE
<div data-bbox="88 560 241 706" style="background-color: #800000; color: white; padding: 5px; display: flex; align-items: center;"> 8 <div style="font-size: 8px; line-height: 1; margin-right: 5px;">DECENT WORK AND ECONOMIC GROWTH</div>  </div> <p data-bbox="262 560 571 649">GOAL 8 Decent Work and Economic Growth</p> <p data-bbox="262 657 571 812">Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<p data-bbox="571 560 741 584">8.5</p> <p data-bbox="571 592 741 617">8.6</p>	<p data-bbox="741 560 913 584">Our 2030 Goals</p> <ul data-bbox="741 592 1344 1015" style="list-style-type: none"> • Provide 1 million development and job opportunities for current and future employees. • Ensure one-third of our leadership roles are held by people from underrepresented groups by 2025. • Create opportunities in Abbott’s STEM programs and internships for more than 100,000 young people, including 50% from underrepresented groups. • Ensure an inclusive environment with a 50% increase in spending with diverse and small businesses by 2030 and a 150% increase in spending with Black- and women-owned businesses by 2025, from a 2020 baseline. • Achieve gender balance in STEM roles with at least 45% female representation. <p data-bbox="741 1047 1039 1071">Supplier Diversity Programs</p> <ul data-bbox="741 1079 1344 1339" style="list-style-type: none"> • In 2020, we continued to prioritize our efforts to increase our spend with minority-, women- and LGBTQ-owned businesses. We also continued to strengthen our supplier diversity Tier 2 program, working with key and strategic suppliers to encourage them to increase their own supplier diversity. • Abbott’s efforts to support supply chain diversity include our partnerships with the Council for Supplier Diversity <p data-bbox="1375 560 2016 738">and Chicago United, through which we have developed the Abbott Supplier Diversity Connections and Five Forward program. Abbott also continues to play an active role within the Diverse Manufacturing Supply Chain Alliance (DMSCA), which supports small and minority-owned manufacturing suppliers bringing innovative solutions to market.</p> <p data-bbox="1375 771 1785 795">Impact of Supplier Diversity Programs</p> <ul data-bbox="1375 803 2016 1323" style="list-style-type: none"> • In 2020, we completed an economic impact analysis to understand how partnering with diverse and small businesses has a positive impact on business growth, employment and revenue. From this analysis, we found that our 2019 supplier diversity program supported more than 9,400 jobs and had an economic impact of \$1.9 billion in the communities where our diverse suppliers operate in the United States and Puerto Rico. • In 2020, we surpassed \$2 billion in spend with diverse and small businesses for the first time increasing our economic impact beyond that of 2019. During 2020, we worked with 5,575 diverse and small businesses, representing \$2.3 billion in procurement spend, an increase of 23% from 2019 to 2020. During this same time frame, our spend with small businesses increased 19% and spend with minority-owned businesses increased 39%.




GOAL	TARGET	SCOPE
<div data-bbox="88 560 241 706" style="background-color: #c8513d; color: white; padding: 5px;"> <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>  </div> <p>GOAL 12 Responsible Consumption and Production Ensure sustainable consumption and production patterns</p>	<p>12.5</p>	<p>Our 2030 Waste Goals</p> <ul style="list-style-type: none"> Addressing 50 million pounds of packaging through high-impact sustainable design programs that: <ul style="list-style-type: none"> Employ circularity principles through smart design and material selection. Eliminate and reduce materials. Improve the energy efficiency of Abbott's products. Optimize packaging, pallet and truckload efficiency. Reducing waste impacts using a circular economy approach to achieve and maintain at least a 90% waste diversion rate. Engaging with key suppliers to reduce the environmental impact of materials supplied to Abbott that become waste in our operations. <p>Waste Reduction Initiatives</p> <ul style="list-style-type: none"> In 2012, we launched Abbott's Zero Waste to Landfill program to provide our sites with a clear target for diverting waste away from landfill. In total, 31 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 greenhouse gas (GHG) emissions, saves costs, helps to engage employees in our environmental initiatives and motivates sites to direct waste to higher levels of waste management. <ul style="list-style-type: none"> 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 807 waste vendors within the last five years and 172 waste vendors in 2020. Our IT standard for evaluating and approving waste vendors is used to ensure that responsible recycling of IT waste and controls are in place for resale of viable assets. Our electronic equipment reuse and recycling program recycled 162 U.S. tons and resold 61 U.S. tons of electronic equipment in 2020. Our IT program supports our waste strategy of keeping materials in use and reducing raw material inputs by reusing or recycling IT-related materials and waste.



GOAL	TARGET	SCOPE
<div data-bbox="88 558 241 708">  <p>GOAL 12 Responsible Consumption and Production</p> <p>Ensure sustainable consumption and production patterns</p> </div>	<p>12.5</p>	<p>Waste Performance</p> <ul style="list-style-type: none"> In 2020, we produced 66,847 tons of waste, an absolute decrease of 5% compared to 2019. Since 2010, we have reduced our total waste footprint by 22% on an absolute basis and by 47% when adjusted for sales, nearly achieving our 2020 50% reduction target. In partnership with our global electronic waste partners, we recycled 162 tons and resold 61 tons of electronic equipment. Through our efforts to maximize the economic value of material over time, we diverted 90% of our operational waste and beneficial-use materials from landfill and incineration without energy recovery. In 2020, our beneficial-use activities exceeded the total waste that Abbott generated by 59.9%, with 106,917 tons of materials beneficially used across 88 sites in 26 countries. This included composting 1,146 tons of cafeteria waste. <p>Packaging Reductions</p> <p>Abbott's cross-functional Packaging Council set an aggressive target to reduce the total weight of packaging for Abbott products by 10% by 2020, compared to our 2010 baseline. We surpassed this initial goal in 2017 and continued to build on that progress through 2020. By the end of 2020, we had reduced our total weight of packaging by 14.2% compared to 2010. Through this achievement, we have eliminated approximately 42.1 million pounds of packaging and saved more than \$100 million since 2010.</p>
<div data-bbox="88 1107 241 1256">  <p>GOAL 13 Climate Action</p> <p>Take urgent action to combat climate change and its impacts</p> </div>	<p>13.1 13.2</p>	<p>Emissions Reductions Goals</p> <ul style="list-style-type: none"> In 2012, we set an ambitious target to reduce our Scope 1 and 2 emissions by 40% by 2020, compared to 2010 and adjusted for sales. We exceeded this target in 2019 and continued to build on this progress in 2020. By the end of the year, we had achieved a 50% reduction compared to 2010 levels. Under our 2030 Sustainability Plan, we have set new targets to reduce our absolute Scope 1 and 2 emissions by 30% compared to our 2018 baseline. This aligns our sustainability plan with the objectives of the Science Based Targets initiative (SBTi), well below the two-degree warming scenario. In addition to this, we are working to develop a 2030 target for Scope 3 emissions and will work with our key carbon-intensive suppliers to implement sustainable programs to reduce these emissions.



GOAL	TARGET	SCOPE
<div data-bbox="96 561 243 708">  </div> <p data-bbox="264 561 491 716"> GOAL 13 Climate Action Take urgent action to combat climate change and its impacts </p>	<p data-bbox="579 561 621 613">13.1 13.2</p>	<p data-bbox="751 553 1157 578">Energy/Emissions Reduction Initiatives</p> <p data-bbox="751 591 1352 899">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.</p> <p data-bbox="751 943 1079 967">Using cleaner sources of energy:</p> <ul data-bbox="751 980 1352 1484" style="list-style-type: none"> • Since 2017, 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. We purchased 170 million kilowatt-hours of low-carbon energy in 2020. This resulted in savings of 78,000 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. In 2020, six of our facilities used cogeneration units, which are power-generating units that produce electricity and capture heat for use in manufacturing processes. We produced 59 million kilowatt-hours of electricity through cogeneration in 2020, an increase of 68% since 2010. In total, we generated 1.5 million kilowatt-hours of energy at our sites, mostly through solar panels. <p data-bbox="1388 553 1692 578">Using energy more efficiently:</p> <p data-bbox="1388 591 1988 870">In 2020, we implemented 54 energy efficiency and air emissions projects at 28 manufacturing sites in eight countries. These projects resulted in more than \$1.1 million annual cost savings and more than 30 million kilowatt-hours in annual energy savings, preventing more than 8,900 metric tons of CO₂e emissions. In several cases, we achieved significant savings by upgrading and optimizing building control technologies, HVAC systems, and manufacturing processes and equipment.</p> <p data-bbox="1388 911 1640 935">Fuel-efficient initiatives:</p> <ul data-bbox="1388 948 1988 1484" style="list-style-type: none"> • We have launched a number of long-term initiatives to manage fuel consumption in our commercial fleet, which contributed to 25% of our Scope 1 emissions in 2020. These initiatives include requirements for more fuel-efficient vehicles, car-sharing programs and campaigns encouraging our employees to use public transportation in urban environments. • During the COVID-19 pandemic, we encouraged our sales teams to work from home where possible, with the exception of those providing commercial support to hospitals. This resulted in a significant reduction in fuel consumption for our commercial fleet and contributed to a reduction in Scope 1 emissions. Offsetting this, disruption caused by the pandemic meant that we could rely less on our most fuel-efficient modes of transportation when it came to delivering COVID-19 tests and other Abbott products when and where they were needed.



GOAL	TARGET	SCOPE
<div data-bbox="88 553 243 704">  </div> <p data-bbox="264 553 571 748"> GOAL 17 Partnerships for the Goals Strengthen the means of implementation and revitalize the global partnership for sustainable development </p>	<p data-bbox="571 553 743 613">17.6 17.17</p>	<div data-bbox="743 553 1360 967"> <p data-bbox="743 553 1360 581">Sustainable Healthcare in Partnership With Tanzania</p> <p data-bbox="743 589 1360 967">Across a nearly 20-year partnership with the Tanzania Ministry of Health, Abbott and the Abbott Fund have invested more than \$130 million and helped accomplish the shared goal of bringing positive change to Tanzania’s healthcare system. Together, Abbott, the Abbott Fund and the government of Tanzania have created a model for public-private partnership and developed sustainable improvements in the quality of testing, treatment and care across the country. In addition, Abbott also is continuing our work to serve the country’s most vulnerable communities, with a focus on strengthening education, protecting the legal rights of women and children, and providing sustainable economic opportunities.</p> </div> <div data-bbox="1381 553 2030 967"> <p data-bbox="1381 553 2030 581">Second-Generation Health Posts in Rwanda</p> <p data-bbox="1381 589 2030 967">In Rwanda, Abbott has identified an opportunity to create shared impact by supporting the Rwandan Ministry of Health’s program to close the rural healthcare gap. Beginning with eight pilot locations in the Bugesera district in 2019, we worked with the Ministry of Health to develop a model for second-generation health posts that can provide much-needed maternity wards and antenatal care. The 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.</p> </div>



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Please contact us with your questions and comments:

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