

Generations 2006 Global Citizenship Report

In 2006, Abbott introduced a new reporting approach, including a summary print report that serves as an annual snapshot of our activities. More detailed information on our policies, programs and performance indicators can be found throughout our Web site at www.abbott.com/citizenship. To order a copy of the report send an e-mail to globalcitizenship@abbott.com. We welcome your thoughts on this new way of communicating our progress.



Generations
2006 Global Citizenship Report

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About the Cover

Abbott Fund's partnership with Direct Relief International and Angkor Children's Hospital provides nutritional support and counseling for this young Cambodian girl and her mother. Read more at www.abbott.com/citizenship.

About this Report

This report is a summary of Abbott's financial, social, and environmental, health and safety performance in 2006. Our Web site, www.abbott.com/citizenship, was re-launched in May 2007 and is the primary means of communication about our citizenship initiatives. A copy of our Global Reporting Initiative (GRI) Index is available on our site.

In developing this report, we sought feedback from several stakeholders, including SustainAbility, Business for Social Responsibility, The Center for Corporate Citizenship at Boston College, the Corporate Social Responsibility Initiative at Harvard University and Corporate Citizenship Company. We gratefully acknowledge their input.

This report does not contain performance information for our joint ventures, unless otherwise noted. Abbott trademarks and products that are in-licensed by Abbott are shown in italics in the report text. Together Rx Access and Partnership for Prescription Assistance programs are not trademarks of Abbott. Abbott Fund is an Illinois not-for-profit philanthropic corporation established in 1951 by Abbott. All financial information is stated in U.S. dollars.

About Abbott

Founded in 1888, Abbott is a global, broad-based health care company that discovers, develops, manufactures and markets products that span the continuum of care – from prevention of illness to diagnosis, treatment and cure. Abbott's principal businesses include pharmaceuticals; medical products, including devices, diagnostic tests and instruments; and nutritional products for children and adults. Headquartered in north suburban Chicago, Illinois, we serve customers in more than 130 countries, with a workforce of 65,000 at more than 100 manufacturing, distribution, research and development, and other locations.

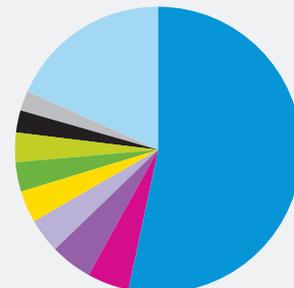
In 2006, Abbott achieved record sales of \$22.5 billion. Our operating cash flow was \$5.3 billion. In December 2006, we declared the 332nd consecutive quarterly dividend to be paid to shareholders since 1924. For complete financial information on Abbott and a list of our products, visit www.abbottinvestor.com.

2006 Net Sales by Country

dollars in millions

Total: \$22,476

■ United States: \$11,995	■ Canada: \$762
■ The Netherlands: \$1,061	■ France: \$696
■ Japan: \$1,054	■ Spain: \$583
■ Germany: \$885	■ United Kingdom: \$517
■ Italy: \$848	■ All Other Countries: \$4,075

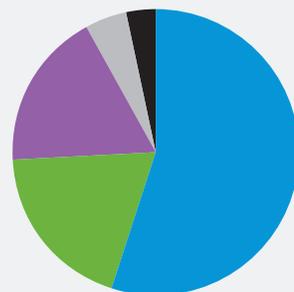


2006 Net Sales by Segment

dollars in millions

Total: \$22,476

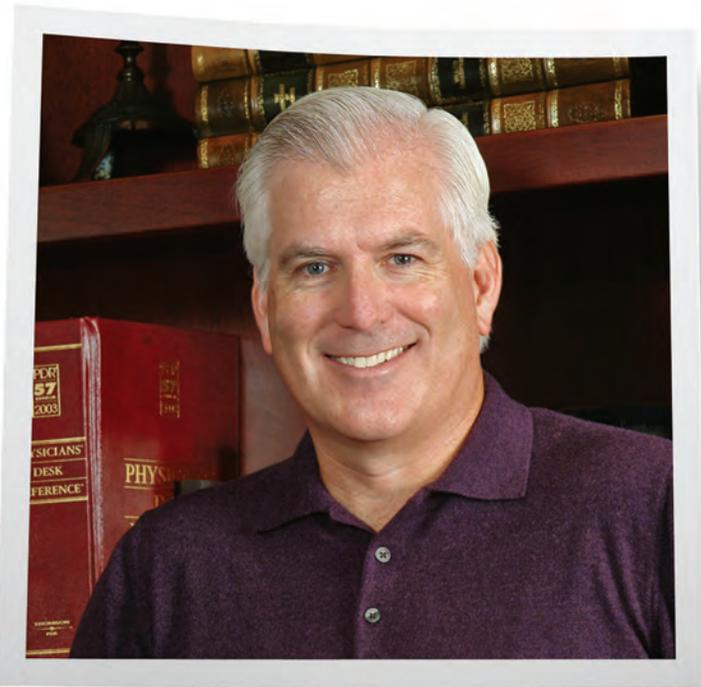
■ Pharmaceutical Products: \$12,395	■ Vascular: \$1,082
■ Nutritionals: \$4,313	■ Other: \$707
■ Diagnostic Products: \$3,979*	



* Abbott's core laboratory diagnostic and point-of-care businesses will become part of General Electric Co. in 2007.

Message from the Chairman and CEO

There's one fundamental fact that everyone at Abbott understands: the purpose of our company is to improve lives. That's abundantly clear when your business is creating new and better medical technologies. And that knowledge is a source of pride and responsibility to all of us around the world.



Miles D. White
Chairman and
Chief Executive Officer
April, 2007

At Abbott, we've served this mission for generations, extending and expanding the work that Dr. Wallace Abbott began 119 years ago. And we do it across generations as well, creating products to help people of all ages at every stage of life. Our experience has helped us think and act for the long term. This report illustrates the ways that Abbott's global citizenship efforts in 2006 have strengthened our company and supported employees, customers, patients, and our environment and communities for generations to come.

For me, citizenship is about how our company successfully and responsibly fulfills our role in society. It's what leaders do – and Abbott intends to lead in our businesses and communities. That's why global citizenship is simply inseparable from our business. It's integrated into our thinking and our actions. Citizenship is fundamental to earning and deepening the trust of the people we serve, and the pride of the people who make Abbott work. We view citizenship as a matter of competitive fitness and a business discipline we apply throughout our operations.

For example, one of the most urgent global issues today is how our society helps people access the health care services they need. Getting our products to people is the central purpose of our company – from research and development to manufacturing, from sales and marketing to public policy and philanthropy. We view those who cannot get access through traditional channels as another market segment to be served through innovative approaches and in partnership with others.

In 2006, we embarked on a comprehensive approach to extend our new, non-refrigerated tablet formulation of our leading HIV medicine to developing countries. Our plan involves sustainable pricing, broad registrations of the tablet in developing countries, expanded manufacturing capacity, and development of new formulations for children. We also briefed

policymakers on how public-private partnerships have improved health systems in Africa and how more global resources are required to close the treatment gap for children living with HIV. And we expanded our partnerships with nongovernmental organizations to help these children access treatment, including the opening of a clinic in Malawi dedicated to pediatric HIV.

In other health areas, we worked to educate patients about diabetes, heart disease and nutrition, particularly in African-American and Hispanic communities in the United States. Together with humanitarian organizations, we improved maternal and child health and nutrition through programs in Afghanistan, Cambodia and Vietnam. Worldwide, we invested nearly \$300 million in grants and products from Abbott and Abbott Fund in programs that reached millions of patients.

We applied this same thinking to our 2010 environmental, health and safety goals. In the area of emission reductions, we launched our Green Fleet program to increase fuel efficiency because it makes business sense and because it's good for the environment. We reduced hazardous waste within our manufacturing sites and facilities by nearly six percent. And, we rolled out our "Moving to Zero Injuries" program to create an even safer workplace for employees.

Similarly, we continually work to be an employer of choice. We launched initiatives to capture the experience and knowledge of our mature workers, to address the increasingly critical role of women in the workforce and to work with changing attitudes about work/life balance among entry-level employees. We were recognized by several organizations as one of the top companies for working mothers, minorities, scientists and people starting their careers.

Perhaps most significantly, in 2006, we embarked on a series of internal discussions about our Abbott values that will influence and shape future generations of leaders and employees. These workshops, which began with 11,000 Abbott people, including 900 senior managers, will help us reflect on how we make decisions and ensure alignment with our values – a sometimes challenging, but ongoing, process in a complex and competitive global marketplace.

Our values underlie the many actions we took in 2006 – from improved reporting about clinical trials and updated guidelines for suppliers, to enhanced employee benefits and a standardized global ethics and compliance program, which we cover in this report and on our global citizenship Web site. In order to reduce our environmental impact, we have shortened our print report and increased the information on the Web at www.abbott.com/citizenship.

As always, our citizenship work is never finished, only measured over generations. Given the complexity and challenges of health care needs, there will always be many competing views about what companies like Abbott should or should not do. We are a company committed to creating value for patients, employees and shareholders, and we will continue to approach challenges and opportunities by living by our values. Today, Abbott is the strongest we've been for more than a decade, and our potential to make even more positive contributions to future generations is greater than ever before.

Thank you for your interest in our efforts,



Miles D. White

Actions on Priority Issues

We continually evaluate our cross-company actions to address the following issues, which are key components of the global debate on improving patient access to health care. These 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. Following are updates on some of our activities in 2006, which are detailed in this report and on www.abbott.com/citizenship/access.

Issue	2006 Actions
Affordability of Medicines Many low-income patients are concerned about the costs of medicines.	<ul style="list-style-type: none">• Invested nearly \$300 million in grants and products from Abbott and 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 \$171 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 \$2.3 billion in research and development in 2006, nearly 50 percent more than our investment five years ago.• Continued our partnership with OneWorld Health to develop a low-cost Artemisinin-based medicine for the treatment of malaria. We provided technical expertise and served as an advisor in laboratory testing, commercial production, chemistry and fermentation.
HIV/AIDS Partnerships are critical to expanding access to treatment and care in developing countries.	<ul style="list-style-type: none">• Expanded our tiered pricing of <i>Kaletra</i> (known as <i>Aluvia</i> in developing countries) from 69 developing countries to 114 low and low-middle income countries. <i>Kaletra</i> is the most broadly registered second-line HIV treatment worldwide and is among the lowest-priced second-line HIV medicines in the developing world.• Opened Malawi's first pediatric HIV/AIDS outpatient clinic, in partnership with the Baylor College of Medicine and the Government of Malawi.• Established 2012 philanthropic goals to expand care and treatment.
Product Safety Patients are seeking more information on product quality and safety.	<ul style="list-style-type: none">• Redesigned product labels for our pharmaceutical products to make it easier for pharmacists to properly dispense our medicines.• Expanded anticounterfeiting activities, with more than 150 raids, 125 arrests, 80 indictments and 40 convictions involving counterfeiting, illegal diversion, or theft of Abbott products.• Registered 119 clinical trials on the publicly available computer database www.ClinicalTrials.gov. An additional 97 clinical trials on Abbott's marketed products have been registered on the Web site by independent investigators with Abbott designated as a collaborator.



Dow Jones Sustainability Index Ranking

Abbott is listed on the 2006 Dow Jones Sustainability World Index (DJSI World), as well as the 2006 DJSI North America and DJSI United States indexes. Based on an assessment of a company's economic, social and environmental performance, the DJSI North America and DJSI United States include the top 20 percent of the 600 largest global companies. The DJSI World ranks Abbott among the top 10 percent of the world's leading 2,500 companies.

Issue

2006 Actions

Uninsured Americans

Nearly 47 million Americans lack health insurance.

- Matched more than 2 million patients with industry patient assistance programs through The Partnership for Prescription Assistance, which 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.
- Joined our industry in enrolling more than 472,000 uninsured patients in the Together Rx Access program, offering savings of over \$24 million on more than 300 brand name prescription medicines and products.

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 Magic Johnson Foundation to launch “I Stand With Magic: Campaign to End Black AIDS,” a national program to help reduce new HIV infections in the African-American community by 50 percent over five years.
- Supported diabetes camps across the United States through our “Send a Kid to Camp” program, which provides product donations and scholarship funds that make it possible for children and teens newly diagnosed with diabetes, or struggling with the challenges of diabetes, to attend a summer camp for the first time.

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.

- Trained all employees located outside of the United States on newly revised local policies and procedures that cover topics such as promotional practices, professional services, privacy and trade associations.
- Helped launch the International Federation of Pharmaceutical Manufacturers & Associations’ updated Code of Pharmaceutical Marketing Practice.

Abbott's product contributions to El Centro Vivir Con Diabetes, a nongovernmental organization in Cochabamba, Bolivia dedicated to the education, care and counseling of low-income adults and children living with diabetes, will be used to screen nearly 8,000 people for the disease and monitor the condition of thousands more, annually.



How is Abbott encouraging value-based decision-making throughout the organization?

Abbott's values are the core of our culture. When our actions flow from those values, the decision-making process becomes transparent and understandable to our stakeholders.

Our Business Strategy

Abbott is a global, diversified health care company with recognized market leadership positions and growing, sustainable, top-tier financial performance. We have a well-balanced portfolio of pharmaceuticals, medical devices and nutritionals, each with clearly defined and complementary growth strategies that build on our commitment to patient care through science and innovation.

Abbott's global specialty and primary care pharmaceuticals business is focused on five therapeutic areas: immunology, antivirals, cardiovascular disease, oncology and neuroscience/pain therapy. Our medical products strategy is aimed at distinctive and innovation-driven products and high-growth businesses, such as diabetes care, molecular diagnostics,

vascular care and nutrition. We intend to strengthen our broad-based approach by targeting products and businesses that deliver patient value where the needs are the greatest.

Throughout our organization, we make every attempt to align our strategic goals with our commitment to global citizenship. We believe that our right to do business entails a responsibility to the society of which we are part. The sustainability of our company depends on our ability to think and act for the long term and to preserve the trust of the people we serve – most importantly, the patients who benefit from our medicines and technologies. Global citizenship is fundamentally about building this trust. Citizenship impacts all aspects of our business – how we advance our business objectives, engage our stakeholders, implement our policies, apply our social investment and philanthropy, and exercise our influence to make a productive contribution to society.

Engaging Stakeholders

Across our company, we manage relationships with stakeholders as part of routine business operations. While Abbott has many stakeholders, our company is, itself, a stakeholder in many global issues, chief among them expanding access to health care for patients in need. We recognize that there are many different points of view on solving social and environmental issues. Our approach is to collaborate with others to find common ground. Sometimes we must respectfully disagree on solutions, in which case our aim is to be clear and transparent about our positions.

In 2006, we hosted a public Webcast designed to increase awareness of Abbott's citizenship efforts among our key stakeholders. A panel of Abbott subject-matter experts reported on our company's social and environmental performance, as well as our long-term citizenship strategy. Additionally, we invited Jane Nelson, of the Corporate Social Responsibility Initiative at Harvard University, to provide commentary on our performance and citizenship trends in the health care sector.

Values-Based Organization

Pioneering, Achieving, Caring, and Enduring are the four core values that define our company. They guide our decisions and actions, and provide a framework for how we communicate and interact with all of our stakeholders. The values were identified as those most important to Abbott through extensive research among our key constituencies – customers, employees, patients, caregivers and health care professionals – as well as on a close examination of our long heritage and the strengths that have made our company what it is today. We communicated those ideas in a statement of purpose we call The Abbott Promise for Life, which describes what we believe in, what we value, and what we strive to deliver in our day-to-day work. It also sets expectations for employees and for others who interact with our company.

We continually work to align our organization and daily activities around the values and the Abbott Promise. In 2006, we launched a series of values workshops with Abbott corporate officers



developed a plan to include the values in the 2007 annual employee performance goal-setting process. Each affiliate, division and business has a goal that embodies every value. We also integrated discussions about the values in executive development programs taught by our senior management to newly appointed leaders and international general managers.

In 2007, we will hold additional workshops and training sessions, among other activities, to continue embedding the values throughout our organization. We also plan to create opportunities for values learning in our core leadership training programs and modules, addressing a number of key issues identified in the values workshops with Abbott management.

The Leiber family can trace their lineage at Abbott back four generations. Amy Leiber joined her parents, Mark and Gail, and her aunt Kim Nunez, at Abbott more than seven years ago. Amy's grandfather, Anthony Leiber Jr., and great-grandfather, Anthony Leiber Sr., also worked at Abbott.

Read More

Visit www.abbott.com/citizenship/values for more on:

- Key Issues
- Our Approach to Citizenship
- Reputational Impact
- Values Training

and their staff – reaching more than 11,000 employees around the world, including 900 of our company's top leaders. During these sessions, participants discussed behaviors that reflect our values. They also identified opportunities to live our Promise and values better, and address obstacles to change. Managers were asked to define processes on how to integrate our values within their organizations. Process improvements were varied and far-reaching. As an example, our international pharmaceutical organization

How does Abbott foster a culture based on ethical business conduct?

Making ethical decisions and taking the right actions for our company is the job of every Abbott employee. It is an ongoing process that requires dedication, hard work and a commitment to our values – beginning at the top of our organization.

Corporate Governance

Abbott has a long tradition of maintaining the independence of the majority of our board of directors. Among the criteria for board members are a global business perspective and a commitment to global citizenship. The charter of the Public Policy Committee of the board includes the review and evaluation of Abbott's policies and practices with respect to social responsibility.

Abbott has a strong corporate governance profile:

- Eleven of the 13 Abbott directors are independent and elected annually.
- In 2006, Abbott's directors attended 99 percent of our board meetings.

- The Audit, Compensation, Nominations and Governance, and Public Policy committees are composed solely of independent directors.
- The chairman of the Nominations and Governance Committee acts as lead director to facilitate communication with the board and to preside over regularly conducted executive sessions of the independent directors or sessions where the chairman of the board is not present. The lead director reviews and approves matters such as agenda items, schedule sufficiency, and, where appropriate, information provided to other board members.
- Directors and officers are subject to stock ownership guidelines.
- Abbott's directors are elected annually through majority voting. Because of the majority vote requirement, shareholders exercise considerable influence over board composition.
- Abbott has established independence standards, governance guidelines and a published procedure, enabling shareholders and others to communicate directly with board members.
- The board and each of its committees have complete access to management and the authority to hire independent advisors, as they deem appropriate.
- The independent directors review the performance of the CEO annually.
- Abbott is one of a small group of Fortune 500 companies with two or more women on its board of directors.

Details on Abbott's corporate governance structure and committees are available at www.abbottinvestor.com.

Ethics & Compliance

Ethical conduct and compliance with the law are central to fulfilling our responsibility to our stakeholders. Honesty, fairness and integrity represent the necessary conditions of an ethical workplace and are non-negotiable. Abbott's work in this area is led by the Office of Ethics and Compliance (OEC). Our Chief Ethics and

Compliance Officer is a corporate officer who reports directly to the chairman and CEO. He makes periodic reports to the Public Policy Committee of Abbott's board of directors and an annual report to the full board. This officer also chairs our Business Conduct Committee, which oversees implementation of the ethics and compliance program. Additionally, the OEC has appointed dedicated ethics and compliance staff to support each of our businesses.

Global Compliance

Abbott's affiliates have longstanding compliance programs. To ensure consistency across our international operations, we developed our Affiliate Compliance Program, which promotes ownership of our ethics and compliance initiatives by Abbott's 59 international affiliates. We appointed full-time compliance staff in various parts of the world and established compliance programs in each of our businesses that reflect the critical components of our U.S. program, yet are customized for local cultural and legal differences.



As part of our work, we developed appropriate mechanisms for employees to report potential ethics violations to maintain Abbott's standards of compliance, while respecting different customs or privacy laws around the world.

Charles Brock, Abbott's Chief Ethics and Compliance Officer, and his staff increase awareness of our Code of Business Conduct, which provides guidance on appropriate business conduct and practice to all Abbott employees and agents, and is available in 35 languages.

In 2007, the Affiliate/Country Compliance Committees will convene regularly, and we will audit our international compliance programs.

Working with Suppliers

In 2006, Abbott purchased an estimated \$11 billion in goods and services from suppliers worldwide. More than \$7 billion of these purchases supported our operations in the United States, including Puerto Rico.

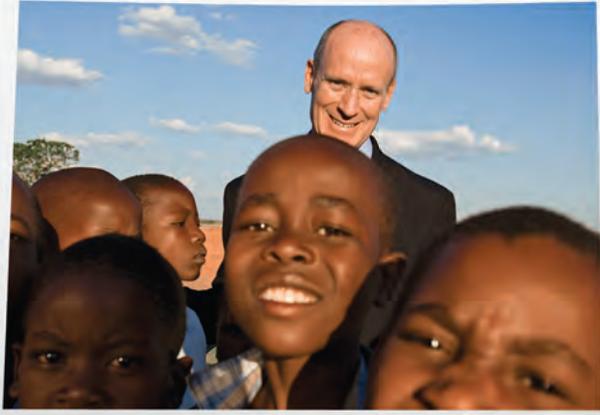
In 2006, we updated the Abbott Supplier Code of Conduct to reflect our global presence and industry business practices. The Abbott Supplier Guidelines communicate our expectations of Abbott suppliers regarding labor practices, ethical behavior, environmental stewardship, and health and safety practices.

In 2006, we deployed uniform rollout criteria and formed Affiliate/Country Compliance Committees, comprising general managers and other top executives representing all of Abbott's businesses within a country. The groups developed consistent policies, procedures, and communications and training plans. OEC Regional Directors supported the committees, providing oversight and guidance throughout the implementation process.

Read More

Visit www.abbott.com/citizenship/governance for more on:

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



Determining how to effectively address the issue of **improving access to affordable health care** requires a high degree of public-private dialogue and partnership. At Abbott, we are doing our part to help meet the challenge – through a commitment that begins with our chairman and CEO and is shared by all of our employees.

Our contributions reflect the areas where our expertise, knowledge and resources will have the greatest positive impact and results for patients and for our company over the long term. We work with many other interested stakeholders around the world – including governments, health care providers, insurers, medical groups, health professionals, patients, companies, shareholders, nongovernmental organizations and concerned citizens – to develop solutions.

Abbott's Pharmaceutical Policy Committee – consisting of senior management from our Pharmaceutical Products Group, Legal organization, and Global Citizenship and Policy, Government Affairs, and Public Affairs organizations – reviews major health and public policy issues that affect our company and leads efforts to integrate policy decisions into our core business strategies and practices.

Four Core Areas

- Advancing Leading-Edge Science & Technologies
- Increasing Patient Awareness
- Making Our Medicines & Technologies Available
- Participating in Public Policy Dialogue

How is Abbott's research and development improving patients' lives?

Our commitment to improving lives is grounded in the development of innovative medicines, medical technologies and nutritional products that address the unmet needs of patients worldwide.



Thierry Eeman, M.D., of the Centre Hospitalier Regional Namur, Belgium, used Abbott's *Xience V* next-generation drug-eluting stent to treat Jacques' arterial blockage.

Expanding R&D

Abbott is a broad-based company – one of the most diversified in the health care industry. In 2006, we spent \$2.3 billion on research and development, nearly 50 percent more than five years ago. We made changes within our organization that significantly strengthened the breadth and depth of each of our three major businesses:

- **Medical Products:** Abbott leads in the fast-paced, high-growth medical technology space, with products to diagnose disease, manage diabetes, and treat vascular and spinal health.
- **Nutritional Products:** Abbott offers some of the world's most trusted brands of pediatric, adult and healthy living nutrition products, as well as medical nutritional products for patients with special dietary needs.
- **Pharmaceutical Products:** Abbott focuses on breakthrough science to develop effective treatments and solve unmet medical needs, and we continue to pursue additional indications for existing drugs that offer physicians important treatment options.

Product Quality

Developing quality products that are safe and effective is a process that spans our entire organization – from research and development and manufacturing, to marketing and communications – to ensure that we go beyond simply complying with regulatory requirements to garnering trust from customers who depend on our innovative products.

Our product quality efforts are led by our Corporate Regulatory and Quality Science organization, which reports to our chairman and CEO. This group also is accountable to the Public Policy Committee of our board of directors.

Counterfeit Products

The safety and integrity of Abbott products is our highest priority, and we take the threat posed to public health by counterfeit products very seriously. Our Global Product Protection

2006 R&D Highlights:

- Launched *Xience V*, our drug-eluting stent, in Europe and Asia.
- Launched *Humira* for ankylosing spondylitis, or arthritis of the spine, and the third new indication for *Humira*.
- Improved patient convenience with the *Humira Pen*, a one-touch device, available in the United States, that offers patients an easier way to self-administer *Humira* at home, just twice a month.
- Received U.S. Food and Drug Administration approval to market *FreeStyle Freedom*, an easy-to-read blood glucose meter, which offers virtually pain-free testing.

department works to reduce the level of counterfeit copies of Abbott products entering the market. In 2006, our activities included:

Securing Our Supply Chain

We audited 18 wholesalers in the United States for compliance with our Exclusive Sourcing Agreement, which requires wholesalers to purchase our products directly from Abbott and to only sell to authorized end users. We also expanded implementation of these agreements in Latin America and Asia and conducted

Read More

Visit www.abbott.com/citizenship/science for more on:

- Animal Welfare in Biomedical Research
- R&D Initiatives & Product Pipeline
- R&D Acquisitions

supply chain reviews with our operations in Peru, Chile and Thailand.

Disrupting Criminal Organizations

Authorities led more than 150 raids, executed 125 arrests, and obtained 80 indictments and 40 convictions of individuals involving counterfeiting, illegal diversion, or theft of Abbott products. Additionally, we conducted random purchases of various Abbott products in 30 countries to determine the level of counterfeiting and/or diversion.

Ensuring Our Ability to Authenticate

Authentication of our products is a key deterrent to counterfeiters. Our packaging strategy is to implement visible and non-visible security features on various packaging materials, on many of our existing products, as well as on new products as part of the research and development process. These security features facilitate authentication of Abbott products when suspected counterfeits are sent to our regional testing centers.

Neglected Diseases

We continued our partnership with the Institute for OneWorld Health, a nonprofit pharmaceutical company leading a research and development effort to lower the cost of Artemisinin-based Combination Therapies (ACTs) for the treatment of malaria in vulnerable populations. OneWorld Health is working to develop microbially derived artemisinin, an effective antimalarial ingredient, at an affordable price, to improve access to people in need. While malaria has become increasingly resistant to frontline medications, drugs containing artemisinin derivatives have been highly successful. Abbott has donated several kilograms of Artesunate, which is an active derivative of artemisinin, to this research effort. Abbott also contributes resources in an advisory capacity to this project by sharing our expertise in laboratory testing, commercial production, chemistry and fermentation to help develop low-cost, microbially based artemisinin.

What is Abbott doing to help increase patient awareness?

Abbott believes in empowering people through education and information about diseases and products to help them make informed treatment decisions. Patients' level of awareness and knowledge of diseases, their symptoms and treatment options can greatly influence quality of care. We share information about our products and the diseases they address; promote education about disease prevention, treatment and management; and disclose our policies and practices related to clinical research.



Advancing Patient Safety

Each year, more than 50 million errors occur during the filling of some 3 billion prescriptions in the United States, many of them as a result of misread labels.¹ Building on our commitment to patient safety, we reviewed and redesigned product labels for all of our pharmaceutical products to make it easier for pharmacists to properly dispense our medicines.

As part of the process, we studied literature on dispensing errors and human factors, observed dispensing in pharmacies, and interviewed and sought feedback from pharmacists, physicians and patients. Our findings led to a new standardization process that highlights critical product identification information, such as brand name, generic name, dosage strength, quantity and dosage form, on the front panel of a label.

In 2006, all new registrations of Abbott products with regulatory agencies included the new label format. We will continue our efforts to convert labels, both domestically and internationally, to the new standard format in accordance with all local regulatory requirements.

Diabetes Awareness

Approximately 230 million people worldwide have diabetes, and this figure is likely to reach 350 million by 2030.² Despite this trend, many people lack access to information about diabetes, and the associated risk of disability and premature death if the condition is not properly managed. We are active in educating millions of people living with diabetes and those whose disease may still be undiagnosed.

Diabetes Camps

Abbott supported diabetes camps across the United States through our "Send a Kid to Camp"

On World AIDS Day 2006, Abbott and the Magic Johnson Foundation announced the launch of the "I Stand With Magic: Campaign to End Black AIDS" program. African-Americans are affected by the disease at significantly higher rates than other groups, including 10 times more than Caucasians and nearly three times more than Hispanics.

program, which provides product donations and scholarship funds that make it possible for children and teens newly diagnosed with diabetes, or struggling with the challenges of diabetes, to attend a diabetes summer camp for the first time. Since the program's launch in 2001, Abbott has donated more than \$500,000 in scholarships and almost \$1 million in product donations, and we have sponsored attendance at camp for more than 500 children in over 30 states.

Health Disparities: I Stand With Magic

Abbott and the Magic Johnson Foundation launched the national "I Stand With Magic: Campaign to End Black AIDS," to help reduce new HIV infections in the African-American community by 50 percent over five years. Half of all new HIV infections in the United States are among African-Americans, who represent only 15 percent of the overall population.³ Diagnosed with HIV 15 years ago, Johnson partnered with Abbott to share his story of hope and survival.



Increasing Clinical Trials Transparency

A critical element in the development of drug products to treat a variety of diseases and illnesses throughout the world is the conduct of clinical trials in human subjects. The results of human drug trials help assess the safety and efficacy of drugs and drug candidates for use in patient populations.

Abbott Fund's grant to Angkor Children's Hospital in Cambodia helped provide nutritional assessments for more than 30,000 children and food rations for nearly 1,400 families.

Read More

Visit www.abbott.com/citizenship/patientawareness for more on:

- Abbott's Clinical Trials Policy
- Diabetes Education
- Direct-to-consumer Advertising
- Frequently Asked Patient Q&A
- IFPMA Global Marketing Code
- Marketing & Sales Practices
- Triglyceride Education

The program addresses awareness, prevention and successful treatment of HIV in the African-American and other minority communities, and encourages African-Americans of all ages to fight HIV/AIDS by getting tested, obtaining test results and encouraging at least four friends or family members to do the same. For more information, visit www.istandwithmagic.com.

Safety of study subjects is always Abbott's highest priority in conducting clinical trials. Healthy volunteers and patients who are interested in participating in our clinical studies undergo a full discussion of the process with clinical professionals and appropriate medical screening before entering the clinical trial.

We are committed to being transparent about the clinical trials we sponsor. We recognize that there are important public health benefits to making clinical trial information available to health care providers, patients and the public.

Abbott has to date registered 119 trials on the publicly available Web database www.ClinicalTrials.gov. Whereas these 119 studies were initiated under Abbott's sponsorship, an additional 97 clinical trials on Abbott's marketed products have been registered on the site by independent investigators with Abbott designated as a collaborator.

What is Abbott doing to make medicines and other treatments available to patients around the world?

Abbott makes our pharmaceuticals, medical devices and nutritional products available through company and industry patient assistance programs. We also work with governments and others to remove underlying barriers to health care, such as the lack of infrastructure and trained personnel.

600
thousand children

Abbott Global AIDS Care programs have served almost 600,000 children and their families in the developing world.

Expanding Access to Our HIV/AIDS Medicines

Since 2001, Abbott has made our HIV medicines widely available in all of Africa and the 69 Least Developed Countries, as designated by the United Nations, at a no-profit price of \$500 per patient per year. We expanded our commitment to product affordability and announced *Kaletra*'s price at \$1,000 per patient per year in more than 40 low and low-middle income developing countries, a price that is significantly discounted from prices in industrialized countries.

Today, *Kaletra* is the most broadly registered second-line HIV medicine worldwide and is among the lowest-priced second-line HIV medicines, branded or generic, in the developing world. In 2006, the World Health Organization guidelines stated that lopinavir/ritonavir (*Kaletra*) tablets are the preferred protease inhibitor in resource-restricted societies. Abbott's program is designed to ensure long-term sustainable access to high-quality HIV medicines and includes:

- Sustainable pricing for governments, nongovernmental organizations and public funders of HIV medicines in developing countries;
- Broad registration of the new, non-refrigerated tablet formulation throughout the world, including Africa, Asia, Latin America and the Caribbean;
- Investment in additional manufacturing capacity to meet demand for high-quality second-line HIV treatments; and
- Development of a pediatric low-dose tablet formulation to meet the treatment needs of HIV-positive children globally.

Worldwide, nearly 40 million people are living with HIV/AIDS.⁵ We created our program to help address the great need to scale up treatment in the developing world. The process involved consultations with governments, global health experts, regulators, medical professionals and patient organizations.

2012

HIV goals

By 2012, our philanthropic programs will:

- Donate more than 10 million HIV tests to support the PMTCT program.
- Test and counsel 500,000 people.
- Treat and care for 50,000 children, who will represent 15 percent of patients within our treatment programs.
- Assist 1 million families and vulnerable children through Abbott Fund programs that support education and health care.

We also held briefings with HIV patient advocates from the United States, Europe and developing countries, and discussed our global HIV strategy and long-term approach to sustainability. We listened to their concerns and feedback. We will continue to engage our stakeholders and provide updates on our progress.

Meeting the challenge of HIV/AIDS requires contributions from many stakeholders, as well as approaches that align business interests with those of patients around the world.

Pediatric HIV/AIDS Treatment in Malawi

Treating children with AIDS in the developing world is an enormous challenge, particularly in Africa. Malawi is one of the countries hardest hit by the HIV/AIDS pandemic, with an estimated 83,000 children living with the disease.⁶ While children represent only 6 percent of the population currently receiving antiretroviral therapy through the country's national treatment program, they represent 15 percent of those in need.



In partnership with the Baylor College of Medicine and the Government of Malawi, we opened the Abbott Fund – Baylor Children's Centre of Excellence – Malawi, the country's first pediatric outpatient clinic dedicated to the care and treatment of children living with HIV. The clinic is already treating more than 1,100 children, and the program will be expanded to include satellite clinics throughout the country in 2007.

Construction of the new pediatric center, located in the capital city of Lilongwe, and support for clinic operational costs were made possible by a \$2.2 million grant from Abbott Fund. The center will be the focal point of a national plan to expand pediatric and family HIV/AIDS care and treatment throughout the country.

Fidelisi receives HIV treatment and care at the Abbott Fund – Baylor Children's Centre of Excellence – Malawi. The 13-year-old aspiring nurse is helping her parents, who also are HIV positive, to raise her three sisters and one brother while attending primary school.

Improving Access to Health Care

Making Our Medicines & Technologies Available



Abbott Fund's grant to the Afghan Institute for Learning (AIL) supports a nine-month intensive nurse/midwife/health educator training course at AIL's facility in Kabul to help lower the country's high maternal mortality rate and increase the survival and overall health of women and children.

The Malawi center is modeled after the pioneering work conducted by Baylor and Abbott Fund at the Romanian-American Children's Center, which opened in April of 2001 in Constanta, Romania. In this model, children are not only provided antiretroviral medicine and other medical treatment, but are supported by a comprehensive program to address their other daily needs and the needs of their families. This program has reduced pediatric AIDS mortality by more than 90 percent in Constanta – the epicenter of pediatric HIV in Europe.

Directed by Baylor's Mark Kline, M.D., the clinic model has rapidly expanded into Botswana, Uganda, Lesotho, Swaziland, Malawi and Burkina Faso. It is estimated that more than 12,000 children have been treated at these centers to date. Abbott and Abbott Fund have provided a total of more than \$16 million in grants and donated products to Baylor to support the treatment of children living with HIV in the developing world.

Cambodia: Nutrition Education and Support

War and civil unrest have left Cambodia with some of the worst health statistics in the region, with women and young children at particular risk. Abbott Fund has formed a partnership with Direct Relief International to support nutrition education and training programs for physicians and nurses at Angkor Children's Hospital, a pediatric teaching hospital in Cambodia. Abbott and Abbott Fund provided financial grants and nutritional and pharmaceutical products towards training, funding of local and regional educational workshops, materials for the hospital's family education program, including food rations and demonstration equipment, and treatment of hospitalized children and their mothers. The donated products have benefited 5,000 children and 3,000 mothers.

Improving Neonatal Survival in Kosovo

Abbott Fund partnered with AmeriCares and neonatal specialists from Dartmouth Medical School and The University Clinical Center in Pristina to conduct neonatal respiratory assistance staff training. Through our grant, the hospital will purchase five advanced ventilators, 15 Continuous Positive Airway Pressure machines, incubators, pulse oximeters and gas analyzers to equip four patient units within the Neonatal Intensive Care Unit.

Bolivia: Diabetes Education, Care and Counseling

In Bolivia, more than seven percent of the people have diabetes; in Cochabamba, the country's third-largest city, more than 10 percent of the residents suffer from the disease.⁷ In response to this growing health problem, Abbott Fund partnered with Direct Relief International to support the education and outreach activities of El Centro Vivir Con Diabetes, a nongovernmental organization in Cochabamba dedicated to the education, care and counseling of low-income adults and children living with both Type 1 and Type 2 diabetes. Abbott Fund, along with our

In 2006, Abbott provided \$76 million in product donations to 98 countries around the world and supported 665 medical missions. In response to natural disasters, we worked closely with our relief partners to provide \$3 million worth of products.

Read More

Visit www.abbott.com/citizenship/globalinitiatives for more on:

- Abbott Global AIDS Care
- Disaster Relief Efforts
- Operation Smile
- Pediatric Malnutrition in Vietnam
- Strengthening Health Systems in Tanzania

diabetes business, provided a grant and donation of glucose screening and monitoring equipment to El Centro to support diabetes education, expand public outreach campaigns, train health care personnel in diabetes management, and create a core group of diabetes educators. In the first three months of the program, our product contributions were used to screen more than 5,000 patients – an increase of 32 percent versus the three months prior.

Product Donations

We updated our product donation policy and implemented higher standards concerning the types of products available for donation, product quality and integrity. We also improved our procedures regarding process flow, documentation and tracking of donations. As part of the process, we conducted onsite assessments of several of our existing and potential new relief partners to ensure that we work only with those implementing the highest standards of operating procedure, including warehouse storage and inventory management, product distribution and tracking systems, and in-country partner criteria. The new policy significantly raises the level of cohesion and consistency across Abbott, promoting efficiency and accountability throughout the donation process. Abbott's product donations program was highlighted in *Harvard Business Review*, as part of a feature on best practices for disaster response.

How does Abbott Advance Public Policy Dialogue on Access?

Abbott works with governments to advance sound public policy and expand patients' access to health care.

At Abbott, we see a strong link between global citizenship and public policy. As a stakeholder in many global issues, it is important for companies like ours to be involved in the public policy process. Our role in this process varies from contributing information and expertise and convening forums and discussions, to briefing policymakers and advocating our point of view on issues. For us, participation in public policy dialogue is especially important on issues that influence patients' access to innovative medicines and affordable health care. We also believe it is vital to encourage open and respectful debate where all points of view inform policy decisions. In this regard, we work with governments, civil society organizations and business associations.

Health Policy Forums

Abbott sponsored the Global Health Council's Policy Series, which brings together senior representatives of the U.S. government, corporations and nongovernmental organizations with global health experts to discuss and debate solutions to global health issues. Topics included: HIV/AIDS, child health, malaria and the shortage of health workers. Other sponsors of the event included the Bill and Melinda Gates Foundation and the David and Lucile Packard Foundation.

Public-Private Partnerships

Abbott Fund presented a paper about lessons learned from public-private partnerships in health care at a meeting in Geneva, Switzerland of the Ministers of Health from the Commonwealth countries. These ministers were convening prior

Elizabeth Glaser Pediatric AIDS Foundation (EGPAF) CEO Pam Barnes and a young child from Haiti met at a U.S. congressional briefing entitled "Equal Treatment for Children: Turning the Tide of the Pediatric AIDS Pandemic," supported by Abbott, EGPAF and the Global Health Council to help raise awareness of the fact that less than 5 percent of the 2.3 million children living with HIV worldwide have access to medical treatment.



to the annual World Health Assembly, hosted by the World Health Organization. Our presentation underscored the need for building trust, candid communications, and an effective use of each partner's strengths to address HIV/AIDS. More specifically, we cited our collaboration with the Government of Tanzania to help strengthen that country's public health system.

Enhanced Access for Seniors

Since the rollout of Medicare prescription drug coverage in 2006, the total number of people with Medicare now receiving comprehensive prescription drug coverage has grown to more than 39 million. The average annual savings per patient under the program is \$1,200, and the average premium expected in 2007 is \$22, 42 percent lower than initially projected.⁸

Abbott helped make the new drug prescription plan a success by mobilizing our employees to educate eligible seniors about the plan and its options, and to help them prepare to enroll.

Read More

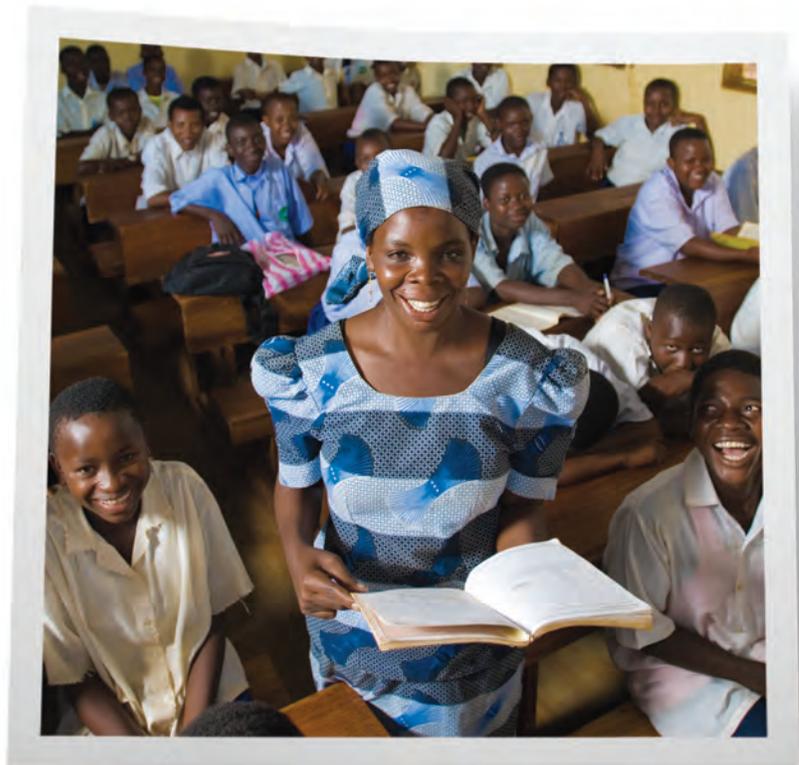
Visit www.abbott.com/citizenship/publicpolicy for more on:

- Congressional Briefing on Pediatric HIV
- Intellectual Property
- Political Contributions

We continue to work with low-income seniors who have not yet enrolled, to do so in the coming months.

Political Contributions

Abbott participates in the political process by contributing to state and local candidates and political organizations that impact patients' access to affordable and innovative medicines, as well as our company's research and development initiatives. Contributions to office holders and candidates are bipartisan and based



on several criteria: policy positions that reflect Abbott's interests; representation of geographic areas where Abbott employees and facilities are located; relevant legislative committee assignments; ability to be elected; and need for financial assistance. Abbott reviews and approves all corporate political contributions to ensure they are consistent with our guidelines and in accordance with applicable laws.

Intellectual Property

Knowledge and research-based companies like Abbott rely on intellectual property protection to preserve the value of our technology and innovations. As part of our efforts to participate and advance intellectual property protection, in 2006, we became a sponsor of The Creative and Innovative Economy Center at the George Washington University Law School in Washington, D.C. The Center conducts research and educational activities regarding the market, business strategy, institutionalization, globalization and localization characteristics of creativity and innovation in the world economy.

In 2007, we opened the first Abbott Fund office outside of our headquarters in Lake County, Illinois in Dar es Salaam, Tanzania to oversee philanthropic investments, support our continuing dialogue with the Government of Tanzania and identify strategic and innovative approaches to the health and social challenges posed by HIV/AIDS.

How does Abbott nurture a culture of inclusion around the world?

A diverse and inclusive culture requires the commitment of every Abbott employee to develop an organization that enables all people to contribute to their full potential.

Diversity snapshot

- Minorities make up more than one-quarter (27 percent), and women nearly one-half (47 percent), of Abbott's total U.S. workforce.
- We have increased the number of women in management by 64 percent and the number of minorities in management by 68 percent over the past five years.
- Abbott aggressively recruits female and minority science talent. During the past five years, we have filled 53 percent of our entry-level science positions with women and 28 percent with minorities.

We count on the creativity and unique experiences of our employees to foster innovation and build the expertise we need to compete in the marketplace. Every employee's contribution is essential to our long-term success.

Diversity and Inclusion

During 2006, we worked to extend our diversity and inclusion strategy and continued our ongoing work in three areas: hiring and advancement, leadership development, and culture and environment. The Abbott 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 programs that promote an inclusive work environment for all employees. 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 company.

Hiring and Advancement

Abbott maintains aggressive goals for the recruitment, hiring and retention of women and minorities. These goals are included in the performance assessment of our managers and leaders, and affect their compensation. In the United States, we seek to achieve placement of 50 percent women and 25 percent minorities in management positions. Additionally, one-quarter of our preferred search firms (10 of 41) are minority-owned. In 2006, U.S. women employees represented 41.5 percent of Abbott's management, while minority employees represented 19 percent of our U.S. managers, an increase of 7.6 percent and 12.2 percent, respectively, over 2005.

Employee Culture Survey

We implemented a global employee survey to evaluate cultural attitudes among our employees and establish a broad cultural benchmark across our company – measuring the gap between



our corporate values and how our employees respond – known as a cultural health metric.

Culminating a year-long process to develop the survey questions and format, employees

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Visit www.abbott.com/citizenship/people for more on:

- Awards & Recognition
- Child Care Solutions
- Compensation & Benefits
- Employee Networks & Mentoring
- Employee Turnover
- Healthy Living Initiatives
- Human Rights Policy
- Mature Worker Strategy
- Training & Development
- University Relations & Intern Program

worldwide were invited to participate in an online survey covering 11 topics, including ethics, accountability, leadership and coordination, innovation, motivation, and quality and compliance.

The survey results reported a cultural health metric of 80 percent, indicating a strong alignment of employees with Abbott’s values and business operations. In 2007, we will develop action plans to respond to employees’ suggested areas of improvement and continually strengthen our work environment. Survey data also will be used to advance our diversity and inclusion goals and to provide a cultural framework to measure our progress.

Work-Life Strategy

We refocused our work-life benefits efforts to better align with our business need to attract talent and retain organizational knowledge. Through a three-year strategy that will launch in 2007, we will develop programs to support employees across their career lifecycle. Our approach covers mature workers, workplace flexibility and dependent care (child through elder care), and is rooted in three leading global demographic trends: the aging of the workforce and the retirement of the Baby Boomers; the increasingly critical role of women in the workforce; and changing attitudes toward work in younger generations who have defined success as a position that allows them to better balance work and family responsibilities.

Fabiola Salcedo, Financial Professional Development Program analyst, is one of 28 entry-level employees who rotate through a series of financial positions across our company over a two-year period, as part of our commitment to developing leaders. She meets with mentor Joe Kosinski, director of Corporate Manufacturing and Customs and Trade Compliance, on a regular basis to monitor her progress.

What is Abbott doing to protect the environment?

Abbott is committed to the protection of human health, safety, and the preservation of the environment in all of the communities where we operate. Our annual targets for measuring environmental, health and safety performance are part of our overall management system to continually improve our performance.



At our state-of-the-art biologics plant in Barceloneta, Puerto Rico, Richard Garcia, an environmental technician, checks a water sample at a stage one station. The plant processes its waste water in three stages before sending it to the municipal waste water treatment plant.

EHS Management, Policies & Standards

In the area of environment, health and safety (EHS), we focus on eliminating or reducing harmful substances and waste from manufacturing processes, training employees on EHS issues, and exploring new ways to improve energy efficiency.

Our objectives are to:

- Support the business through efficient and responsible EHS management.
- Create a culture that strives for EHS performance excellence at all levels of the company.
- Implement a uniform approach to risk assessments, management systems and metrics.
- Incorporate information technologies to improve efficiency and support global programs.

We recognize that improving our EHS performance demands clear lines of accountability and senior-level leadership and support. Using our EHS policy as our foundation, our management teams set the framework for strategic planning, goal setting, and implementing effective programs, procedures and training.

To implement our policies, we developed global standards with related metrics and audit and reporting mechanisms that serve as a baseline expectation for our performance worldwide. We continually review existing programs and policies to find new ways to improve EHS processes and operational performance.

2010 Goals

We have focused much of our EHS efforts on identifying and establishing five-year performance goals to help reduce water usage, carbon dioxide emissions, waste, serious employee injuries and commercial vehicle fleet accidents. By concentrating on these key areas, we believe we will generate the greatest environmental and financial benefits for our company, our employees, and other stakeholders. Environmental and safety

data from all of Abbott's global facilities are included in our results. For an interpretation of the 2006 data, visit www.abbott.com/citizenship/2010goals.

Green Fleet Initiative

As part of our 2010 goals program to reduce greenhouse gas emissions (CO₂) to 10 percent below 2004 levels, Abbott integrated environmental criteria into the overall management of our U.S. fleet vehicles. We partnered with Environmental Defense, a leading environmental advocacy group, and PHH Arval, our fleet leasing provider, to offer many Abbott employees greener vehicle options when it comes to selecting a company car. We were the first client to participate in the pilot program, which helps companies identify the most cost-effective methods of lowering CO₂ emissions in their fleet operations.

Corporate fleet vehicles are driven an average of 25,000 miles per year – nearly double the mileage, fuel consumption and emissions of personal vehicles. As a result, fleet vehicles are major consumers of oil and gasoline and sources of air pollution. Abbott's fleet accounts for approximately 12 percent of our emissions. To make the new green fleet vehicles as appealing to drivers as possible, we offered upgrade incentives such as satellite radio and sunroofs, and clearly communicated with drivers about the environmental impact of their choices.

As a result, approximately 20 percent of our eligible drivers (nearly 200 employees) selected more fuel-efficient vehicles. While data are still preliminary, Abbott's fleet miles-per-gallon has improved by 4.3 percent; greenhouse gas emissions have been reduced by 4.2 percent; and overall cost is down 4.1 percent.⁹

Each new vehicle buying cycle offers the opportunity to re-evaluate our fleet and expand driver incentives to encourage greater participation in the program. We will continue our efforts in 2007, with a number of new options

2010 Goals Performance

Total Water Intake
Reduce Water Usage by 15 Percent by 2010, Normalized by Sales
 gallons per \$1,000 sales

-0.7% Change
 2006 compared to 2005



Total CO₂ Emissions
Reduce Greenhouse Gas Emissions by 10 Percent by 2010, Normalized by Sales
 pounds per \$1,000 sales

2.5% Change
 2006 compared to 2005



Hazardous Waste
Reduce Hazardous Waste by 20 Percent by 2010, Normalized by Sales
 pounds per \$1,000 sales

-5.9% Change
 2006 compared to 2005



Lost Workday Case Rate
Reduce Lost Workday Case Rate by 10 Percent by 2010
 cases per 100 employees

-13% Change
 2006 compared to 2005



U.S. Fleet Accident Rate
Reduce the U.S. Fleet Vehicle Accident Rate by 10 Percent by 2010
 accidents per million miles driven

-4.2% Change
 2006 compared to 2005



Key

2010 Goal Exceeded Goal

*Baseline year is 2004.
 Data changes based upon ongoing verification.*

Environment, Health & Safety Performance

208
million gallons

In 2006, we reduced water usage rate by about 8.4 percent relative to our sales, compared to our 2004 performance. We also initiated 30 water conservation projects that will result in an annualized water reduction of more than 208 million gallons.

and improvements such as a limited offering of 4-wheel drive SUVs only in Snow Belt states.

Climate Responsible Energy Management

In 2006, our key accomplishments in the area of energy management and use included:

- Installed a solar energy system at our diagnostics plant in Delkenheim, Germany that will generate 21,000 kilowatts of electricity and reduce CO₂ emissions by 19 metric tons per year.
- Reduced electricity costs by \$1 million per year at our headquarters in Lake County, Illinois.
- Developed plans to install cogeneration capacity in a manufacturing facility in Mexico and a solar project in a manufacturing facility in California.

In 2007, our global energy efforts will focus on:

- Executing a worldwide energy communication process.
- Optimizing fuel oil purchasing and replacement options at our manufacturing facility in Puerto Rico.
- Identifying and implementing worldwide alternative energy projects.
- Initiating monthly Web-based worldwide energy data collection.

Abbott is increasing efforts to integrate green engineering technologies and concepts into our regularly scheduled projects, such as reroofing and renovations, as well as new building design. As part of this effort, we are pursuing waste reduction initiatives that may have a significant positive impact. Some of these projects involve new and emerging technologies that, if proven successful at one plant, may improve our global environmental performance at other locations.

Improving Access to Water

For Abbott, responsible water management is important. We use approximately 15 billion gallons per year to manufacture our products.

We have developed a comprehensive water strategy that focuses on three areas: improving operations and product design, facilitating access

to high-quality water in global communities, and collaborating with key environmental and business groups.

We spent much of 2006 developing an action plan that will focus on those facilities in the most water-stressed areas and will seek active solutions to issues through the development of global tools and training programs. Our approach is to work with key stakeholders, such as peer companies and environmental groups, to help identify a number of potential partners and programs where we can help make a difference. In 2007, we plan to engage a number of industry groups and other outside partners to enhance our water strategy.

Through this operational strategy we seek to:

- Meet our 2010 water use goal.
- Protect our license to access sufficient quantities of water for all activities.
- Determine benchmarks for water used during product manufacturing.
- Engage stakeholders globally and locally.

As part of the benchmarking process, we will distribute a questionnaire, in 2007, for facilities to identify reduction opportunities and key community issues. We are developing several programs to encourage all of our plant sites to build local community partnerships to promote water conservation. These new initiatives will help Abbott facilities in water-stressed areas better understand local needs and foster new community and employee awareness initiatives. In addition, we plan to track all current and future water programs and initiatives by creating self-evaluation modules for water use, impact and water source evaluation.

Waste Management

All vendors responsible for the management of Abbott-generated waste are expected to meet minimum requirements in areas such as compliance, financial assurance, inventory control/record keeping, facility design/operating

conditions and permission, among others. Vendors who do not meet these standards are not permitted to do business with our company. Substandard waste management firms are identified through the implementation of Abbott's waste vendor assessment program. This includes periodic on-site evaluations and documentation reviews to help ensure that only appropriately qualified and responsible vendors are permitted to manage Abbott waste. Our approach helps us to quickly identify emerging issues and resolve problems in a timely fashion.

EHS Assessments

Abbott's Global EHS audit function systematically evaluates our EHS-related performance and compliance status. These periodic assessments serve several purposes, including identifying significant risks to employees, the environment and the company; fostering continuous improvement; developing staff expertise; and promoting knowledge transfer. Abbott facilities are typically audited once every 36 months to



Read More

Visit www.abbott.com/citizenship/EHS for more on:

- 2010 Goals Performance & Other EHS Performance Indicators
- Awards & Recognition
- Climate Change
- External Programs
- Process Safety Management Program
- Property Remediation

assess compliance with regulatory and internal requirements. If noncompliant situations are found, audited facilities are responsible for developing and implementing action plans, which are tracked through completion. In 2006, Abbott completed 21 EHS facility audits around the world.

Enhancing our Safety Culture

The safety and health of Abbott employees, and the protection of the communities where we work and live, is a key responsibility for our company. We are proud to report that we have exceeded our 2010 Lost Workday Case Rate goal three years early.

In our effort to continually improve performance, in 2006, Abbott leaders around the world were asked how we could improve safety. Through their feedback and building on our existing safety culture, we developed our "Moving to Zero Injuries" program. This initiative will enable management to more actively demonstrate their commitment to employee safety, leading Abbott to an injury-free culture. Our efforts will be demonstrated through three key areas: Implementation of Business-Specific Safety Actions, Increased Management Safety Observations in the Workplace and Increased Communications on Safety.

When Abbott purchased the land for our biologics plant in Barceloneta, Puerto Rico, we agreed to preserve the existing mogotes, sensitive ecosystems that are an integral part of how nature cleans surface water and serve as habitat to several local animal species. We provide access to the protected mogotes to local area teachers like Elliot Lopez, who conducts hands-on environmental studies with students.

How is Abbott helping to build healthier communities around the world?

Both Abbott and Abbott Fund invest in creative ideas that promote science and medical innovation, expand access to health care and strengthen communities worldwide. In partnership with others, we strive to make a lasting impact on people's lives and encourage others to action.



Since 2000, Abbott Fund has partnered with the Baylor International Pediatric AIDS Initiative to address HIV/AIDS in Constanta, Romania, a port city hit hard by the AIDS epidemic. Marian, Elena and Catalin live in Flower House, a group home purchased and renovated by Abbott Fund to care for HIV-infected children abandoned by their parents due to community stigma.

Philanthropy at Abbott

We view our philanthropy as a complement to achieving the Abbott Promise; and over the last several years, we have expanded our philanthropic initiatives and created new partnerships that will help provide long-term, sustainable solutions to people most in need.

We share our knowledge and expertise, donate products and provide financial support that addresses unmet needs in four strategic areas: Global AIDS Care, Improving Access to Health Care, Science and Medical Innovation, and Community Vitality. Key 2006 updates on our philanthropy in the areas of HIV/AIDS and access to health care are featured in the Improving Access to Health Care section on page 11.

In 2006, our total investment from Abbott and Abbott Fund, corporate philanthropy, patient assistance programs, humanitarian relief, and AIDS-related programs reached millions of people worldwide, with a value of nearly \$300 million.

Abbott employees pledged more than \$5.6 million to support health and human service organizations in 2006, including a contribution of more than \$3 million by employees in the Illinois and Wisconsin areas.

Science and Medical Innovation

To foster an appreciation for science and help society better understand the value that integrated sciences bring to human health, we support new educational approaches and methods designed to expand interest in science.

National Inventors Hall of Fame: Collegiate Inventors Competition

In partnership with the U.S. Patent and Trademark Office, in 2006, Abbott became the sole corporate sponsor of the National Inventors Hall of Fame's (NIHF) Collegiate Inventors Competition. For more than a decade, this prestigious program has stimulated problem solving among college students by honoring students who develop

potentially world-changing patentable inventions. Contestants are selected among entries from 2,000 college campuses and are judged by Chief Technology Officers of Fortune 500 companies, U.S. Patent and Trademark Office experts and NIH Inductees. An Abbott scientist served on the judges' panel in 2006.

After School Matters

Abbott donated \$1 million to enhance science education in Chicago. The grant will provide an opportunity for After School Matters and Renaissance 2010, two leading non-profit organizations dedicated to improving education, to create science initiatives in the Chicago Public Schools. In fall 2007, After School Matters will launch "Science 37," an after-school program that Abbott will help design. We also will donate equipment used in science laboratories.



Community Vitality

Through our community-oriented programs, we strive to provide sustainable solutions to

planning process to drive efficiencies and expand services at the clinic. This initiative is aimed to help more than 200,000 individuals who are uninsured or underinsured in the community.

Abbott Corporate Audit employee Shannon Lacy meets with Donia Mason every week, as part of the Big Brothers Big Sisters of Lake County's Mentoring Program, which aims to provide positive role models for children.

Read More

Visit www.abbott.com/citizenship/community for more on:

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

issues faced in areas where we have a presence around the world.

Expanding Treatment to Uninsured Patients

We strengthened our ongoing partnership with HealthReach, a free medical clinic, to provide services to the medically underserved in our headquarters community of Lake County, Illinois. In 2006, our grant enabled HealthReach to build capacity and secure the assistance of Executive Service Corps to initiate a comprehensive

Legal Pro Bono Work

Pro bono service is part of Abbott's Legal organization's annual employee performance goal-setting process, with each employee required to contribute a minimum of 10 hours annually. In 2006, U.S. employees volunteered more than 2,000 hours of service, comprising over 40 activities. Among the pro bono efforts in 2006, more than 60 Abbott attorneys, paralegals and administrative professionals worked with Baker & McKenzie, an international law firm, and the National Immigrant Justice Center, to help nearly 70 low-income legal immigrants seeking United States citizenship through the increasingly complex application process. In 2007, the pro bono service requirement will expand to Legal employees outside of the United States.

Abbott Fund

Visit www.abbottfund.org for information on funding guidelines and to apply for a grant.

Measuring Our Results: Abbott's Access Programs

For more information on Abbott's programs to improve access to health care, visit www.abbott.com/citizenship/PAP.

Program Overview

2006 Results

UNITED STATES – ABBOTT PROGRAMS

Abbott Patient Assistance Program*

A physician-based program that offers free Abbott medicines to patients experiencing financial difficulties and who generally do not have prescription drug coverage through private insurance or qualify for government-funded programs.

www.helpingpatients.org

- More than 136,000 patients received free medicines valued at over \$171 million.

Abbott Diabetes Care Patient Assistance Program

Offers assistance on blood glucose meters and strips to low-income patients in the United States.

www.abbottdiabetescare.com

- More than 5,200 patients were approved for assistance at a retail value of approximately \$425,000.
- Donated nearly 3,500 blood glucose meters.
- Donated more than 35,000 boxes of blood glucose strips.

Ross Patient Assistance Program

Offers assistance on metabolic and nutritional products to low-income or uninsured patients in the United States.

www.pparx.org

- Nearly 2,000 patients received products valued at more than \$900,000.

UNITED STATES – INDUSTRY PROGRAMS

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

- Matched more than 2 million patients with industry patient assistance programs. Over 3.2 million patients have been matched with programs through the end of 2006.

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.

www.togetherrxaccess.com

- Enrolled more than 472,000 patients, who saved over \$24 million on medicines. More than 822,000 patients have saved over \$33.2 million on medicines through the end of 2006.

INTERNATIONAL

Expanding Access to Testing and Treatment

Provides Abbott's HIV medicines and a rapid HIV test in 69 developing countries, including all of Africa, at no profit.

www.abbottglobalcare.org

- Shipped *Norvir* and *Kaletra* to nearly 38,000 patients.
- Shipped more than 24 million rapid HIV tests.

Helping Prevent Mother-to-Child Transmission

Provides a rapid HIV test free of charge to qualified programs aimed at preventing mother-to-child transmission of HIV in developing countries.

www.abbottglobalcare.org

- Donated 1.9 million rapid HIV tests.

Supporting Children Affected by HIV/AIDS

Expands treatment to children living with HIV and provides support and care to orphans and vulnerable children through model community programs.

www.abbottglobalcare.org

- Provided services to more than 95,000 children and families.
- Provided legal services to more than 4,800 women and children.
- Trained approximately 2,500 health workers.

Strengthening Health Care Systems

Partnership with the Government of Tanzania to modernize the country's public health system to improve access to HIV testing and treatment.

www.abbottglobalcare.org

- More than 53,000 people received voluntary counseling and testing.
- Trained approximately 4,100 health workers.

Product Donations

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

- Donated products valued at \$76 million in 98 countries.
- Supported 665 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 Dec. 31, 2005, as planned: HUMIRA Medicare Assistance Program, Expanded Medicare Assistance Program and Together-Rx Program (The Yellow Card).

Data Summary Table

		2002	2003	2004	2005	2006	% Change (06 vs. 05)
Net Sales Worldwide	Unit						
Net Sales Worldwide	Millions	15,279*	17,280*	19,680*	22,338	22,476	0.6
Income Taxes Paid	Unit						
Income Taxes Paid	Millions	774.0*	882.4*	949.8*	1,247.9	559.6	-55.2
Cash Contributions and Product Donations	Unit						
Cash Contributions and Product Donations	Millions	165	225	300	340	300	-11.8
Energy	Unit						
Total energy consumption	1000 gigajoules	15,449	15,727	14,753	16,395	16,220	-1
Normalized by sales	Megajoules per \$1000	874	799	750	734	722	-1.6
CO₂ Emissions	Unit						
CO ₂ from combustion	Million lbs.	1,509	1,497	1,359	1,556	1,505	-3.3
Normalized by sales	Lbs. per \$1,000 sales	85	76	69	70	67	-4.3
CO ₂ from purchased energy	Million lbs.	1,949	1,956	1,563	1,685	1,840	9.2
Normalized by sales	Lbs. per \$1,000 sales	110	99	79	75	82	9.3
CO ₂ from fleet emissions	Million lbs.	ND	ND	396	403	402	-0.2
Normalized by sales	Lbs. per \$1,000 sales	NA	NA	20.1	18.0	18	0
Total CO ₂ emissions	Million lbs.	3,458	3,453	3,319	3,644	3,747	2.8
Normalized by sales	Lbs. per \$1,000 sales	195	175	169	163	167	2.5
Air Emissions	Unit						
VOCs	Million lbs.	3.6	3.7	3.5	4.5	4.1	-8.9
Normalized by sales	Lbs. per \$1,000 sales	0.20	0.19	0.18	0.20	0.18	-10
Total process air emissions	Million lbs.	4.8	4.7	4.45	5.38	5.0	-7.1
Normalized by sales	Lbs. per \$1,000 sales	0.27	0.24	0.22	0.24	0.22	-8.3
Waste Generation	Unit						
Hazardous waste	Million lbs.	57	41.2	36.5	37.3	35.9	-3.7
Normalized by sales	Lbs. per \$1,000 sales	2.1	2.1	1.9	1.7	1.6	-5.9
Nonhazardous waste	Million lbs.	224.5	244.4	176.9	194.9	218	11.8
Normalized by sales	Lbs. per \$1,000 sales	12.7	12.4	9.0	8.7	9.7	11.5
Water	Unit						
Total water intake	Billion gallons	ND	17	14.3	15.1	15.1	0
Normalized by sales	Gallons per \$1,000 sales	ND	863	729	675	670	-0.7
Water consumed	Billion gallons	ND	ND	0.8	1.1	0.8	-27
Normalized by sales	Gallons per \$1,000 sales	ND	ND	40.6	49.3	35.6	-28
Water discharged (impaired)	Billion gallons	ND	ND	3.8	2.9	3.1	6.7
Normalized by sales	Gallons per \$1,000 sales	ND	ND	192.9	116	138	16
Water discharged (nonimpaired)	Billion gallons	ND	ND	10.7	11.1	11.1	0
Normalized by sales	Gallons per \$1,000 sales	ND	ND	538	498	496	-0.4
Health & Safety	Unit						
Recordable injury or illness incident rate	Incidents per 100 employees	1.59	1.37	1.16	0.98	0.82	-16
Lost time case rate	Cases per 100 employees	0.47	0.45	0.45	0.40	0.35	-13
Employee vehicle accident rate (U.S. employees only)	Accidents per million miles driven	ND	ND	7.44	7.24	6.94	-4.2

ND = No data

NA = Not applicable

Environment, Health and Safety data changes based upon ongoing 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.

Endnotes

1. National Observational Study of Prescription Dispensing Accuracy and Safety in 50 Pharmacies; Elizabeth Allan Flynn, Kenneth N. Barker, Brian J. Carnahan; *Journal of the American Pharmaceutical Association*, Volume 43, Number 2, April 2003, pages 191-200.
2. International Diabetes Federation, Facts & Figures, Did You Know?
www.idf.org
3. Centers for Disease Control, HIV/AIDS and African Americans
www.cdc.gov/hiv/topics/aa
4. World Health Organization
www.who.int/hiv/amds/patents_registration/en/index.html
5. World Health Organization, AIDS Epidemic Update, December 2006
www.who.int/hiv/mediacentre
6. World Health Organization, AIDS Epidemic Update, December 2006
www.who.int/hiv/mediacentre
7. International Diabetes Federation, *A Holistic Approach to Diabetes Care in Bolivia*
www.diabetesvoice.org
8. *The Key to Affordable Drug Prices: Competition and Choice*, U.S. Senator John Kyl; www.kyl.senate.gov/record
9. Data includes vehicles acquired through the fall 2006 buy cycle, compared to the fall 2005 buy cycle.

A Promise for Life

Turning Science into Caring

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 – a hallmark of Abbott people 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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