



Ingenuity at Work
2007 Global Citizenship Report



About the Cover

Abbott's global business is growing at a rapid rate with over 50 percent of our sales in 2007 coming from markets outside the United States. The implementation of our global citizenship initiatives is keeping pace with this growth. This is true for our business in emerging markets like China, where our commitment to quality and environmental, health and safety policies reflect the same dedication to our patients, employees and partners that we demonstrate worldwide. For example, photographed here are preschool children who participate in a community-based nutrition and education program sponsored by Abbott China.

About this Report

This report is a summary of Abbott's financial, social, environmental and health and safety performance. Our Web site, www.abbott.com/citizenship, is the primary means of communication for our citizenship initiatives. A copy of our Global Reporting Initiative (GRI) Index is available on our site.

Our Mission

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

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

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

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

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

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

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

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

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

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Citizenship is inherent in our business. Our company was created 120 years



Miles D. White
Chairman and
Chief Executive Officer

ago to help people meet their most fundamental need – good health.

Welcome to Abbott's 2007 Global Citizenship Report. We're glad that you share our commitment to this work, and that you're interested in learning more about our efforts.

As you know, profound changes are taking place around the globe today with large implications for the world of business. We're seeing extraordinary energy around issues confronting society and the environment; and we see companies taking the lead as they embrace changing priorities and expectations as opportunities to inspire, improve and grow their businesses. We intend for Abbott to remain among those leaders.

To us, citizenship challenges are core business challenges – they're part of how we effectively develop, manufacture and market a product. These are all matters we must address seriously and successfully for our company to succeed.

And we're doing so throughout our operations and around the world. We find it invigorating that society is demanding more of business enterprises today, and we're energized to meet and extend these new standards. We view citizenship as a matter of competitiveness and business discipline. Citizenship principles and standards help our company successfully and responsibly fulfill its role in society. They are inseparable from our business and are integrated into our thinking and our actions.

Abbott's diverse portfolio of health care businesses involves our company in many of the most pressing and difficult issues facing our world today.

For instance, intellectual property protection is a matter of critical global importance and an area of significant disagreement between involved parties. These differences have come to the fore most notably in the Thai government's

To us, citizenship challenges are core business challenges – in essence it is how we effectively develop, manufacture and market a product.

decision to void the patents of several medications, including Abbott's HIV drug lopinavir/ritonavir. While Abbott is committed to ensuring patient access to its products, and has demonstrated that commitment aggressively through multiple channels over a number of years, we must defend the innovation that is not just the lifeblood of our company, but the source of hope for future patients who also depend on us for the care they need. We will continue to work toward solutions that will satisfy the parallel goods at stake in this matter: ensuring both continuing medical innovation and access to its benefits.

Citizenship is inherent in our business. Our company was created 120 years ago to help people meet their most fundamental need – good health. Abbott people take that charge very seriously, and we carry it beyond our products, to the way we run our business. Caring for people's health links directly to concern for the environment, and to the well-being of the communities of which we are part.

Because our fundamental purpose is improving lives, we welcome the opportunity to keep improving the ways we do our work. And we're doing so. That's why, in 2007, we were named to the Dow Jones Sustainability Index for a third consecutive year.

We've committed ourselves to making a difference, and we've approached that commitment with the same determination with which we pursue all our business goals. We know that neither our company, our society, nor our planet can thrive over the long term without full commitment to good stewardship. That's why citizenship is central to our business strategy. We intend for our company to still be a leader in health care in another 120 years – we know, without question, that this means being a leader in citizenship today.

Thank you for your interest in our company,

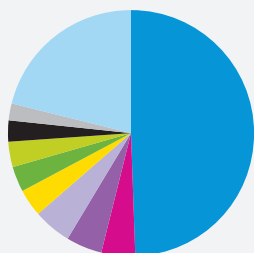


Miles D. White

Chairman and Chief Executive Officer
April, 2008

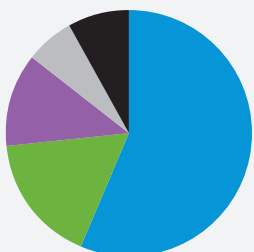
Every day, thousands of Abbott employees work to improve lives and provide

2007 Net Sales by Country
dollars in millions
Total: \$25,914



- United States \$12,874
- Canada \$832
- Japan \$1,111
- France \$854
- Germany \$1,235
- Spain \$731
- The Netherlands \$1,271
- United Kingdom \$627
- Italy \$974
- All Other Countries \$5,405

2007 Summary of Worldwide Sales
dollars in millions
Total: \$25,914



- Pharmaceutical Sales \$14,632
- Nutritional Sales \$4,388
- Diagnostics Sales \$3,158
- Vascular Sales \$1,663
- Other Sales \$2,073

About Abbott

We are a global, broad-based health care company, with scientific expertise and products that span the human life cycle and the continuum of care from prevention and diagnosis to treatment and cure.

Over A Century of Ingenuity

In 1888, physician Wallace Calvin Abbott founded the company. Dissatisfied with existing processes for making medicines, he thought there was a better way to make treatments more precise and predictable. Dr. Abbott was part of a pioneering generation of scientists, doctors and pharmacists who created modern medicine. His vision and spirit continue to this day.

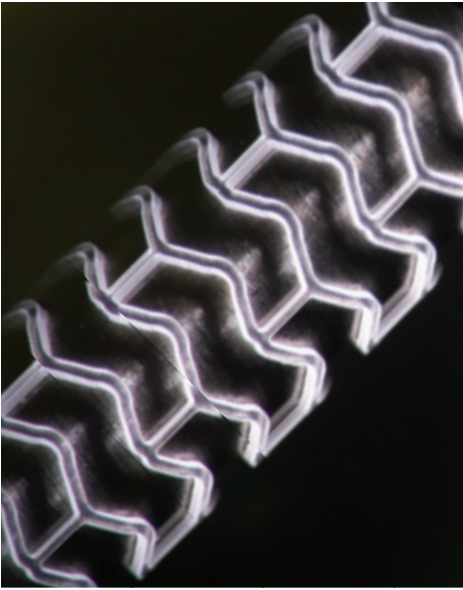
Today, through its four businesses, Abbott discovers, develops, manufactures and markets medical devices, diagnostics, nutritional products and pharmaceuticals. Our businesses lead and compete in rapidly growing markets where medical

innovation wins. As we enter our 120th year, we are poised to serve the next generation of patients and create breakthrough medical technologies.

Global Growth

We deliver results for patients, physicians, employees and shareholders. In 2007, we achieved record sales of \$25.9 billion and net profits of \$3.6 billion. Our operating cash flows were \$5.2 billion. Our financial success allows us to continually invest, innovate and introduce products that are changing the practice of medicine. More than half of our sales came from international markets, with strong performance in the emerging markets of China, India, Russia and Latin America. Our success has created economic benefits for other stakeholders around the world: We spent approximately \$12 billion with suppliers, paid \$952 million in income taxes, paid \$6.9 billion to employees and spent \$2.5 billion in the business or returned to investors. We also contributed more than

hope to millions of people around the world.



Medical Devices and Diagnostics

\$380 million in grants and products from Abbott and the Abbott Fund.

We have declared 336 consecutive quarterly dividends to shareholders since 1924. In 2007, our stock outperformed the S&P 500 and S&P Health Index. Complete financial information about Abbott and a list of our products are available at www.abbott.com.

Global Presence

Abbott is headquartered in north suburban Chicago, Illinois. We serve customers in more than 130 countries, with a staff of more than 68,000 employees at more than 100 research and development, manufacturing and distribution locations.

Improving Global Health

Our work concerns diseases that place the greatest burden on society, including cardiovascular disease, cancer, diabetes, and immune system diseases, including HIV/AIDS. Our diversity enables us to make



Nutritional Products

a unique and powerful contribution to global health. We combat single diseases on many fronts. For example, scientists across our pharmaceutical, medical devices and nutrition businesses are developing multiple approaches to prevent, diagnose, treat and manage heart disease.

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



Pharmaceuticals

We focus our research and development in three high-growth areas of care: medical devices and diagnostics, nutritional products and pharmaceuticals. Our products span the spectrum of care, from prevention and diagnosis to disease management and treatment.

At Abbott we are committed to developing, manufacturing and delivering



Research and Development

\$2.5 billion invested
7,000 scientists
Years of research and review of new products:
Pharmaceuticals, 9–12 years
Medical Devices, 2–5 years
Nutritional Products, 6 months–3 years

Research and Development



Regulatory Approval

Approval time:
Pharmaceuticals, 10–24 months
Medical Devices, up to 1 year
Nutritional Products, up to 18 months



Manufacturing

More than 50 locations
More than 20,000 products



Sales and Marketing

More than 20,000 salespeople
More than 130 countries



Patient Health

Millions of patients worldwide



Regulatory Approval

innovative, effective and affordable health care products to patients.



Patient
Health

Sales and
Marketing

How We Innovate for Life

Our research and development of new technologies for patients remains the driving force behind Abbott's success and global impact. This diagram illustrates the cycle of bringing ideas to life – and to the lives of millions of people around the world.



Manufacturing

Our greatest responsibility and opportunity as a health care company is to



Dow Jones Sustainability Index

For the third consecutive year, Abbott was named to the Dow Jones Sustainability World Index and Sustainability North America Index, the only U.S. pharmaceutical company listed in both indices. The DJSI World ranks Abbott among the top 10 percent of the world's leading 2,500 companies, based on an assessment of economic, social and environmental performance. The Sustainable Access Management (SAM) annual review recognized Abbott as a "sector mover" and awarded the company a "silver class" ranking in 2008.

Commitment and Management

For us, citizenship reflects how our company advances our business objectives, engages stakeholders, implements our policies, applies our social investment and philanthropy and exercises our influence to make a productive contribution to society.

This commitment begins at the top, with our Chairman and CEO, and our board of directors. Management systems are well established to integrate citizenship within our businesses, and include the following:

- **Board of Directors.** A commitment to citizenship is among the criteria for board membership. The charter of the Board's Public Policy Committee includes the review and evaluation of Abbott's policies and practices with respect to social responsibility.
- **Business Conduct Committee.** Chaired by our Vice President and Chief Ethics and Compliance Officer and made up of business heads, it oversees implementation of our ethics and compliance programs.
- **Pharmaceutical Policy Committee.** Chaired by the Executive Vice President of our Pharmaceutical Products Group, and composed of senior executives with responsibility for pharmaceutical research and businesses, regulatory, legal, public, government affairs and global citizenship, it directs actions on policy issues.
- **Executive Inclusion Council.** Led by our Chairman and CEO, it oversees our diversity and inclusion initiatives.
- **Global Operations Council.** Sets Environment, Health & Safety Performance (EHS) goals for Abbott around the world.

- **Global Citizenship Working Group.**

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

- **Global Citizenship and Policy**

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

Engaging our Stakeholders

Our stakeholders include patients, employees, customers, suppliers, physicians, investors, health care providers, policymakers, regulators, scientists, governments, nongovernmental organizations and UN agencies.

Abbott has a stake in expanding access to health care. Our greatest responsibility is to create and make our products and technologies widely available. We are proud of our progress on priority issues (see chart, pages 22–23) and recognize that more work lies ahead.

Because citizenship is an ongoing journey, challenges and opportunities require us to reexamine our strategies and reevaluate what it means to be a responsible corporate citizen. We seek to find common ground with our stakeholders and hold true to our own values. Sometimes we respectfully disagree with others, while maintaining our transparency.

make our products and technologies widely available to people in need.



Abbott Vascular employees in the Santa Clara, California, office meet and discuss how the Drug-Eluting Stent Programs work. This team is one of many at Abbott that work to improve the quality of and access to health care through innovative means.

For example, in 2007, the government of Thailand seized the patent for our HIV medicine, *Kaletra*. Despite our efforts to find common ground with the government, a mutually acceptable outcome was not achieved. Nevertheless, *Kaletra* remains widely available in Thailand. Abbott withdrew filing of a new formulation of *Kaletra* and other medicines. For us, this is about more than the immediate incident. It is about the future of new discoveries to treat many diseases, which relies upon respect for the intellectual property framework. This

framework assures innovators that their inventions will be respected, while at the same time providing patients with access. Our actions were intended to protect current and future patients everywhere so that they will continue to have access to new medicines.

Through discussions with the government of Brazil, we came to an agreement on a price for *Kaletra*. As a low middle-income country, Brazil became eligible for the reduced price of \$1,000 per patient per year when we introduced a tiered pricing system. This agreement exemplifies what can be achieved when both parties negotiate with patients in mind.

Read More Online

- Key Issues
- Our Approach to Citizenship
- Reputational Impact
- Board of Directors
- Dow Jones

www.abbott.com/citizenship



We are committed to strong, independent corporate governance, and to



Building Trust

Investors trust us to make sound business decisions, patients trust us to make safe and effective products, and society requires us to act ethically and responsibly.

Corporate Governance

Abbott has long practiced strong, independent corporate governance. This is an essential step in building trust among stakeholders. We have a history of maintaining the independence of the majority of our Board of Directors. Twelve of the thirteen are independent, and all are elected annually through majority voting, which means shareholders exercise considerable influence over board composition. In 2007, two new directors were elected.

Our integrity is based on decisions – large and small – that our employees at every level of the company make each day.

Abbott has established independence standards, governance guidelines and a published procedure enabling shareholders and others to communicate directly with board members. The independent directors review the performance of the CEO annually. For more details on Abbott's governance profile, visit www.abbott.com/global.

Through values workshops, such as the one in Paris pictured to the left, corporate officers and their staff discuss responsible behaviors that exemplify our values and reflect on how we make decisions.

ensuring that our ethics and values are reflected throughout the company.

Ethics & Compliance

Our integrity is based on decisions that our employees at every level of the company make each day. Decisions are guided by values, ethics and respect for the law.

To support our commitment to ethical conduct and compliance with the law, we have a long-standing ethics and compliance program. It is led by the Vice President, and the Chief Ethics and Compliance Officer, and is supported by a global staff of 61 professionals. We recently added compliance directors in the markets of Russia and India.

Our program is built on seven key tenets:

- providing strong ethics and compliance leadership
- clearly articulating our standards
- encouraging communication
- increasing awareness through training
- delivering accountability
- providing timely assessment
- delivering prompt remediation

Our Code of Business Conduct, available in 35 languages, helps ensure that all Abbott employees have a clear understanding of legal and regulatory requirements, Abbott's policies and procedures and the company's shared ethical principles. Annually, all employees are required to certify to Abbott's Code of Business Conduct.

Two-way communication is key to a successful ethics and compliance program. Our Ethics and Compliance Disclosure Program, which includes a telephone and Web-based hotline available around the clock, received approximately 700 questions and allegations in 2007. We analyze each allegation, take corrective action where

warranted and generate metrics that allow us to spot and respond to trends as needed. Employee training and education programs increase awareness of the legal and ethical implications of business decisions. We added a training module on Supplier Diversity Awareness, and 99.81 percent of 18,000 participating employees completed the training.

Operating Globally, Acting Locally

Understanding and adhering to local laws, regulations and other requirements is vital for all of our employees. The Affiliate Compliance Program was designed to formalize compliance programs, including distinct policies and procedures in every country where Abbott operates. In 2007, we improved local implementation of the ethics program through better information sharing, training and awareness across the business. The International Compliance Web site provides guidance to help employees understand and operate in compliance with local policies and procedures.

Living Our Values

Building on past values training, we focused on the integration of values into enhanced business performance in 2007. For example our Korean affiliate developed Pride, a program designed to attract and retain talent and to foster a culture of community service and citizenship. In part, it is intended to help Abbott Korea achieve recognition as one of the country's best employers. In Campoverde, Italy, our affiliate integrated values into our manufacturing operation's quality assurance. Efforts are underway in Mexico, Venezuela, Japan and other countries to underscore how these values impact our culture and guide our decision making.



24-Hour Helpline

We offer a number of resources to employees, such as Abbott's Ethics and Compliance Helpline, a telephone and Web-based hotline available 24 hours a day, seven days a week.

Read More Online

- Abbott's Ethics & Compliance Program
- Abbott's Code of Business Conduct
- Abbott Supplier Guidelines
- Sales & Marketing Practices
- Supplier Diversity & Recognition
- Training & Performance Data
- Values Training

www.abbott.com/citizenship/governance



We invest billions of dollars each year in research and development, continuously



seeking new solutions to the world's most challenging health problems.

Innovation and Access

Our breadth of expertise as a global science-based company enables us to tackle the world's most threatening deadly diseases – diabetes, heart disease and cancer – on many fronts and with different approaches. This same ingenuity and broad perspective helps us develop solutions to deliver our products to the people who need them.

Our scientists pursue the development of new medicines to help manage and



Abbott Vascular has developed a number of innovative next-generation drug-eluting stents, a treatment alternative to open-heart surgery. *Xience V*, approved for use in Europe, was recommended for approval in the U.S. in 2007.

Innovation and Access

In 2007, we invested more than \$2.5 billion in research and development, an increase of 11.1 percent over the previous year. Our products span the spectrum of care, from prevention and diagnosis to management and treatment.

Pharmaceuticals

Pharmaceuticals represent more than 50 percent of Abbott's total sales. Our major areas of research are immunology, neuroscience/pain, cancer, infectious diseases and metabolic diseases. Advancements include:

Immunology

Humira is the first fully human monoclonal antibody approved by the FDA to treat

rheumatoid arthritis, Crohn's disease, plaque psoriasis, psoriatic arthritis and ankylosing spondylitis, or arthritis of the spine. In February 2008, we received U.S. approval for our sixth indication, juvenile idiopathic arthritis.

Cardiovascular

By 2010, Abbott's growing cholesterol franchise has the potential to include five unique patient therapies in the largest U.S. pharmaceutical market. *TriCor* continues to be an excellent therapy for lowering triglycerides, and in 2007, we launched a new tablet formulation of *Niaspan*, a leading therapy for cholesterol management.

In our cardiovascular pipeline, we are building on the success of *TriCor* with

treat diseases, create better devices and improve health through nutrition.



ABT-335, our next-generation fenofibrate, submitted for U.S. FDA approval in 2007. And through our collaboration with AstraZeneca, we are codeveloping a single-pill, fixed-dose combination therapy of AstraZeneca's Crestor and ABT-335, which targets all three blood lipids. During 2007, we also submitted *Simcor* for U.S. FDA approval and received approval in early 2008. *Simcor* is a fixed-dose combination of *Niaspan* and simvastatin for effective cholesterol management.

Cancer Pipeline

In oncology, Abbott scientists are researching a number of cutting-edge treatments to fight cancer. In 2007, Abbott partnered with Genentech to collaborate on the development

and commercialization of two Abbott compounds. This includes ABT-263, a Bcl-2 family protein antagonist, designed to restore apoptosis (the natural process of cell death often inhibited in cancer cells) and kill certain cancer cell types, such as lymphomas. Another compound, a multitargeted kinase inhibitor, is designed to disrupt blood flow to tumors, inhibiting the progression of cancer. Outside this collaboration, we continue development of additional oncology therapies, including ABT-869, a PARP (Poly [ADP-ribose] polymerase) inhibitor, which prevents DNA repair in cancer cells, enhancing the effectiveness of current therapies, such as radiation.

Chronic Diseases: The Global Health Burden of Our Time

Rising incomes, changes in lifestyle and diet, and aging populations around the world are fueling the rise of chronic diseases: heart disease, stroke, cancer, chronic respiratory diseases and diabetes.

It is estimated that 80 percent of chronic disease deaths occur in low- and middle-income countries, where health care systems are underdeveloped.¹

Cardiovascular Disease

The leading cause of death worldwide with an estimated 17.5 million deaths per year.² The most common cause of vascular disease is the buildup of fat and cholesterol deposits, called plaque. Untreated, this condition can lead to heart attack or stroke. Abbott provides drug-eluting stents to treat coronary artery disease and medicines for cholesterol and triglyceride management.

Diabetes

More than 180 million people worldwide have diabetes.³ Proper detection and monitoring are crucial to the successful treatment of diabetes. Abbott is a leader in developing glucose monitors and nutritional products for people with diabetes.

Cancer

Cancer is expected to account for the death of 9 million people worldwide in 2016.⁴ While still in the early stages of discovery, Abbott scientists are pioneering potentially effective new cancer treatments, which are more targeted and less toxic to the body.

www.abbott.com/citizenship/innovation



Our current products and those we are developing span the spectrum of



"My husband and I adopted our first child in January 2004. Due to the relief from *Humira*, I looked forward to becoming a mother. Without my swollen joints, I was able to hold and bathe my son and cater to his every need. This would have been impossible when RA controlled my life."

Tecela Harris, an insurance specialist and *Humira* rheumatoid arthritis patient.

Combination Biologics: Next-Generation Science

We discovered a proprietary technology that, for the first time, combines two or more large molecules, or biologics, into one molecular entity that demonstrates drug-like properties and manufacturing feasibility. These molecules, called dual-variable domain Ig (DVD-Ig™), may allow for development of individual drug candidates that target multiple disease-causing molecules in various therapeutic categories. This discovery promises to open up a whole new set of possibilities for drug development and biologic treatments that have the potential to more effectively treat individuals with cancer, autoimmune diseases and other complicated conditions.

Pediatric HIV/AIDS Treatment

Abbott introduced our new pediatric tablet formulation of lopinavir/ritonavir for children living with HIV. It is the first and only coformulated protease inhibitor tablet suitable for use in children with HIV. The tablet does not require refrigeration and can be taken with or without food, two important advances in delivering HIV medicine in developing countries where the disease is most prevalent.

Medical Devices and Diagnostics

Medical devices and diagnostics are critical tools in disease management and treatment.

Vascular Care

Abbott is one of the world's leading vascular care companies. Our products combine

health care, from prevention and diagnosis to management and treatment.



medical device innovations with world-class pharmaceuticals to improve patient care. In 2007, we submitted our drug-eluting stent, *Xience V*, for U.S. approval, and we expect to launch in the U.S. in 2008 (the device is approved in Europe). *Xience V* is designed to deliver the drug everolimus, which inhibits tissue growth.

We began *Xience V* Spirit Women, the world's first clinical trial designed to study the safety and effectiveness of drug-eluting stent treatment for coronary artery disease in women. Each year, more women than men die of cardiovascular disease, yet women receive comparatively less research and treatment.

Nutritional Products

We identify emerging consumer needs and combine the science of nutrition with advanced technology to develop a broad range of nutritional products, including pediatric, adult, healthy living and sports products. Our products include some of the world's most trusted infant nutrition brands, such as *Similac Advance*; supplements like *PediaSure* for toddlers and children; and specially formulated products for infants and children with serious metabolic disorders. For healthy, active adults, we offer *Ensure*, a leading source of complete, balanced nutrition, as well as nutritious snacks such as *ZonePerfect* bars and *EAS* sports nutrition shakes. We also provide medical nutritional products for patients with special dietary needs due to injury or illness.

Read More Online

- Global Health Burden: Chronic Diseases
- R&D Initiatives and Product Pipeline
- Interview with Brian Spear, MD, Director of Scientific Affairs
- Animal Welfare in Biomedical Research
- Clinical Trials
- Science of Nutrition

www.abbott.com/citizenship/innovation



We continuously and proactively strive to address the most critical challenges



facing patients today – access and affordability of medicines.

Access to Care

Our Business Strategy

A core part of our business strategy is to ensure that those who can benefit from our medicines and medical products have access to them. It begins with broad registration of our products in countries where specific diseases are prevalent. We collaborate with regulators, patient groups, medical organizations and other stakeholders to ensure that our medicines and medical products are fairly priced or, in the case

We are committed to producing *Kaletra/Aluvia* to supply the world's demand and ensure the same consistent level of quality for all countries.

of public health care systems, adequately reimbursed, so patients who need them can afford them. We also ensure sufficient global product supply. For example, we completed construction of the Abbott Biotechnology plant in Puerto Rico to help support our growth in biologic drugs, including *Humira*. We built new manufacturing facilities in Ireland to produce vascular care products and are constructing a nutritional powder manufacturing plant in Singapore, our largest nutritional investment ever, to meet the rapidly growing demand for our products in Asia.

The Abbott Fund helps improve the lives of children affected by HIV by advancing pediatric treatment and developing community-based programs to support orphans and vulnerable children.

We actively seek partnerships to help get our products to those patients in greatest need.

The HIV/AIDS Strategy: Getting Results

For the past year, these steps have been crucial to how we build global access to HIV/AIDS treatment.

Broad Registration

The new tablet formulation of *Kaletra* (known as *Aluvia* in developing countries) was filed, available or approved in 154 developed and developing countries. This represents countries where 95 percent of the world's HIV-positive population lives.⁵ *Kaletra* is the most widely registered HIV medicine, according to the World Health Organization. In 2007 we received FDA approval for the lower-strength tablet formulation of *Kaletra/Aluvia*, suitable for use in pediatrics. We are pursuing an aggressive filing schedule, particularly in Africa, where the need for pediatric antiretrovirals is greatest.

Sustainable Pricing

In 2007, we implemented a tiered pricing system for our HIV/AIDS medicines to make them affordable and available in less developed and middle-income countries. In Africa and least developed countries (LDCs), the product is available at a no-profit price of \$500 per patient per year. In 45 low- and low-middle-income countries (as defined by the World Bank), the medicine is priced at \$1,000 per patient per year. *Kaletra/Aluvia* remains the most affordable protease inhibitor in all of Africa and the LDCs, where 7 out of 10 people with HIV live.

Ensuring Capacity

By the end of 2008, we expect shipments to Africa to exceed those to Brazil and Europe combined. Our global capacity benefited from



154

Developing Countries

The new tablet formulation of *Kaletra* (known as *Aluvia* in developing countries) was filed or has been approved in 154 developed and developing countries. This represents countries where 95 percent of the world's HIV-positive population lives.

Read More Online

- Patient Assistance Programs
- Product Donations
- Creating Broad Access to Our HIV/AIDS Medicines
- Abbott Global AIDS Care
- Building Infrastructure
- Engaging in Dialogue

www.abbott.com/citizenship/access



We collaborate broadly to ensure that our medicines and medical products are



A Nutritional Assessment of **130k** Cambodian Children

Abbott sponsored nutritional assessment of more than 130,000 children in partnership with Direct Relief International at Angkor Hospital for Children in Cambodia. The program educated 260 staff and health care workers on pediatric health and nutrition issues, treated children for severe malnutrition, and conducted nutrition information classes for more than 3,300 families.

years of advance planning and anticipation of market demand. We are committed to producing *Kaletra/Aluvia* to supply the world's demand and to ensure the same consistent level of quality for all countries, developed and developing.

Reaching Across Health Care Divides

While our business strategy goes a long way toward improving access, patients still face many obstacles. Products will be unaffordable for those without insurance. In other cases, lack of awareness means lack of access. Our approach is to work with governments, nonprofit organizations and patient groups to develop sound public policy, build health systems and design philanthropic programs to assist patients.

Building laboratories in Africa

Today, as a result of a long-standing partnership between the Abbott Fund and the government of Tanzania, one in three patients on the national HIV treatment program receives health care services from a hospital or clinic that has benefited from the Abbott Fund support. While much progress has been made, much work remains ahead. Many patients must travel hundreds of kilometers for an HIV/AIDS test, and travel the same journey days or weeks later to retrieve the results.

This is why we expanded our commitment to strengthen the health system in Tanzania. The Abbott Fund upgraded a laboratory at Mt. Meru Hospital, tripling its capacity. We donated one million rapid HIV tests to support the country's national HIV testing program. Over the coming years, we will work with the government to modernize the country's 23 regional laboratories. These laboratories provide testing services crucial for diagnosis, prevention, treatment and ongoing monitoring

of HIV/AIDS, as well as diabetes, heart disease and many other conditions.

Supporting laboratories in the U.S.

Although they rarely meet the patients who depend on their care, clinical laboratory professionals are indispensable partners in the delivery of health care. It is estimated that laboratory services drive 60 to 80 percent of clinical decisions, from diagnosis through therapy and prognosis, while comprising less than five percent of a typical hospital budget. When cervical cancer is detected in its early stages through laboratory tests, for instance,

“A lot of people have been served in a lot of different places in the world that otherwise would have gone without health care.”

Thomas Tighe, President and CEO,
Direct Relief International

the cost to treat it is approximately \$16,000 less per patient than treating the disease in its later stages – not to mention the pain and anguish averted by early detection.

In 2007, we launched “Labs Are Vital,” a cross-industry initiative in the United States designed to improve clinical and economic outcomes for patients by raising awareness of the lifesaving work clinical laboratory professionals provide in diagnosing diseases and improving health outcomes. Program components include the development of educational materials targeting hospital executives and other leaders in the health care community. “Labs are Vital” is also

fairly priced or adequately reimbursed, so patients needing them can afford them.



focused on finding solutions to the critical workforce shortage faced by the nation's clinical laboratories. Statistics show that there are as many as 40,000 unfilled clinical laboratory jobs across the United States. To fill vacant positions, some 13,800 medical laboratory professionals will be needed every year through 2012, while fewer than 5,000 are graduating from training programs each year, according to the U.S. Department of Labor.

Improving Efficiencies at Free Clinics in the U.S.

In the United States, an estimated 47 million people are without health insurance.⁶ Health centers, commonly referred to as "safety net clinics," play a crucial role in bridging this gap. Through more than 6,000 sites,

over 17 million low-income, uninsured or publicly insured patients receive high quality care regardless of their ability to pay.⁷

We joined with Direct Relief International (DRI) to pilot a new approach to delivering donated medicines. This approach streamlines the administrative process of existing patient assistance programs, which reduces costs, improves efficiency and in turn improves access to medicine and health outcomes for uninsured patients receiving care at safety net clinics.

In Lake County, Illinois, more than 30 percent of residents are medically uninsured. Through a million-dollar partnership, we doubled the capacity of HealthReach, the county's only free health clinic network.

Direct Relief International CEO Thomas Tighe and Venice Clinic Medical Director Karen Lamp, MD, are collaborating with Abbott to streamline the delivery of medicine to patients who need them. Efforts are aimed at improving process efficiency and allowing doctors to spend more time treating patients.

We matched more than four million people with our industry patient assistance

Actions on Priority Issues

Issue	2007 Actions
Affordability of Medicines Many low-income patients are concerned about the costs of medicines.	<ul style="list-style-type: none">• Invested more than \$385 million in grants and products from Abbott and the Abbott Fund in programs to help millions of disadvantaged patients.• Offered free Abbott medicines, nutritionals and medical devices to hundreds of thousands of patients at a value of more than \$183 million through our patient assistance programs.
Intellectual Property Rights Intellectual property is an essential element to advancing innovation to improve health.	<ul style="list-style-type: none">• Invested \$2.5 billion in research and development in 2007, more than double our investment made five years ago.
HIV/AIDS Partnerships are critical to expanding access to treatment and care in developing countries.	<ul style="list-style-type: none">• Served more than 700,000 children and families impacted by HIV/AIDS worldwide.• Launched heat-stable formulation of lopinavir/ritonavir <i>Kaletra/Aluvia</i>, the most broadly registered second-line HIV treatment worldwide.• Launched the first and only pediatric coformulated tablet for children with HIV.• Advanced work of the Baylor Network, which trains more than 1,000 health care workers per month.
Product Safety Patients are seeking more information on product quality and safety.	<ul style="list-style-type: none">• Expanded anticounterfeiting activities, with more than 234 raids, 253 arrests, 202 indictments and 98 convictions involving counterfeiting, illegal diversion or theft of Abbott products.• Registered over 150 clinical trials on the publicly available computer database, www.ClinicalTrials.gov. An additional 100 clinical trials on Abbott's marketed products have been registered on the Web site by independent investigators with Abbott designated as a collaborator.• Contributed to the formation of the Serious Adverse Events Consortium, a nonprofit research collaboration between industry, academia and the FDA.

"So much innovation, talent and drive in the last twenty-five years come from the private sector. But markets only work when there's a financial reason for them to work. We're targeting people who are not being served by the market or by their government, people who are falling through the cracks.

"By working with Abbott, we have been able to tap into a bank of amazing resources: talent, insight, skill, communications ability. It's not about money, although we appreciate that, too. They have scientists, logistics and distribution, an information backbone, tens of thousands of human resources, a rich body of

talent that comes up with questions and spot answers, as well as financial resources and the products that they make. Because we're working alongside Abbott, a lot of people have been served in a lot of different places in the world that otherwise would have gone without health care."

**Thomas Tighe, President and CEO,
Direct Relief International**

Educating for Better Health

Accurate, up-to-date information about disease prevention, management and treatment options is critical for physicians as well as patients.

Spurring Research, Supporting Physicians

Abbott is a leading sponsor of Within Our Reach, the American College of Rheumatology Research and Education Foundation's multiyear fund-raising campaign to accelerate rheumatoid arthritis (RA) research and enhance rheumatologists' ability to treat the disease in all its stages. The program will enable new research and build on existing scientific knowledge and recent advancements to ultimately find a cure for a disease that currently affects some two million Americans and costs the U.S. \$80 billion.⁸

program to help low-income and uninsured patients gain access to medicines.

Issue

2007 Actions

Uninsured Americans

Nearly 47 million Americans lack health insurance.

- Matched more than 4 million patients with our industry patient assistance program through the Partnership for Prescription Assistance to help low-income, uninsured patients gain access to free or nearly free medicines.
- Joined our industry in enrolling more than 494,000 uninsured patients in the Together Rx Access program, offering savings of over \$26 million on more than 300 brand-name prescription medicines and products.
- Doubled capacity of HealthReach, the only free clinic in Lake County, Illinois, through a million-dollar partnership.

Health Disparities in the United States

Minority populations often receive a lower quality of health care, even after controlling factors such as insurance and income.

- Partnered with the American Diabetes Association to support a nationwide awareness and education campaign to fight the high incidence of diabetes within the Latino community.
- Educated Chicago and San Francisco-area women about heart disease through exclusive partnership with the American Heart Association and their “Go Red for Women” program.

Marketing and Sales Practices

There has been growing public scrutiny about ethical conduct among sales and marketing personnel of health care companies and members of the medical community.

- Abide by the International Federation of Pharmaceutical Manufacturers and Associations updated Code of Pharmaceutical Marketing Practice.
- Abide by the Pharmaceutical Research and Manufacturers of America’s Guiding Principles on Direct to Consumer Advertising.

These key patient access issues receive the highest priority at our company and were identified based on their impact on our global business strategy and our ability to influence and contribute solutions. For more information see www.abbott.com/citizenship/access.

“A better scientific understanding of RA could help us treat those patients who are still in pain despite the best treatments. It could also enable us to diagnose or even predict new cases of RA so we can stop the disease before it starts,” says Rebecca Hoffman, Divisional Vice President, Immunology Development. “Abbott is committed to helping researchers better understand the underlying mechanism of RA. This research offers immense potential to benefit patients in terms of novel treatment approaches or even a cure.”

Afghanistan is one of the deadliest places for a woman to give birth, with only 14 percent of women accessing medical care during delivery. The Abbott Fund is working with Direct Relief International and the Afghan Institute for Learning to reverse these staggering statistics. To date, 220,000 women and children have received health care services and more than 65 midwives have been trained in an effort to help rebuild the nation’s health care capacity.



Abbott offers training programs and resources for all employees to ensure



As a senior attending Howard University, Alaina Tarver (pictured here on the right with her mentor, Marlon Mayfield) participated in Abbott's internship program. Now a full-time Abbott employee, she credits the program with giving her a life-changing opportunity.

Our Global Workforce

Abbott's approach to talent acquisition and management enables each employee to develop his or her talents and build a meaningful, rewarding career.

The Right People for Abbott

Our human resources strategy reflects the dynamic opportunity inherent in the breadth and diversity of our four businesses. We guide and enable employees to build meaningful careers through exposure to unconventional career paths, which crisscross cultures, countries, businesses, functions, technologies and customers. These professional and personal experiences are exciting for employees and enable them to solve challenges that patients face.

Our people strategy focuses on four areas: *finding* the right people and creating the right roles; *aligning* our workforce growth with our business strategy; *rewarding* employees based on our values and results; and *retaining* employees so they can continue to develop and share their skills and expertise at Abbott.

Commitment across the Career Life Span

Global competition for talent is intense. Robust hiring, advancement and leadership development programs at all levels help our employees realize their individual potential, and ensure that we attract and retain the best talent for our growth.

that they have the skills, tools and mentoring support they need to succeed.



Entry Level

A number of hiring and development programs are available to help employees begin their careers, starting with the Abbott internship program, a major source for highly motivated employees. In 2007, we increased our hiring of interns by 39 percent over 2006, of whom 53 percent were women and 38 percent were minorities. Our two- or three-year Professional Development Programs allow employees to gain diverse experiences by rotating through four or five assignments within the company, including in our international affiliates. These programs have proven to be a leadership pipeline, with nearly one quarter of alumni going on to senior leadership positions at Abbott. In 2007, we almost doubled our hiring into Abbott through

the program. Of these hires, 46 percent were women and 39 percent were minorities.

Training and Development

Abbott offers training programs and resources for employees at all levels to ensure that they have the skills, tools, resources and mentoring support they need to succeed. Our talent management process proactively manages succession planning and accelerates the development of key talent. Our senior leaders act as mentors and sponsors, and help prepare the next generation of Abbott leaders.

This year, more than 5,000 leaders in the U.S. attended corporate-sponsored leadership development programs. These

programs, coupled with a robust onboarding process and a newly launched Web site, help employees become successful faster in their new roles. In 2008, we will introduce a Director-level training program and an Experienced Manager Program focused on critical skills in strategic thinking, change management and communications.

Productive Retirement

We are especially mindful of the complex and changing definition of retirement today, and of the first wave of Baby Boomers, who are retiring from the workplace in record numbers. In 2008, we will announce "Freedom to Work: Retirement...on your terms." This program will offer employees considering retirement the option to scale

Women make up nearly half of our U.S. workforce, and one quarter of our



Abbott employee Sacha Boon (right) telecommutes to work, affording her the opportunity to volunteer in her hometown of Davenport, Iowa. She is pictured here with members of a Cuban family she is helping to integrate into American society.

back their hours and/or change their responsibilities without affecting their benefits, allowing for knowledge transfer.

A Diverse, Inclusive Workplace

Diversity Strategy

We focus our diversity and inclusion strategy in three core areas: recruitment and hiring, inclusion and culture, and leadership development. In 2007, we met all six of our gender- and minority-related placement goals in the United States. With an increase of 28 percent since 2006, women employees now represent nearly 53 percent of our U.S. managers; and minorities represent more than 28 percent of U.S. managers, an increase of 47 percent from 2006.

Over the past five years, we have increased the number of women in management by 64 percent and minorities by 68 percent.

Diversity Management

The Executive Inclusion Council, led by our chairman and CEO, oversees our diversity and inclusion efforts, monitors the hiring and advancement of women and minorities in management and supports the programs that promote an inclusive work environment. The council presents an annual report to our board of directors. Inclusion councils operate in a number of Abbott divisions and support execution of elements of the strategy across the business.

employees are members of minority groups.

Over the past five years, we have increased the number of women in management by 64 percent and of minorities in management by 68 percent.

Global Outlook

In 2008, we will initiate diversity discussions with our business teams in key countries to understand their needs.

Employee Networks

Employee networks play a vital role in building an inclusive culture at Abbott. By focusing on career development, mentoring, informal networking and work-life management, our networks expand opportunities for women and minorities to advance into leadership roles. Networks are sponsored by corporate officers, who help align the group's objectives with Abbott's business strategy. Nearly 8,000 U.S. employees participate in leadership networks. These include: LA VOICE Network (Hispanic/Latino), Women Leaders in Action, Black Business Network, Asian Cultural Leadership Network, PRIDE Network (gay/lesbian) and the Part-Time Network.

Managing Work-Life

Enabling employees to manage their work while raising families and pursuing other interests is a priority.

Flexible Solutions

Some 90 percent of our U.S. workers have access to flexible time schedules, and 65

percent have the tools to telecommute. Employees can choose among the following flexible work options: flexible start/stop times; job sharing; telecommuting; compressed workweek; reduced workweek; shift trade; headcount share; or informal flextime.

We launched a comprehensive guide to help employees and their managers explore, develop and implement flexible options. In 2008, we plan to arrange discussions between managers and their employees to ensure that all employees are aware of the options available and how to establish flexible work arrangements.

Child Care

Abbott also offers a broad range of family-focused solutions, including an on-site child care center in Lake County, Illinois, backup child care assistance and expanded resources for workers caring for elderly parents, to help working parents manage family responsibilities and dependent care.

Focusing on Health and Well-Being

LiveLifeWell

We launched a new integrated wellness program for employees called LiveLifeWell in the United States. This program ensures employees have the awareness, motivation, knowledge and resources to keep health risks to a minimum through a new health assessment and personal and online health coaching. LiveLifeWell integrates health resources focused on lowering health risks through prevention efforts and healthier lifestyle habits. More than 60 percent of employees have participated to date.



680

Children Served

Our Early Discoveries on-site day care center at our headquarters located in Lake County, Illinois, is one of the five largest facilities in the country, and serves more than 680 children, from 470 families, each month.

Read More Online

- Policies and Initiatives
- Hiring, Development and Leadership Initiatives
- Awards for Our Employee-Friendly Workplace
- Diversity and Inclusion Strategies
- Work-Life Benefits
- Health and Wellness Programs
- Human Rights Policy
- Compensation and Benefits
- Flexible Work Options

www.abbott.com/citizenship/people



We focus our philanthropic efforts in areas where we can leverage our



Abbott in the Community

We approach our philanthropy and employee engagement with the same precision with which we execute our day-to-day business operations. Our presence in the community is a clear reflection of who we are as a company, and our expertise drives what philanthropic initiatives we invest in. In 2007, Abbott and the Abbott Fund invested more than \$385 million in programs and product donations that helped disadvantaged patients worldwide.

We strive to create healthier communities worldwide and do so by investing in new ideas that solve critical problems in global health care. Our partners are some of the most innovative thinkers in health care today, and through novel partnerships we implement new solutions to old problems, measure our impact and share broadly our successes and challenges.

Lending Our Scientific Expertise

Fewer and fewer students are pursuing careers in science. Even fewer people understand how medicine works, how it is developed and the important connection between science and human health.

Here at Abbott, we are supporting creative approaches to learning, sparking young people's interest in science and inspiring new generations of scientists who will contribute to the future of medical innovation. We partner with community and educational organizations to develop after-school,

After School Matters fuels young people's interest in science through hands-on lab work and contact with leading Abbott scientists. Lydia Moore, a Chicago tenth-grader, conducts an experiment using electrophoresis, an analytical method frequently used in molecular biology and medicine.

knowledge and strengths, making a difference where need is the greatest.

summer and family science programs and field trips, which have served more than 3,000 students and involved 175 Abbott employees in direct service with their community.

Since 2000, the Abbott Fund has invested \$183 million in programs around the world, including \$28.9 million in 2007.

After School Matters

Our partnership with one of the nation's leading after-school initiatives is enhancing science education in Chicago. We joined After School Matters to design and launch Science 37, which nurtures intellectual curiosity and connects Chicago teens to some of Abbott's leading scientists. This innovative program also offers a paid internship for students from some of Chicago's most underserved schools. In 2007, more than 180 students participated in Science 37. Key components of the program include hands-on lab work, seminars with Abbott scientists and a daylong visit to Abbott Molecular to see and be a part of a lab in action.

Bilingual Family Science Events

Involving the entire family is a crucial step in improving science literacy. In 2007, we expanded our successful Spanish and English Bilingual Family Science Events to three schools, two in Illinois and one in California. Focusing on students who are typically

underserved in the area of science education, the program brings together parents, teachers and scientists for a hands-on experience with science. Working closely with teachers, 65 Abbott scientists served as science ambassadors to more than 1,200 elementary students and their families. In 2008, we aim to expand the program across the U.S., including Ohio, Texas and Puerto Rico.

Operation Discovery

Every year, we open our doors to students and their teachers in the communities in which we live and work. In 2007, 120 students visited the Abbott Bioresearch Center in Worcester, Massachusetts, for two days of hands-on experimentation in biology, chemistry and engineering. Over the last six years, we've conducted on-site hands-on science exploration with nearly 1,000 students in communities across the United States. Additional programs are planned for 2008 in both the U.S. and the UK.

Summer Science Day Camps

Abbott partnered with the I Have A Dream Foundation and the Boys & Girls Club of Lake County, both in North Chicago. These pilot programs explored how to work with existing community service organizations to provide innovative programming in some of our most underserved communities.

Employee Giving

Our U.S.- and Puerto Rico-based employees are encouraged to give to a nonprofit organization of their choice, with matching funds from the Abbott Fund. In 2007, 65 percent of Abbott employees pledged more than \$7.2 million – a campaign record – to more than 1,500 organizations.

The Abbott Fund: Partnering for a Better World

For nearly 60 years, the Abbott Fund has advanced public health and fostered an appreciation of science and the role of civic and cultural institutions. The Abbott Fund's vision is to create healthier global communities worldwide, make a lasting impact on people's lives and encourage others to take positive action, improving health care services for the poor, marginalized and underserved. We invest in creative ideas that:

- Expand access to health care
- Spur science and medical innovation
- Strengthen community vitality
- Advance global AIDS care

Read More Online

- Abbott's Strategic Giving Areas
- Community Vitality Contributions
- Employee Giving Campaign and Volunteerism
- Science and Innovation Programs

www.abbott.com/citizenship/community



We have clear, consistent policies and standards to ensure that we operate



The Abbott Nutrition plant in Cootehill, Ireland, is known for its outreach initiatives involving young people and the environment. The plant was named 2007 EHS Plant of the Year for its safety and environmental record, as well as outreach efforts.

We are strongly committed to the protection of human health, safety and the environment in all of our global communities.

Management, Policies and Standards

We updated our Global Environment, Health and Safety (EHS) Policy to state the following key objectives:

- Foster a work environment that promotes employee health and productivity, and is ultimately free of injuries;
- Improve efficiency and sustainability of our business activities and products; reduce greenhouse gas emissions, water use and waste;
- Require Abbott contractors to conform to regulatory requirements and meet applicable

internal EHS standards;

- Integrate sound EHS practices consistent with our management system into all aspects of the business and maintain legal compliance; and
- Establish goals and strategies for the enterprise and report publicly on our progress.

We have clear, consistent policies and standards regarding how we operate in a manner that protects the environment and human health and safety. Our global standards include technical program requirements, metrics, and audit and reporting mechanisms that serve as a baseline expectation for EHS performance worldwide. Every Abbott plant implements a plan based on these standards and is evaluated regularly.

in a manner that protects human health and the environment.

“We were happy to help Abbott reassess its fleet to improve efficiency, cut fuel use, offset gas emissions and save money. This is great green business strategy. We urge other companies to follow Abbott’s example.”

—Gwen Ruta,
Environmental Defense

Improving our performance requires clear lines of accountability and senior-level leadership and support, and we have multiple levels of EHS management oversight within businesses and across the company. Our Vice President for Global Engineering Services, a corporate officer, reviews metrics, key programs and progress with the Chairman and CEO on a regular basis. For more on the management structure, policies and standards go to www.abbott.com/citizenship/EHS.

2010 Goals

We have set and are committed to meet five-year goals to reduce water usage, carbon dioxide emissions, waste, employee injuries and commercial vehicle fleet accidents. By concentrating on these key areas, we will generate the greatest environmental, health and safety, and financial benefits for our company, employees and other stakeholders. We set more aggressive goals for two important areas, reduction in carbon dioxide emissions and reduction in lost time due to serious employee injury.

Visit www.abbott.com/citizenship/EHS for complete 2007 performance against goals. Environmental, health and safety data from

all of Abbott’s global facilities, and by region, are included in our results.

Energy Management

Reducing our greenhouse gas (GHG) emissions is part of our corporate-wide commitment to improving the environment and increasing the efficiency of our operations. Abbott made a number of major advances, beginning with issuance of a detailed Climate Responsible Energy Policy, which provides guidance and goals to manage energy use and related emissions. Visit www.abbott.com/citizenship/EHS to download our energy policy.

Raising the Bar

We announced a dramatic acceleration of our goal to reduce CO₂ emissions – from 10 percent by 2010 to 30 percent by 2011.

Going Carbon Neutral

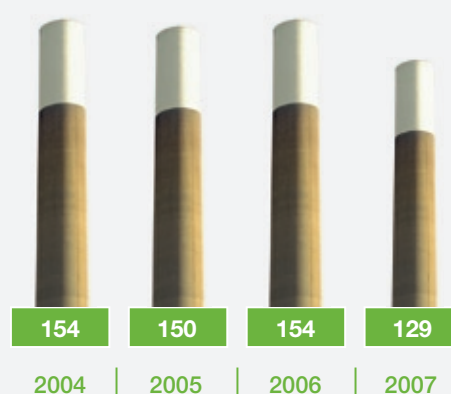
We are the first Fortune 500 company to commit to going “carbon neutral” with our entire U.S. sales fleet of vehicles. Our 6,500-vehicle fleet represents approximately five percent of our overall global GHG emissions. This commitment is equivalent to removing 12,000 cars from U.S. roadways. In 2008, our focus will be on our international fleet.

Chicago Climate Exchange

Abbott has joined the Chicago Climate Exchange (CCX), the world’s second largest carbon market and the only one that allows trading in all six GHGs. Members commit to a six percent absolute GHG emission reduction over four years. Members can achieve their commitment by either reducing emissions or purchasing offsets on the CCX market. We estimate that our GHG emission reductions will exceed the six percent commitment.

30%

On Target to Reduce Total CO₂ by 30% by 2011.



This chart illustrates reduction in CO₂ emissions from manufacturing operations in pounds per \$1,000 sales.

Reducing our greenhouse gas emissions is part of our commitment to improving

Goals Performance

Total Water Intake

Reduce Water Usage by 15 Percent by 2010, Normalized by Sales

gallons per \$1,000 sales

-21% Change

2007 compared to 2006



Total CO₂ Emissions from Manufacturing Operations

Reduce Greenhouse Gas Emissions by 30 Percent by 2011, Normalized by Sales

pounds per \$1,000 sales

-16% Change

2007 compared to 2006



Hazardous Waste

Reduce Hazardous Waste by 20 Percent by 2010, Normalized by Sales

pounds per \$1,000 sales

-32% Change

2007 compared to 2006



Lost Workday Case Rate

Reduce Lost Workday Case Rate by 33 Percent by 2010

cases per 100 employees

-6% Change

2007 compared to 2006



Global Fleet Accident Rate

Reduce the Global Fleet Vehicle Accident Rate by 30 Percent by 2010

accidents per million miles driven

-2% Change

2007 compared to 2006



Key

 Goal Year

 Baseline Year

Working with Others

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

Going Solar

We completed installation of a 500-kilowatt solar panel system at our vascular facility in Temecula, California. The 2,000 panels are expected to generate the amount of energy used annually by 100 average American homes, and will allow us to avoid 1.3 million pounds of CO₂ emissions per year.

Other milestones in energy management and use:

- Completed planning for a cogeneration plant at a new manufacturing site in Tlalpan, Mexico, to be installed in 2008. If approved, this project will yield lower GHG emissions. It will produce electricity and thermal energy from the same fuel source.
- Facilitated a European Energy Workshop to communicate our Climate Responsible Energy Policy to our employees and to set objectives to achieve short- and long-term goals.



180 Million Gallons

180 million gallons of water per year is our worldwide projected water savings thanks to implementation of water reduction and conservation projects in 2007.

the environment and increasing the efficiency of our operations.



In 2008, we will:

- Partner with the U.S. Department of Energy (DOE) and Sustainable Energy Ireland (SEI) to conduct manufacturing energy assessments.
 - Expand monthly Web-based worldwide energy data collection.
 - Implement worldwide energy efficiency, conservation and alternative-energy projects, and convert from fuel oil to cleaner-burning natural gas.

Access to Water

In 2007, Abbott manufacturing consumed approximately 13.7 billion gallons of water. This is a 9 percent reduction over 2006, in part due to changes at our Puerto Rico manufacturing site. Our comprehensive water strategy focuses on three key areas:

- Improving our operations and product design.
- Facilitating access to high-quality water in global communities.
- Collaborating with key environmental and business groups.

Visit www.abbott.com/citizenship/EHS to review our water policy.

We implemented new information technology to better assess our manufacturing sites and plan our water-management strategy accordingly. Moving forward, we will collaborate with our businesses and stakeholders to identify water conservation projects, especially in water-stressed regions where we have manufacturing facilities.

We completed installation of a 500-kilowatt solar panel system at our vascular facility in Temecula, California. The 2,000 panels will allow us to avoid 1.3 million pounds of CO₂ emissions per year.

In 2007, we reduced our water use in manufacturing by nine percent over 2006.

Reducing Water Use

We have implemented a number of innovative water reduction/conservation projects worldwide that are projected to save 180 million gallons of water per year:

- Replaced standard water scrubbers at our nutrition plant in Sturgis, Michigan, with high-efficiency scrubbers that use nearly 75% less water. This is expected to conserve about 8.5 million gallons of water annually.
- Reduced water use during rinse cycles.
- One of our North Chicago sites reduced its vacuum pump water flow rate by 50 percent, saving 27 million gallons of water per year.
- Optimized reverse osmosis (RO) systems. These systems automatically shut down during low-demand periods.
- Replaced the water scrubbers at the plant in Campoverde, Italy, with glycol scrubbers, which is expected to reduce water use by 14 million gallons per year.

Our comprehensive water strategy focuses on improving our operations and product design, facilitating access to high-quality water in global communities and collaborating with key environmental and business groups.

These and other water conservation projects were enabled through a dedicated global fund for investment in environmental projects that do not meet traditional rates of return on investment.

In 2008, we plan to:

- Recycle and reuse treated wastewater in China, Brazil and Mexico to achieve water savings of 9 million gallons per year.
- Harvest rainwater in Ireland for use in lavatory facilities, to reduce water usage by approximately 60 percent.
- Retrofit existing equipment at a number of sites to reduce water usage, including installation of low-flow toilets and faucets.

Thinking Safely, Acting Safely

We met our 2010 safety goal for Lost Workday Case Rate reduction well ahead of schedule and established a more aggressive target. By the end of 2007, we had achieved a worldwide rate of 0.33 lost workday cases per 100 employees, and now aim to reduce this by an additional 10 percent to a rate of 0.30 lost workday cases per 100 employees.

Historically, accidents have been the most frequent cause of serious employee injuries. Abbott broadened its Accidents per Million Miles (APMM) measure for our sales fleet vehicles from a domestic to a global level, and adjusted our 2010 Fleet Accident Rate goal from 10 percent to 30 percent reduction based on 2004 levels.

“Moving to Zero Incidents” is a set of behavior-based initiatives which provides employees with tips to promote safety and environmental responsibility in the workplace and at home. We believe that all EHS incidents are preventable and that safety is every employee’s responsibility.

13% Decrease



The recordable injury and illness rate dropped by 13% in 2007.

Read More Online

- 2010 Goals Performance and Other EHS Performance Indicators
- Abbott’s Energy Policy
- Awards and Recognition
- Climate Change
- Safety Management Program
- Access to Water

www.abbott.com/citizenship/EHS



		2004	2005	2006	2007	% Change (07 vs. 06)
Net Sales Worldwide	Unit					
Net sales worldwide	Millions	19,680*	22,338	22,476	25,914	15
Income Taxes Paid	Unit					
Income taxes paid	Millions	949.8*	1,247.9	559.6	836.3	54
Cash Contributions and Product Donations	Unit					
Cash contributions and product donations	Millions	300	340	300	385	28
Energy	Unit					
Total energy consumption	1,000 gigajoules	14,753	16,395	16,240	15,652	-4
Normalized by sales	Megajoules per \$1,000	750	734	723	604	-16
CO₂e Emissions[†]	Unit					
CO ₂ e from stationary combustion	Million lbs.	1,374	1,573	1,501	1,441	-4
Normalized by sales	Lbs. per \$1,000 sales	70	70	67	56	-16
CO ₂ e from purchased energy	Million lbs.	1,660	1,793	1,896	1,780	-6
Normalized by sales	Lbs. per \$1,000 sales	84	80	84	68.7	-18
CO ₂ e from process air emissions	Million lbs.	ND	ND	59.4	109.6	85
Normalized by sales	Lbs. per \$1,000 sales	ND	ND	2.6	4.2	62
CO ₂ e from global sales fleet	Million lbs.	412	420	429	407	-5
Normalized by sales	Lbs. per \$1,000 sales	20.9	18.7	19.1	15.7	-18
Total CO ₂ e Emissions	Million lbs.	3,446	3,786	3,885	3,738	-4
Normalized by sales	Lbs. per \$1,000 sales	175	169	173	144	-17
Air Emissions	Unit					
VOCs	Million lbs.	3.5	4.5	3.8	3.6	-5
VOCs normalized by sales	Lbs. per \$1,000 sales	0.18	0.20	0.17	0.14	-18
Total process air emissions	Million lbs.	6.0	8.8	7.7	8.1	+5
Normalized by sales	Lbs. per \$1,000 sales	0.30	0.39	0.34	0.31	-9
Waste Generation	Unit					
Hazardous waste	Million lbs.	36.5	41.2	42.2	34.4	-18
Normalized by sales	Lbs. per \$1,000 sales	1.9	1.8	1.9	1.3	-32
Non-hazardous waste	Million lbs.	176.9	194.9	212.2	207.1	-2
Normalized by sales	Lbs. per \$1,000 sales	9.0	8.7	9.4	8.0	-15
Water	Unit					
Total water intake	Billion gallons	14.3	15.1	15.1	13.7	-9
Normalized by sales	Gallons per \$1,000 sales	729	675	672	529	-21
Water consumed	Billion gallons	0.8	1.1	0.8	0.9	+13
Normalized by sales	Gallons per \$1,000 sales	40.6	49.3	35.6	34.7	-3
Water discharged (impaired)	Billion gallons	2.8	2.9	3.1	2.9	-6
Normalized by sales	Gallons per \$1,000 sales	142	130	138	112	-19
Water discharged (nonimpaired)	Billion gallons	10.7	11.0	11.2	10.0	-11
Normalized by sales	Gallons per \$1,000 sales	544	492	498	386	-22
Health & Safety	Unit					
Recordable injury or illness incident rate	Incidents per 100 employees	1.16	0.98	0.97	0.84	-13
Lost time case rate	Cases per 100 employees	0.45	0.40	0.35	0.33	-6
Employee vehicle accident rate	Accidents per million miles driven	11.7	9.9	9.0	8.8	-2

ND = No data

NA = Not applicable

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

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

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

Measuring Our Results: Abbott's Access Programs

Program Overview

United States – Abbott Programs

Patient Assistance Programs

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

www.pparx.org

United States – Industry Programs

Partnership for Prescription Assistance

The Partnership for Prescription Assistance brings together America's pharmaceutical companies, doctors, patient advocacy organizations and community groups to help low-income, uninsured patients get free or nearly free medicines by increasing awareness of industry patient assistance programs.

www.pparx.org

Together Rx Access™ Card

Through the Together Rx Access Card, multiple pharmaceutical companies offer uninsured patients savings on more than 300 brand-name prescription medicines and products.

(800) 444-4106 or www.togetherrxaccess.com

International

Abbott Access

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

Preventing Mother-to-Child Transmission of HIV

Abbott is providing rapid tests free of charge to qualified programs aimed at preventing mother-to-child transmission of HIV in developing countries.

Supporting Children Affected by HIV

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

www.abbottglobalcare.org

Strengthening Health Systems in Tanzania

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

www.abbottglobalcare.org

Product Donations

Abbott provides product donations to support medical missions and other global humanitarian efforts.

2007 Results

- More than 124,000 patients received free medicines, medical nutritionals and diabetes care products valued at over \$183 million.

- Matched more than 1.3 million patients with industry patient assistance programs. Over 4.5 million patients have been matched with programs through the end of 2007.

- Enrolled more than 494,000 patients, who saved over \$26 million on medicines. More than 1,338,000 patients have saved over \$60 million on medicines (program to date) through the end of 2007.

- Shipped *Norvir* and *Kaletra* to nearly 60,000 patients.
- Shipped more than 25 million rapid HIV tests.

- Donated 2.9 million rapid HIV tests.

- Provided services to more than 135,000 children and families.
- Provided legal services to more than 11,000 women and children.
- Trained or retrained approximately 4,300 health workers.

- Donated 1 million HIV rapid tests.
- Trained or retrained approximately 2,500 health workers.
- Opened new the Abbott Fund office in Tanzania.

- Donated products valued at \$144 million in 97 countries.
- Supported 1,444 medical missions.

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

Endnotes

1. World Health Organization
www.who.int/topics/chronic_diseases/en/
2. World Health Organization
www.who.int/topics/cardiovascular_diseases/en/
3. World Health Organization
www.who.int/topics/diabetes_mellitus/en/
4. World Health Organization
www.who.int/topics/cancer/en/
5. Abbott data on file
6. U.S. Census Bureau
www.census.gov
7. Direct Relief International
<http://directrelief.org/PressCenter/PressReleases/2008/NACHCMtg.aspx>
8. American College of Rheumatology Research
and Education Foundation

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

