



**Abbott**

2020 SUSTAINABILITY REPORT SUMMARY



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## WELCOME

At Abbott, sustainability means shaping the future of healthcare and helping more people live better and healthier lives.

Through the years, our approach to sustainability reporting has evolved to meet the needs of a wide range of stakeholders, in line with our growing business and the changing environment in which we operate. Our reporting is now shaped by our 2030 Sustainability Plan: a 10-year strategy designed to help build a better, more resilient world through accessible and affordable technologies and innovations.

This Report Summary is designed to provide a high-level overview of our performance in our key focus areas.

For more detailed information about our materiality process, policies, management approach, performance and targets for all our environmental, social and governance (ESG) priorities, please see our full [Global Sustainability Report](#).

### NOTES FOR THIS REPORT

- All financial information is stated in U.S. dollars.
- All data reflects Abbott’s activities, with a focus on 2020 results.
- This report does not contain performance information about our joint ventures, unless otherwise noted.
- The Abbott Fund is an Illinois not-for-profit philanthropic foundation established by Abbott in 1951.

We welcome feedback on this summary as well as our full Global Sustainability Report. Please email us at [responsibility@abbott.com](mailto:responsibility@abbott.com).

### COVER STORY

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



## LETTER FROM OUR PRESIDENT AND CEO



**Dear Abbott stakeholder,**

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

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

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

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

As this Report Summary and our full [Global Sustainability Report](#) demonstrate, Abbott remains a conscientious and effective contributor across the broad range of ESG priorities. We've made continual progress in reducing our environmental footprint, and we'll keep moving toward ever more ambitious improvement targets. Similarly, you'll see the innovative and committed ways in which we've supported communities around the world—another long tradition for our company and one we'll advance further over the decade to come. We are passionately committed to advancing racial equity, as is explored thoroughly in our [2020 Diversity, Equity & Inclusion Report](#).

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

Sincerely,



**Robert B. Ford**  
President and Chief Executive Officer



# SUSTAINABILITY HIGHLIGHTS

We're upholding our responsibilities to people and the planet while setting the stage for our long-term success.



**\$76M**  
total charitable contributions in 2020.



**70% REDUCTION**  
in total volume vs. earlier sensors means our *FreeStyle Libre® 3* leaves a much smaller environmental footprint.  
*Product not yet available in the U.S.*

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

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



**\$2.34B SPENT**  
with diverse suppliers in 2020.



**51% REDUCTION**  
in CO<sub>2</sub>e emissions since 2010.



**58% FEMALE**  
**73% FROM UNDER-REPRESENTED GROUPS**  
Diversity in our 2020 STEM internship program participants.

## ABOUT ABBOTT

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

### Our Business

Our portfolio spans the spectrum of healthcare across four businesses:

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

### Our Values

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

#### PIONEERING

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

#### ACHIEVING

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

#### CARING

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

#### ENDURING

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



**\$34.6B**  
SALES WORLDWIDE



**\$2.4B**  
R&D INVESTMENT



**109,000**  
EMPLOYEES  
WORLDWIDE



SERVE PEOPLE IN  
**160+**  
COUNTRIES

### Sustainability Governance

To manage our ESG impacts, and maximize efficiency, our commitment to sustainable business is integrated throughout the company:

- Our **Board of Directors** and senior management oversee our sustainability activities, and the Board's **Public Policy Committee** evaluates our policies and practices regarding corporate responsibility.
- Our **Global Citizenship Advisory Council**, a group of independent expert advisors and thought leaders, provides guidance on strategic sustainability issues, risks and opportunities.
- Abbott's **Global Sustainability team** implements our sustainability strategy, working with colleagues, key functional areas and global affiliates.

- The **Global Operations Council** oversees execution of the sustainability strategy for all our operations to continuously improve Abbott's performance.
- Our **Sustainability Working Group** leads the integration of sustainability within our business and oversees Abbott's reporting of ESG performance.
- Several global affiliates have **local, cross-functional sustainability working groups** to embed responsible business practices and drive stakeholder engagement.

To learn more about our governance arrangements, please see our [Global Sustainability Report](#).

# OUR 2030 SUSTAINABILITY PLAN

**A sustainable future starts with health. It's the foundation for all we can do in life—as individuals, families and communities. It helps societies thrive and fuels successful economies.**

At Abbott, sustainability means managing our company to deliver long-term impact for the people we serve—shaping the future of healthcare and helping the greatest possible number of people live better and healthier.

Our 2030 Sustainability Plan is focused on designing access and affordability into our life-changing technologies and products, working across our business and in

partnership with others to break down barriers and bring our health innovations to an increasing number of people.

## 2030 Priorities and Targets

We believe that today's healthcare challenges cannot be solved by cutting-edge innovation alone. We need to make the best solutions available to the most people, as summarized in the priorities and targets of our Sustainability Plan on this page and the next.

While our focus on innovation, access and affordability is central to our plan, we will also take targeted action in key areas. Beyond these target areas, we will continue to

build a more sustainable business through all the actions we take, every day—ensuring product quality and safety, acting ethically and supporting human rights, advancing transparency and engaging our many stakeholders around the world.

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

## INNOVATE FOR ACCESS AND AFFORDABILITY

### Make **access and affordability** core to new product innovation

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

### Transform **care** for chronic disease, malnutrition and infectious diseases

- Support global efforts to address noncommunicable diseases, including diabetes and cardiovascular disease.
  - Innovate to transform the standard of care for diabetes and support efforts to bend the diabetes curve through innovative technology, prevention and education, early diagnosis, treatment and nutrition.
  - Deliver breakthrough technologies, improve clinical outcomes and impact the lives of people with or at risk of cardiovascular disease.
- Deliver scalable, integrated solutions to help reduce preventable deaths and infectious diseases (malaria, hepatitis B/C, HIV, COVID-19 and others) with diagnostics, treatment and education programs, especially in high-prevalence areas.

### Advance **health equity** through partnerships

- Expand affordable access to healthcare for underserved, diverse and at-risk communities, including women and children, by delivering innovative, decentralized models of care that advance prevention and early diagnosis, improve nutrition, provide quality treatment and care, and lower total costs.
- Partner with stakeholders to improve health outcomes by advancing standards and building access to affordable, integrated solutions.

## OUR PEOPLE

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### Build the diverse, innovative workforce of tomorrow

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

## DATA AND DATA PRIVACY

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### Responsibly connect data, technology and care

- Be a trusted healthcare leader in secure and responsible data collection, use, management and privacy, in order to protect our patients and customers, empower them to make better, more complete decisions about their health, and drive innovation through insights and analytics.

## SUPPLY CHAIN

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### Create a resilient, diverse and responsible supply chain

- Certify that 80% of newly contracted direct material spends are linked to contracts that incorporate social responsibility requirements.
- Ensure ethical sourcing from all suppliers with high-risk sustainability factors through 100% auditing.
- Ensure an inclusive environment by increasing spending with diverse and small businesses by 50% by 2030, and Black- and women-owned businesses by 150% by 2025, from a 2020 baseline.

## ENVIRONMENT

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### Protect a healthy environment

- Reduce absolute Scope 1 and 2 carbon emissions by 30% from 2018 baseline by the end of 2030, consistent with the objectives of the Science Based Targets initiative (SBTi).
- Work with our key carbon-intensive suppliers to implement sustainable programs to reduce our Scope 3 carbon emissions. (Quantitative Scope 3 target is forthcoming.)
- Achieve water stewardship certification at all high-water-impact manufacturing sites in water-stressed areas.
- Implement accredited water stewardship management practices in more than 75% of all manufacturing sites operating in water-stressed areas.
- Work with 50 key suppliers in high-water-stressed areas to reduce water quality and quantity risks to Abbott and the community.
- Address 50 million pounds of packaging through high-impact sustainable design programs that:
  - Employ circularity principles through smart design and material selection.
  - Eliminate and reduce materials.
  - Improve the energy efficiency of Abbott's products.
  - Optimize packaging, pallet and truckload efficiency.
- Reduce waste impacts using a circular economy approach to achieve and maintain at least a 90% waste diversion rate.
- Engage with key suppliers to reduce the environmental impact of materials sent to Abbott that become waste in our operations, and develop and track supplier waste diversion initiatives.

## ACCESS AND AFFORDABILITY



OUR 2030 SUSTAINABILITY GOALS

Make  
**ACCESS AND AFFORDABILITY**  
core to new product innovation

**TRANSFORM CARE**  
for chronic disease, malnutrition and infectious diseases

Advance  
**HEALTH EQUITY**  
through partnership

**We've redoubled our commitment to help more people live fuller lives through better health.**

To reach the most people, we're intentionally designing access and affordability into our life-changing technologies and products. We also work with others—through programs and partnerships—to break down barriers that prevent people from getting the care they need.

**Pricing**

Abbott has an intentional focus on making our products widely available, at affordable prices. We also advocate for systems and approaches that broaden access while minimizing additional costs for consumers and payers. In 2020, our product pricing reflected this approach. Our annual global net sales price reduced by 0.4%, while the Global Consumer Price Index rose by 1.7%.

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

In each country, we use local insights to focus our innovation—making good medicines better and developing new technology and services to help people better manage their health.

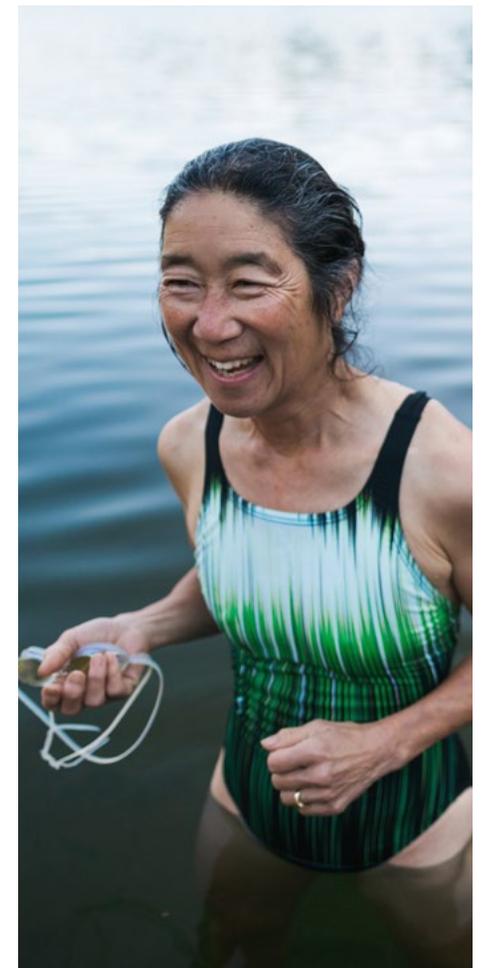
**Product Innovation**

We work to consistently deliver market-leading products, services and solutions that address health needs while effectively managing the product life cycle.

To support this, our businesses incorporate access and affordability without compromising quality. This approach has helped create some of our most successful products, including *FreeStyle Libre*®, the world's most-used glucose-monitoring system, and our *BinaxNOW*™ COVID-19 test.

In our rapid diagnostics business, we're bringing testing closer to the patient, even in the most remote locations. Importantly, many of our tests are used at the point of care and provide answers while the patient is still present, accelerating treatment decisions and reducing life-threatening delays.

In neuromodulation, we're increasing access to care with our NeuroSphere Virtual Clinic, a technology that lets doctors interact remotely with our devices to refine treatments for chronic pain or movement disorders in real time, giving patients relief in minutes without the need for an office visit.



## Partnerships

We work with the people and communities we serve, partners, governments and other stakeholders to address health disparities, expand access and remove barriers that prevent people from living healthy lives.

### *Managing Diseases With Blood Transfusions*

Blood and plasma are needed more than ever, yet the number of young donors is declining. In response, we launched **BE THE 1™**. Through this communication platform, we work with major Red Cross institutions and local donor associations to help our customers inspire young people to donate. Since its launch in 2016, more than 100 blood and plasma centers have embraced the campaign, resulting in an increase in blood donations of up to 37% in some countries.

### *Preparing for Future Pandemic Threats*

In 2021, we launched a new public health partnership to detect and respond to future pandemic threats. The Abbott Pandemic Defense Coalition will connect global centers of excellence in laboratory testing, genetic sequencing and public health research. Our goal is to identify new pathogens, analyze risk levels, rapidly develop and deploy diagnostic testing, and assess the impact for new viral threats in real time.

### *Combating Malnutrition*

Malnutrition affects one in three people around the world. With our science-based expertise in nutrition, we're well positioned to address malnutrition at the systems level. This year, we launched the Abbott Malnutrition Solution Center. This internal, cross-functional innovation hub will help identify, treat and prevent malnutrition among vulnerable populations.

### *Health Equity Through Partnerships*

We strive to make a positive social impact by helping people live longer and better. We identify and invest in life-changing innovations, design business models to meet emerging healthcare needs and address social challenges through our scientific and technical expertise.

> To read about our work with the Tanzanian government over the last 20 years and our efforts to establish "health posts" in Rwanda, see our [Global Sustainability Report](#).



## Breaking Down Barriers, Advancing Health Equity

Often driven by long-standing issues like poverty, structural racism, and access to healthcare, education and opportunity, disparities in health have been amplified by COVID-19. We've made equitable care a key principle of our community partnerships, with targeted programs that remove barriers to achieving good health:

- Abbott made a \$5 million, three-year commitment to the American Diabetes Association's **Health Equity Now** platform, particularly supporting underserved communities of color.
- The Abbott Fund sponsors the **Easterseals Black Child Fund**, which seeks to speed up diagnosis and treatment for Black children with autism and other disabilities.
- Abbott and the Abbott Fund's **Future Well Communities** program fights diabetes by addressing the social determinants of health.

## DATA AND DATA PRIVACY



OUR 2030  
SUSTAINABILITY  
GOALS

Responsibly  
**CONNECT DATA,  
TECHNOLOGY  
AND CARE**

**We want Abbott to be a trusted healthcare leader in secure and responsible data collection, use, management and privacy.**

Connected medical devices, products, diagnostic platforms and systems are transforming modern medicine. Our data technologies help people and their doctors to make faster and more informed decisions about their health in ways that fit easily into their lives.

We develop our products, processes and systems in a secure manner that ensures the safety of patients and their data.

We comply with local regulations for reporting and notifying security breaches involving customers' personal information in all locations where we operate, and regularly evaluate our approach. Our current [Privacy Policy](#) can be found on our website.

**Cybersecurity Governance**

The Global Privacy Office, part of our Office of Ethics and Compliance, is overseen by the Chief Ethics and Compliance Officer and the Divisional Vice President for Global Privacy.

We have standards, processes and training that ensures all employees understand the importance of protecting sensitive data and personal information. We also have dedicated privacy professionals within the Global Privacy Office and privacy champions around the world who help identify and address data privacy matters.

- Abbott's Chief Information Officer has overall responsibility for ensuring a holistic approach to cybersecurity.
- Our Oversight Committee provides senior management oversight of our cybersecurity and privacy programs, and advises on our cybersecurity and privacy strategies.
- Our Cybersecurity and Privacy Steering Committee provides ongoing support for these projects across our businesses.

**Our Approach to Cybersecurity**

Our approach is designed to protect Abbott products and data through:

- Cybersecurity-embedded design, with reviews of new products and updated systems.
- Cybersecurity training for all new hires and contractors.
- Constant threat and risk analysis, informed by information-sharing agreements with healthcare and cybersecurity specialists.
- Security testing by internal and external experts to ensure our devices, products and systems meet or exceed current cybersecurity standards.
- Partnerships with peers, trade associations, security experts, academic institutions and researchers to assess trends, share threat information and establish standards that protect patients and maintain trust in the healthcare system.

Recognizing the continuous evolution of technology and the threats associated with that technology, we constantly evaluate and adapt our security tools and processes. Our Cybersecurity and Quality organizations incorporate cybersecurity throughout the product life cycle and in the integrity of our quality data systems.

> More detailed data and performance commentary about data privacy and cybersecurity can be found in our [Global Sustainability Report](#).

## OUR PEOPLE



OUR 2030  
SUSTAINABILITY  
GOALS

Build the  
**DIVERSE,  
INNOVATIVE  
WORKFORCE**  
of tomorrow

**We're shaping our organization for the future—prioritizing diversity and inclusion, advancing STEM education and internships, and empowering our teams with the skills they'll need to meet the health needs of tomorrow.**

Our business depends on attracting, engaging and developing talented people who share our commitment to the work that we do, our vision and our values.

### Diversity, Equity and Inclusion

Abbott is committed to developing a workplace that is inclusive for all, regardless of race, gender, age, sexual orientation, disability or nationality. Diversity, equity and inclusion (DEI) is a part of who we are, how we lead and what we believe in.

As part of this commitment, we created a new Divisional Vice President of Diversity & Inclusion role, with responsibility for developing DEI strategies. We also launched an online Fostering Diversity & Inclusion course to drive engagement across all employees, and published our first DEI Report.

WE SCORED  
**95%**  
ON THE HUMAN RIGHTS  
CAMPAIGN'S 2021  
CORPORATE EQUALITY  
INDEX.

Our 10 employee networks play a vital role in helping us build a more inclusive culture. They increase visibility and opportunity for more than 10,000 members from under-represented groups, and help tackle unconscious bias. In 2020, we launched our newest group, the disABILITY Network.

> More detailed data and performance commentary about DEI can be found in our [DEI Report](#) and our [Global Sustainability Report](#).

### Our Employee Networks

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

### Talent Development

Our global talent management process is designed to identify and nurture high-potential people.

We offer mentoring, skills assessments, performance appraisals and career pathing, and provide job-specific training as well as broader leadership training opportunities.

We place a strong emphasis on succession and talent planning, and on ensuring diversity and inclusion through this process. The Board annually reviews critical positions, succession plans and development actions, ensuring that current and future leaders are building the skills needed for success.

#### Recruitment and Retention

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

We also partner with academic institutions and professional associations to find the best recruits, and provide opportunities for talented college students through a global internship program. In 2020, 63% of our U.S. interns became full-time employees. Our program was ranked as the top healthcare internship program in the U.S.—for the fifth straight year—by *Vault*, which provides information and advice on companies, careers and internships.



#### Compensation and Benefits

We use consistent, fair compensation packages to attract the best and brightest minds, and to support equal opportunity for all. Our salaries and benefits are appropriate to each market, and incentive packages are linked directly to business and individual performance.

Compensation is also driven by each employee's level of responsibility, expertise and performance, regardless of race, ethnicity or gender. We are committed to equal pay for equal work and do not tolerate discrimination in pay.

### Employee Community Engagement



**\$76M** total social investment (cash contributions, in-kind giving, employee volunteering).



More than **6,700 Abbott employees** have shared their expertise to support programs that advance STEM education around the world.



More than **100 different organizations** were supported by almost **1,000 employees**, who raised more than **\$619,000** through matched donations, for our special campaign in the U.S. to address racial inequity.

*Employee Donations and Matched Giving*  
In the U.S. and Puerto Rico, our annual Employee Giving Campaign gives our employees the opportunity to donate to the causes they care about. In 2020, 95% of employees donated to 8,291 nonprofit organizations and, with 50% matched giving through the Abbott Fund, we pledged \$7.58 million in 2020 (2019: \$6.71 million).

#### Employee Volunteering

We offer our U.S. employees up to eight hours of paid time off during the year for volunteering during the working day.

We also continue to work with schools, governments, educational organizations and nonprofits around the world to promote STEM.

> More detailed data and performance commentary about talent development and community engagement can be found in our [Global Sustainability Report](#).

## Employee Health, Safety and Wellness

### Occupational Health Services

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

### A Culture of Health and Safety

Incorporating safety measures across all aspects of our business, our ultimate objective is to eliminate all work-related injuries for Abbott's employees and contract workers.

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

We are pleased to report that Abbott experienced no work-related fatalities among our employees or contractors in 2020. We will continue to promote safety, to keep this number at zero going forward.

In addition, both our lost-time case rate and recordable case rate were the lowest they've been for 13 years.

> More detailed data and performance commentary about health, safety and wellness, including our EHS governance structure and management approach, can be found in our [Global Sustainability Report](#).



## COVID-19 Health Practices

Our EHS and OHS teams lead Abbott's global response to public health emergencies and have taken a key role in protecting employees during the COVID-19 pandemic. We regularly test and screen our employees.

As a leading healthcare company, our businesses were essential to customers, and our employees went into buildings and facilities to provide support. As a result, Abbott provided personal protective equipment (PPE), such as masks, gloves, face shields, disposable gowns and shoe covers, to field sales and service employees to ensure they could safely meet customer needs.

At our facilities, we have also implemented global standards for social distancing, hand sanitization, prepackaged meal services and enhanced facility cleaning, helping limit workplace transmission.

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

## ENVIRONMENT



OUR 2030  
SUSTAINABILITY  
GOALS

PROTECT  
A HEALTHY  
ENVIRONMENT

**Abbott is committed to safeguarding a healthy environment by reducing the environmental impacts of our business across our value chain.**

We're working to sustainably manage our water use, address climate change by reducing carbon emissions and expanding our use of renewable energy, and to minimize waste and reduce the impact of our product packaging.

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

We're also working to develop a quantitative 2030 target for Scope 3 emissions, and will work with our key carbon-intensive suppliers to implement sustainable programs to reduce these emissions.

### Energy and Emissions

Abbott continues to reduce energy consumption and greenhouse gas (GHG) emissions, both in our direct operations and throughout our value chain.

Our manufacturing, warehousing, vehicle fleets and office activities result in Scope 1 and 2 emissions. We also contribute to GHG emissions through business travel, waste disposal, and our upstream and downstream value chains (Scope 3).

### 2020 Environmental Targets

	2010 BASELINE	→ 2020*	→ 2020 TARGET*
 Reduction in CO <sub>2</sub> e emissions		51% <sup>†</sup> ✓	40%
 Reduction in total water intake		34% <sup>†</sup> ✓	30%
 Reduction in total waste		47% <sup>†</sup> ✓	50%

\*Normalized to sales.

†Calculated using the market-based method.

✓Goal achieved.

By the end of 2020, we had reduced our Scope 1 and 2 emissions by 51% compared to 2010 levels, exceeding our 40% target.

Our program for tracking and reducing energy and air emissions involves:

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

### Task Force on Climate-related Financial Disclosures

In line with the Task Force on Climate-related Financial Disclosures (TCFD), we have published information on our climate-related risks and mitigation strategies. Comprehensive information about our approach can be found in our [Global Sustainability Report](#) and our latest [CDP Climate Change Disclosure](#) response.

### Cleaner Sources of Energy

We anticipate that the majority of the reductions in GHG emissions under our 2030 Sustainability Plan will come from purchasing more electricity from renewable energy sources. We purchased 170 million kilowatt-hours (kWh) of low-carbon energy in 2020, which saved 78,000 metric tons of CO<sub>2</sub>e.

We produced 59 million kWh of electricity through cogeneration in 2020, an increase of 68% since 2010. In total, we generated 1.5 million kWh of energy at our sites, mostly through solar panels.

*Energy Reduction Projects*

Our business- and site-specific energy efficiency programs have been successful in decreasing our absolute Scope 1 and 2 emissions by 29% since 2010, despite a rise in production.

In 2020, we implemented 54 energy efficiency and air emissions projects at 28 sites in nine countries. These resulted in more than \$1.1 million annual cost savings and more than 30 million kWh in annual energy savings, preventing more than 8,900 metric tons of CO<sub>2</sub>e emissions.

We have also launched several initiatives to manage fuel consumption in our commercial fleet.

**2020 Completed Energy and Emissions Reduction Projects**

	54 energy efficiency and air emissions reduction projects	
	~\$1.1 million annual savings	 9 countries and 28 sites
	8,900 metric tons CO <sub>2</sub> e emissions reduced annually	
	30 million kWh annual energy savings	

**B RATING**  
FOR OUR CDP CLIMATE CHANGE DISCLOSURE RESPONSE

**A- RATING**  
FOR OUR CDP CLIMATE SUPPLIER ENGAGEMENT RESPONSE

> More detailed data and performance commentary about energy and emissions can be found in our [Global Sustainability Report](#).

**Protecting Water Resources**

We are committed to managing our water use efficiently and responsibly, and improving access to clean water for our customers and the communities where we operate.

Leveraging our Alliance for Water Stewardship (AWS) membership and World Resources Institute (WRI) resources, we have developed a context-based approach to water management.

*Water Risk Management*

Abbott is committed to identifying and mitigating climate and water-related risks with the potential to impact our operations, supply chain and distribution network.

Through our water-management technical standard, we monitor our impact on water resources in the communities where we operate and assess water-related risks at the basin level, as well as in our own operations.

We have developed water management plans for all manufacturing and R&D sites that use more than 50 million gallons of water annually. In 2020, 28 of our 112 manufacturing and R&D sites

operated in water-stressed regions. However, more than half of these sites used less than 15 million gallons of water.

*Our Water Footprint*

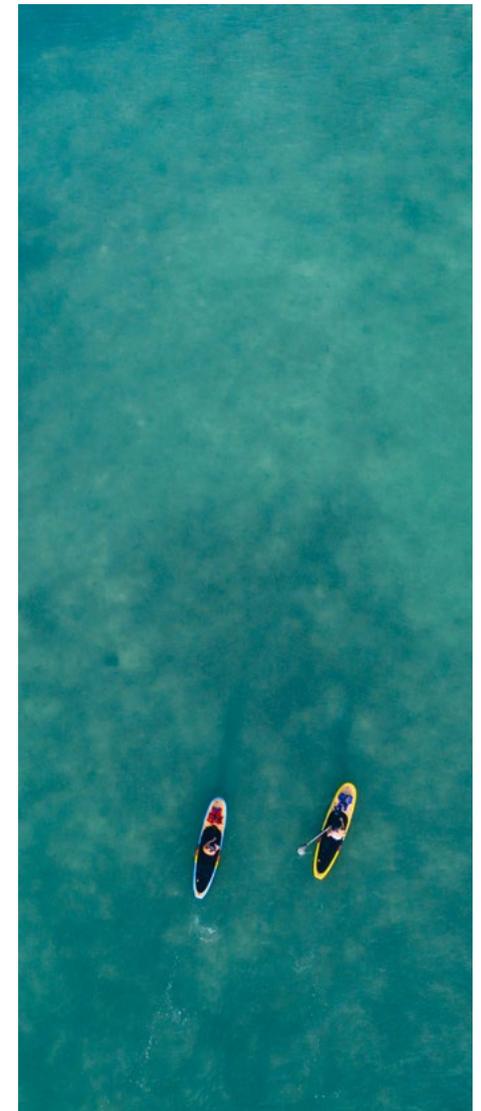
We met our target to reduce Abbott's total water intake by 30% by 2020, when compared with 2010 and adjusted for sales. At the end of 2020, we had reduced our water intake compared with 2010 by 4.1% on an absolute basis, and by 34% when adjusted for sales.

Our total water intake in 2020 was 3.49 billion gallons, 2% less than in 2019, and we reused 17% at the 29 sites that employ water-recycling practices.

In 2020, we implemented 16 water efficiency and reduction projects at 12 manufacturing and R&D sites across six countries, four of which are located in water-stressed areas. Together, these projects resulted in savings of around \$120,000 and 14.6 million gallons of water per year.

**2020 Completed Water Reduction Projects**

	16 water efficiency projects	
	6 countries and 12 sites	 4 water-stressed sites impacted
	~\$120,000 annual savings	
	14.6 million gallons of water saved	



**Producer Responsibility**

We are committed to minimizing the impact of our products throughout their entire life cycle. As well as reducing our overall environmental impact, this enables us to improve operating efficiency and reduce product and operational costs.

Spanning our value chain, our approach includes:

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

**Waste**

Abbott has adopted a circular economy approach to waste management, and the targets that we have set as part of our 2030 Sustainability Plan reflect this.

In a circular economy model, all resources remain in use for as long as possible without becoming waste. This maximizes value, cuts waste and reduces the need for new raw material inputs.

Our waste management strategy and 2030 targets commit us to minimize the generation of both hazardous and nonhazardous waste, reduce toxicity and ensure the maximum recovery of the economic value of waste.

**2020 Completed Waste Reduction Projects**

 23 waste efficiency projects	 8 countries and 20 sites
 \$131,000 annual savings	 690 U.S. tons waste eliminated

Our approach includes:

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



**OUR ELECTRONIC EQUIPMENT REUSE AND RECYCLING PROGRAM RECYCLED**

**162**

**U.S. TONS AND RESOLD**

**61**

**U.S. TONS OF ELECTRONIC EQUIPMENT IN 2020.**

*Zero Waste to Landfill*

Our Zero Waste to Landfill program provides our sites with a clear target for diverting waste away from landfills. Thirty-one Abbott manufacturing facilities and seven nonmanufacturing facilities, located across 18 countries, have now achieved Zero Waste to Landfill status.

*Managing Hazardous and Chemical Waste*

The majority of the waste that Abbott generates is nonhazardous. Since 2010, hazardous waste has made up about 13% of our waste footprint. In 2020, that increased to 17% due to a site expansion construction project.

Abbott has specific requirements for storing, segregating, labeling and documenting hazardous waste, and for biohazardous waste to be decontaminated prior to final disposal. Also, all Abbott employees and contract workers undertake annual hazardous-waste management training before undertaking responsibility for hazardous-waste management.

*Our Operational Waste Footprint*

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

In 2020, our beneficial-use activities exceeded the total waste that Abbott generated by 59.9%, with 106,917 tons of materials beneficially used from 88 sites in 26 countries.

**Product Packaging**

To incorporate sustainability considerations into the design of our products and packaging, we prioritize:

- Choosing sustainable and renewable materials.
- Optimizing design to reduce the use of materials and optimize shipping and storage.
- Designing products to be more energy efficient, or to be circulated back into the economy through reuse and recycling.

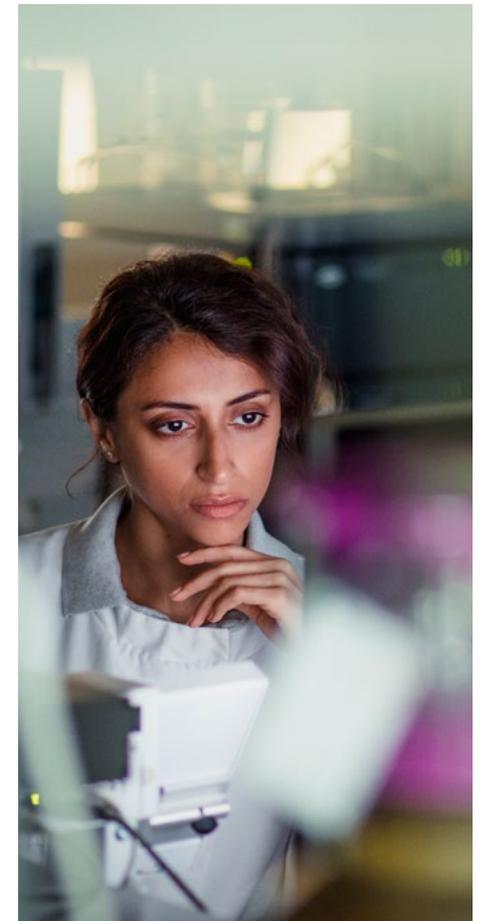
We set an aggressive target to reduce the total weight of packaging for Abbott products by 10% by 2020, when compared with our 2010 baseline. We surpassed this initial goal in 2017, and by the end of 2020, we had reduced our total weight of packaging by 14.2% since 2010. In doing so, we eliminated approximately 42.1 million pounds of packaging and saved more than \$100 million.

We have also worked closely with our suppliers on solutions that eliminate packaging materials or ensure that packaging can be reused in our manufacturing processes.

**WE DIVERTED**

**88.5%**

**OF OUR OPERATIONAL WASTE AND BENEFICIAL-USE MATERIALS FROM LANDFILLS AND INCINERATION WITHOUT ENERGY RECOVERY.**



## SUPPLY CHAIN



OUR 2030  
SUSTAINABILITY  
GOALS

Create a  
**RESILIENT,  
DIVERSE AND  
RESPONSIBLE  
SUPPLY CHAIN**

**We're building a more resilient supply chain, by expanding opportunities for diverse and small businesses, and actively engaging with suppliers to meet our high quality standards.**

Abbott works with approximately 70,000 suppliers in 145 countries, and spent \$17 billion with them in 2020.

Our global supply chain strategy is focused on reinforcing business continuity and flexibility while minimizing sustainability risks and impacts. Our strategy also promotes new approaches to protect and multiply long-term environmental, social and economic value for all stakeholders across our value chain.

### Supplier Risk Assessment and Engagement

#### Supplier Selection

When selecting suppliers, we consider ESG factors, as well as a supplier's capabilities and capacities, financial health and alignment with our vision and values.

Our contracts require Tier 1 suppliers to evaluate their own suppliers, helping ensure that raw materials and services from our Tier 2 suppliers also meet our requirements.

#### Supplier Monitoring and Evaluation

We have global policies and procedures in place for evaluating the potential sustainability risks of new and existing suppliers. Our Supplier Responsibility Program uses a risk-based approach to determine the level of monitoring, assessments and audits required for each supplier.

Each year, our top 200 critical suppliers are invited to participate in a Supplier Sustainability Survey. This spans management systems, compliance and reporting, ethics, human rights and labor practices, health and safety, environmental performance and supply chain management.

In 2020, we evaluated 100 suppliers through this survey. All of them have codes of conduct and ethics policies in place or are developing them,

**\$2.34B**

**SPEND WITH DIVERSE AND SMALL BUSINESSES (+23% FROM 2019).**

74% have supplier diversity programs in place, and 43% have environment, health and safety, and sustainability programs.

In the past three years, we have also conducted site audits at 67 "high risk" suppliers, and worked with them to address the needs that the audits identified.

**TOP 10**

**DIVERSITYPLUS MAGAZINE LISTED ABBOTT AS A 2020 TOP 10 CHAMPION OF DIVERSITY IN RECOGNITION OF OUR SUPPLIER DIVERSITY PROGRAM.**

### Safeguarding Business Continuity

We collaborate across business functions to address complex supply chain challenges, leverage technology and improve transparency. This enables us to adapt our supply chain to address external factors that may impact business continuity.

We use the DHL Resilience360<sup>®</sup> risk matrix tool to assess and track risks in about 10,000 sourcing locations for our critical suppliers. Through this system, we can monitor disruptions in real time. Our businesses have contingency plans in place should natural disasters or other catastrophic events occur.

We also use the WRI's Aqueduct<sup>™</sup> tool to determine which suppliers have the greatest risk of water supply interruptions.

### Strategic Supply Chain Initiatives

We have developed a wide range of strategic initiatives to reduce shared impacts across our value chain. In 2020, we engaged with more than 9,000 suppliers through these initiatives, influencing more than 40% of our supply chain spend.

### AGRICULTURE

We do not use palm oil in our products and we ensure that all palm-affiliated product suppliers (such as palm nuts) are certified to responsible and ethical sourcing programs.

### ANIMAL WELFARE

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

### CHEMICALS OF CONCERN

Our branded generic medicines business established an engagement program to identify suppliers operating in at-risk regions that handle chemicals of high environmental concern, including active pharmaceutical ingredients (APIs).

### TRANSPORT AND FUEL EFFICIENCY

We are working to improve the fuel efficiency of our transportation and distribution services. During 2020, we eliminated more than 6,500 loads shipped (8.8%) during 2020, despite a 4.4% increase in sales compared to 2019.

Supplier partnerships have played a key role in achieving our 2020 packaging and waste reduction goals. See our [Waste section](#) for more information.

> More information about our supply chain can be found in our [Global Sustainability Report](#).



### Resilience and COVID-19

The COVID-19 pandemic tested the resilience of our supply chain to the extreme. Working across our business functions, we rose to the challenge by:

- Building an inventory of raw materials and products to support continuity of supply.
- Monitoring performance more tightly to identify distressed suppliers early enough to implement contingency plans.
- Mapping supplier manufacturing sites in known COVID-19 “hot spots” or in locations affected by government lockdowns.
- Offering COVID-19 testing for employees at a few strategic suppliers to ensure continued operations and supply.

## DELIVERING QUALITY AND SAFETY

**Our purpose of enabling fuller lives through the power of health depends on trust, and trust in Abbott depends on our ability to consistently deliver safe, effective and high-quality products.**

Abbott's pledge to customers is simple and straightforward: *We put the people we serve at the center of everything we do.* It's a mindset that guides decision-making across our business. We know that if we put the people we serve first, then our decisions will always be the right ones—in the short term and for the long term as well.

This unwavering focus has earned Abbott a great deal of trust over the past 130 years. We recognize that the process of earning that trust never ends, and it's the responsibility of everyone at Abbott. As Abbott evolves to meet emerging global healthcare needs and opportunities, we must ensure that our approach to quality and safety keeps pace with a constantly changing regulatory landscape. As a global healthcare company, we must monitor and adapt quickly to changing local regulations in the more than 160 countries where we operate. We have rigorous processes for embedding quality by design in all new products, and we closely monitor compliance on a global basis.

### Management Approach

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

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

### Quality-Management Systems

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

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

We have developed a multicomponent model and proprietary metrics to track the quality-system performance of our businesses and

individual manufacturing sites. We review our model and metrics at least annually to ensure that they continue to assess relevant quality and compliance risks. We challenge ourselves with aggressive metric targets to continuously improve and identify early warning signals.

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

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

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

> For more details on Quality Systems specific to each of Abbott's businesses, see our [2020 Global Sustainability Report](#).



### One Abbott Approach to Commercial Quality

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

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

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

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

### Quality Certifications

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

Our standards include:

- ISO 9001, ISO 14001, ISO 17025, ISO 22000 and ISO 90013
- ISO 13485 (Medical Devices – Quality Management Systems), with 100% of device facilities certified
- NSF (National Sanitation Foundation) International
- GFCO (Gluten-Free Certification Organization)
- GMP+ FSA (Good Manufacturing Practices Plus and Food Safety Assurance)
- FSMA (Food Safety Modernization Act)
- FSSC 22000
- Safety Assurance Certification

- HACCP (Hazard Analysis and Critical Control Points)
- Halal
- QAI (Quality Assurance International)
- Organic Certification
- Kosher
- Class A Certification
- SQF (Safe Quality Food)

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

### Training and Certification

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

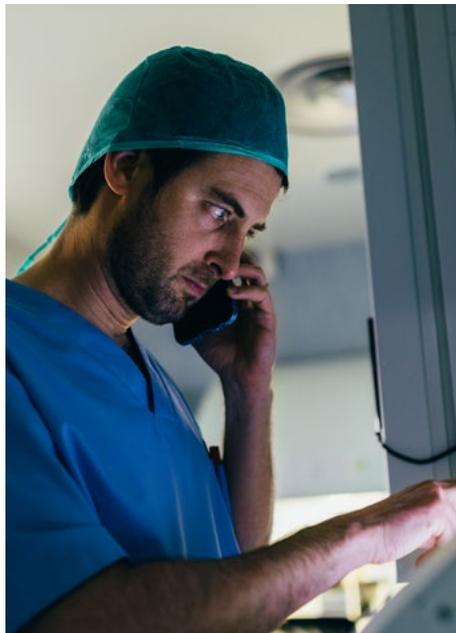


### Product Quality Training

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

## ETHICS AND COMPLIANCE

We seek to operate fairly, honestly and with integrity, and we're committed to adhering to all applicable laws and regulations in every aspect of our work as a global healthcare leader.



**Leadership and Accountability**  
Our Chief Ethics and Compliance Officer (CECO) leads our global ethics and compliance program, and manages our Office of Ethics and Compliance (OEC). The Business Conduct Committee, chaired by the CECO, assists in implementing the program, which is reviewed externally on a regular basis.

**Standards of Conduct**  
Our Code of Business Conduct is available in print and online in 29 languages, and adhering to it is a condition of continued employment at Abbott. The code explains our values and our employees' responsibility to live them every day.

**Reporting Concerns**  
We have clearly defined systems and processes for reporting suspected or actual violations of our code, policies or procedures. These include our Speak Up tool, which allows employees and external parties to raise concerns confidentially and anonymously, either by email, by telephone

or online. We aim to conduct investigations as quickly as possible without compromising thoroughness. A web-based Ethics and Compliance helpline is also available 24 hours a day, seven days a week.

**Auditing and Monitoring**  
We use compliance risk assessments to guide our international program of audits and monitoring, and to determine the frequency and scope of audits for different businesses, locations and activities. We track all actions resulting from our audits and hold business leaders accountable for improving our business processes.

**Investigations and Corrective Actions**  
We investigate all reports of potential violations of our code, policies or procedures and take appropriate corrective action, which may include termination of employment or third-party relationships. We do not tolerate retaliation against anyone who reports a violation in good faith.

**Risk Assessments**  
The OEC regularly assesses compliance risks by reviewing the results of internal investigations, audits and monitoring programs. It also pays close attention to external risks such as changes to industry codes, best practices and government guidance.

**Training and Awareness**  
Our employees participate in a global online Legal and Ethics Resource Network (LERN) training program, available in 27 languages across 95 countries. In 2020, 100% of Abbott employees completed the LERN courses assigned to them. We also raise awareness of compliance issues and ensure engagement with our policies through regular communications.

> More detailed information about ethics and compliance can be found in our [Global Sustainability Report](#).

## SUSTAINABILITY REPORTING

### Key Data

#### FINANCIAL & SOCIAL

SALES WORLDWIDE  
DOLLARS IN MILLIONS



EMPLOYEES



SOCIAL INVESTING  
DOLLARS IN MILLIONS



U.S. EMPLOYEE GIVING CAMPAIGN  
DOLLARS IN MILLIONS



#### ENVIRONMENTAL

SCOPE 1 AND 2 CARBON EMISSIONS—  
NORMALIZED TO SALES  
METRIC TONS CO<sub>2</sub>e PER \$ MILLION SALES



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



TOTAL WASTE—NORMALIZED TO SALES  
TONS PER \$ MILLION SALES



PACKAGING REDUCTION  
MILLION POUNDS OF PACKAGING



#### Sustainability Reporting

- > [2020 Global Sustainability Report](#)
- > [2020 Diversity, Equity & Inclusion Report](#)

#### Sustainability Reporting Frameworks and Indices

- > [SASB Index](#)
- > [UN SDG Index](#)



*life. to the fullest.®*

**Abbott**

Please contact us with your questions and comments:

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