ABBOTT’S LONG-TERM COMMITMENT TO RUSSIA

Abbott is firmly committed to expanding access to our diversified portfolio of products in Russia, and to supporting the continued development of a strong national healthcare system and healthier lifestyles throughout the nation. We know that truly solving pressing healthcare challenges requires that we enlist the knowledge and energies of all concerned stakeholders, and we are committed to doing just that. Here in Russia, we market and distribute a broad range of healthcare products in six key areas: diagnostics, nutritional products, vascular devices, diabetes care, vision care and established pharmaceuticals.

Abbott is an active partner with Russia in supporting and enhancing a modern healthcare sector by leveraging our global leadership and expertise in new healthcare technologies, by fostering research, development and production of important healthcare products and by improving health – enabling Russia’s people to live the best lives they can.

Our growing presence has positive benefits for many local stakeholders, including the Russian suppliers we work with, the third-party manufacturers that produce our products, and the extensive network of wholesalers and retailers that distribute our consumer products. In 2014 Abbott took another major step in our long-term commitment to Russia by establishing a manufacturing footprint through the acquisition of Veropharm, one of the country’s leading pharmaceutical manufacturers. With this investment we will work to ensure enduring growth for Veropharm, including an enhancement of existing infrastructure, completion of a new manufacturing facility and expanding research and development capabilities.

The integration of Veropharm into Abbott will see the pharmaceutical manufacturer retain a separate business structure to avoid disruption of operations and supply of products to clients and patients. The Veropharm name will also remain, to respect this well-established brand and the deserved good reputation of the business in the market.


In summary, the fast-growing healthcare market in Russia is a vital component of Abbott’s future growth.

ABOUT THIS REPORT

This is Abbott’s second Citizenship Report in Russia, covering major initiatives undertaken in 2014 and 2015. It includes data on Abbott in Russia and on the operations of Veropharm.

We are pleased to present this summary of our company’s citizenship work in Russia. This report describes our long-term commitment to working in close collaboration with all our stakeholders in Russia.

At Abbott, we believe that innovative, responsible and sustainable business plays an important role in building a healthy, thriving society. We strive to foster economic, environmental and social well-being in every aspect of our work and in our partnerships with others.

Our company has conducted business in Russia for more than 40 years, with a substantial expansion following the acquisition of Veropharm in 2014. Veropharm is a vitally important manufacturing operation with a strong strategic fit with Abbott’s business, allowing us to provide further solutions to the healthcare needs of all our stakeholders.

We know that people here in Russia and around the world depend on Abbott and its products to live fuller, healthier lives. That’s why we run our business the right way, for the long term – for the benefit of the many people and communities we serve.

We hope that this report presents a clear and compelling picture of our citizenship commitment and activities. We look forward to reporting to you on our future progress in these areas and to receiving your comments and suggestions.
EMPLOYEES
In Russia, Abbott has approximately 3,500 employees (including Veropharm) working in research and development, manufacturing, logistics, sales and marketing.

YEARS
IN RUSSIA
Our company has conducted business in Russia for more than 40 years, and today is one of Russia’s largest healthcare companies.

MANUFACTURING LOCATIONS
Veropharm (an Abbott entity) has three pharmaceutical manufacturing locations in Voronezh, Belgorod and Volginsky. Our plants work actively to ensure a reliable supply of high-quality products while producing local products for Russia.

• VORONEZH
• BELGOROD
• VOLGINSKY

STRATEGIC APPROACH TO INTEGRATION
Our primary strategic goal is to create a common high-performing culture across all our operations. We have implemented a number of different trainings and programs to encourage better integration, including:

• Change Management training for Veropharm leaders. The Forum for Veropharm Leaders was designed by Abbott at the global level and is carried out by certified trainers to help employees understand the nature of the change and manage it through practical techniques.

• Performance Excellence training for Veropharm salesforce to support them in their role and improve their professional skills.

• Web-based English classes for Veropharm employees so they can feel more comfortable and connected within Abbott globally.

• Three-year integration process for Abbott’s Environmental, Health and Safety (EHS) standards to ensure Veropharm facilities meet our global EHS requirements and are working towards our ambitious environmental goals for 2020.

As a global leader, we recognize the impact of both the actions we take and the example we provide, so we’re mindful and purposeful in our policies and the decisions they drive. Your business affects your worldview. Our business, healthcare, gives us a sense of what’s truly important in life and a commitment to making things better.”
Abbott is among Russia’s top ten healthcare companies, with a 40-year history of operations here. In 1975 we became the first U.S.-based healthcare company to establish a production facility in the Soviet Union. At the end of 2014, we dramatically expanded our manufacturing capacity by acquiring Veropharm, one of the leading Russian pharmaceutical producers, with expertise in generic drugs, oncological medications and medical adhesive bandages.

The addition of Veropharm expands our portfolio of medicines in such vital therapeutic areas as women’s health, the central nervous system, heart health and gastroenterology. It also gives us new capabilities in pharmaceutical research and development within Russia.

Our Established Pharmaceuticals business provides affordable, high-quality, branded generic medicines that have been successfully treating and helping people live healthier lives for many years. Our portfolio in Russia covers a wide range of medical conditions and therapeutic areas, including cardiovascular diseases, infections, neurologic conditions, gastrointestinal diseases and women’s health, as well as vaccines. Abbott also continually improves its established brands to better meet patient needs. We have a dedicated development organization with Development centers in a dozen locations around the world, as well as a network of contract research organizations in key countries – Russia among them – tailoring Abbott products to the needs of local populations.

Abbott is the world leader in drug-eluting stents, with an industry-leading pipeline and a comprehensive portfolio of market-leading products for cardiac and vascular care, including products for coronary artery disease, vessel closure, endovascular disease and vascular closure technologies. In Russia, Abbott offers physicians a wide variety of innovative, quality vascular care products for patient treatment. Our portfolio includes minimally invasive products such as drug-eluting stents, bare metal stents, clip-based vessel closure products and suture-mediated closure devices, carotid stents and embolic protection systems, balloon dilation catheters and guiding catheters.

We offer science-based nutrition products designed specifically for infant and pediatric nutrition. Our innovative infant formulas support healthy growth, cognitive and visual development, and include products designed for Russian babies with high allergy risks and lactose intolerance, as well as frequent regurgitation. We also offer preterm formulas.

We’re dedicated to developing the next generation of technology that will provide glucose readings faster, and with less inconvenience, to help patients take charge of their diabetes, and to help healthcare practitioners easily recognize glucose trends and care for their patients. Our personal meters enable people living with diabetes to manage their illness with greater confidence, convenience and comfort. Hospital monitors deliver fast, accurate results to healthcare providers.

Clearer vision allows us to focus on enjoying all life has to offer. Taking care of and improving sight can help provide a better quality of life at all stages. That’s why we’re advancing new solutions to help people around the world protect, improve and restore their sight. Abbott technologies address a wide range of vision disorders and address the needs of Russian patients seeking greater freedom from the limitations of eyeglasses. Our comprehensive vision care portfolio includes state-of-the-art laser vision correction technologies, cataract lens removal systems and intraocular lenses, and a broad selection of corneal health products to serve patients who wear contact lenses or need relief from dry, irritated eyes.

Our innovative instrument systems and tests help monitor a range of health conditions with speed, accuracy and efficiency. From automated immunodiagnostic systems and blood analyzers to sophisticated molecular diagnostics and patient testing devices, our technologies provide healthcare professionals with information they need to make the best treatment decisions. In Russia, our work centers around a fully automated family of instruments for medium- to high-volume laboratories used in hospitals, clinics and testing labs. We also offer analyzers for blood banks, designed to improve the efficiency and safety of the nation’s blood supply, and hematology systems used in blood cell analysis. Our innovative molecular diagnostics technologies and tests have the potential to aid in early detection or diagnosis of disease and can influence the selection of appropriate therapies and the monitoring of disease progression. Our point-of-care devices provide real-time, lab quality results within minutes to accelerate the patient care decision-making process.
TO OUR STAKEHOLDERS

We are pleased to present Abbott’s Russia Citizenship Report for 2014–15, highlighting our company’s long-term commitment to fostering Russia’s growth, prosperity and well-being.

ELENA KARTASHEVA
General Manager
Abbott in Russia

Abbott in Russia

To enhance people’s health and well-being at all stages of life, we bring advanced products and technologies to address the full spectrum of healthcare needs in Russia. Working in close collaboration with all our important stakeholders – here in Russia and throughout the world – our commitment to responsible citizenship spans our economic, social and environmental practices.

Abbott has a long track record in providing high-quality healthcare products to Russia and support to enhance the nation’s healthcare system. We fully endorse Russia’s desire to build a strong, effective domestic healthcare system, and we are determined to play an important part in it.

Our work targets those diseases that are among Russia’s greatest health burdens, including heart disease, cancer, diabetes, infectious diseases, rare hereditary diseases, vision and cognition disorders and liver disease.

As Abbott’s Russian operations expand, so do our efforts to be an exemplary corporate citizen. We want to use our scientific expertise and business acumen to make a positive difference in the health and well-being of Russia’s people. Aligned with our global commitment to sustainable growth and development, Abbott’s approach to citizenship in Russia revolves around three key priorities:

- Delivering Product Excellence
- Improving Access
- Safeguarding the Environment

Abbott has undertaken numerous initiatives to ensure delivery of high quality and affordable healthcare products and services; to improve the social and economic development of the communities where we operate; and to reduce the environmental impact of our operations in Russia.

Elena Kartasheva
General Manager
Abbott in Russia

VEROPHARM

Abbott’s presence in Russia increased significantly in late 2014 with the acquisition of Veropharm, one of the leading domestic pharmaceutical manufactures. Veropharm was founded in 1997. It has a strong reputation of being a reliable supplier to hospitals as the largest Russian producer with the widest portfolio of first line oncology offerings. Today we produce more than 100 brands used in different areas of medicine. Besides pharmaceutical products Veropharm also produces bandages and patches. Every second patch used by Russian consumers is produced by Veropharm.

With the acquisition of Veropharm, Abbott gained a local manufacturing footprint and closer alignment with the Russian government program of industrial localization, Pharma-2020. Abbott also increased its overall Russian employee base from approximately 1,500 to 3,500. With Abbott’s investment, Veropharm is building and improving its manufacturing and research facilities, conducting professional and developmental programs for employees and implementing a strategy of sustainable growth to provide the Russian people with important medical and pharmaceutical domestic products of reliable and high quality and at an affordable price.

Leveraging Abbott’s international expertise in research and healthcare, Veropharm attracts interns and graduates with professional orientation and educational programs, thereby contributing to the strengthening of the Russian pharmaceutical industry for the benefit of Russian patients.

Veropharm has a solid track record in successfully implementing a set of safe environmental programs and improving working conditions.

Elena Bushberg
General Manager
Veropharm

Abbott acquired Veropharm in December 2014, with the aim of strengthening our offerings to Russian consumers, patients and healthcare providers. The acquisition provided Abbott a Russian manufacturing footprint – including three plants in Voronezh, Belgorod and Volginsky – and a new manufacturing facility currently under construction.

The acquisition also expanded our portfolio of medicines aligned with our current pharmaceutical therapeutic areas of focus, including women’s health, the central nervous system, cardiovascular and gastroenterology, while also gaining a presence in oncology. We continue to invest in the manufacturing infrastructure we acquired, to produce more Abbott products locally, to increase promotional activities for our products and services and to develop new pharmaceutical R&D capabilities in Russia.
ABBOTT’S ALIGNMENT WITH RUSSIA’S HEALTHCARE PRIORITIES

Abbott aims to be an active partner in helping Russia create a thriving healthcare sector by fostering research, development and production of important healthcare products. With this approach, we help people in Russia live healthier lives and reach their potential through innovative products that meet the highest standards of quality. Our work here complements the Russian government’s priorities as highlighted in the Strategy Pharma-2020 and Strategy of Drug Provisions of Population of Russian Federation Until 2025.

We contribute to achieving these goals in a variety of ways:

• We participate in the nation’s healthcare modernization program, assisting with new technologies and equipment.
• We have donated significant amounts of equipment, such as analyzers for diagnosing and monitoring diseases and therapies, to major hospitals, laboratories and other organizations – to ensure they have access to the latest technologies.
• We host educational events and programs for clinicians and technicians, helping them learn techniques for providing the best service and quality to customers, using equipment efficiently and cost-effectively.

We further address Russian government priorities by leveraging our global leadership and expertise in new healthcare technologies. We are expanding our commercial, manufacturing, social and research and development (R&D) activities in Russia, with the goal of broadening knowledge and fostering further scientific innovation. Additionally, we will work to increase the availability of our high-quality products to Russian consumers.

Abbott is an active member of the Foreign Investment Advisory Council of the Russian Federation (FIAC) – a testament to our long-term commitment to furthering development of the Russian healthcare industry. At every stage of our business value chain, we seek to support our partners in delivering growth, supporting job creation and building the Russian economy. Our economic impact has positive benefits for many stakeholders, including the Russian suppliers we work with; the third-party manufacturers that produce our products; and the extensive network of wholesalers and retailers that distribute our consumer products.

In addition, Abbott belongs to the International Medical Device Manufacturers Association (IMEDA), an organization comprised of more than 40 of the world’s leading high-tech companies. The association focuses on advancing ethical standards within the industry, issues of improvement and regulation of the industry and developing the legal and economic healthcare environment in Russia. This network of companies has developed and established a Code of Ethics, the first of its kind in Russia, which establishes high standards of transparency for doing business in the Russian market.

Abbott also belongs to the Association of International Pharmaceutical Manufacturers (AIPM), which focuses on the development of an organized and open pharmaceutical market in order to improve the quality of medical services and expand the range of modern medicines for the benefit of the Russian people. Finally, Veropharm is an active participant of the Russian Union of Industrialists and Entrepreneurs (RSPP), which promotes business community interests in Russia and internationally. The union effectively advocates for the interests of all Russian business members irrespective of size, sector or regional location.

Abbott uses innovative approaches to solve a range of healthcare challenges for patients, consumers and caregivers in Russia, and has long been among the pioneers in developing and manufacturing products tailored to meet local needs, tastes and preferences.

ABBOTT’S LOCALIZATION IN RUSSIA

Abbott acquired Veropharm, one of the leading Russian manufacturers of pharmaceutical and medical products – to provide Russian consumers with new, locally developed, high-quality treatment options, in contribute to the domestic healthcare industry and to establish a strong platform for the company’s future success.

2004

We began collaborating with the leading Russian pharmaceutical company, Pharmstandard, manufacturing two medicines locally to increase access to immunotherapy for Russian patients. This partnership included the full technology transfer to the Russian partner.

2007

We launched a partnership with Petrovax Pharm, a leading Russian vaccine and pharmaceutical producer, for the local development and production of a new influenza vaccine.

2012

Abbott created and launched a multifaceted investment strategy for Russia – part of our long-term commitment to the development of Russia’s pharmaceutical and healthcare industries and to the health and well-being of the Russian people.

Also in 2012, we launched a joint project with ChemRar, a Russian pharmaceutical investment and R&D group, to develop new formulations of existing Abbott pharmaceauticals to bring new and innovative healthcare solutions to the Russian people.
Abbott has long been committed to advancing Russian people’s health and well-being through focused research and development, innovative products and solutions to the nation’s health challenges.

As Abbott Russia continues to grow, so do our citizenship activities. In Russia and around the world, Abbott defines our citizenship priorities in terms of three priority areas:

- **DELIVERING PRODUCT EXCELLENCE**
  - Everywhere we operate and in everything we do, we are committed to innovation consistent with the highest standards of quality and safety and to ensuring we deliver leading products that help people get healthy and stay healthy, at all stages of life.

- **IMPROVING ACCESS**
  - Our products and services play a vital role in improving healthcare around the world. We work with a range of partners, including healthcare professionals, patients, consumers and governments, to leverage our expertise and increase access to healthcare through a combination of educational and infrastructure development programs. Our continuing success depends on the empowerment of consumers and patients to make well-informed choices about their health.

- **SAFEGUARDING THE ENVIRONMENT**
  - We work to reduce our global environmental impacts through initiatives that help protect the planet while improving manufacturing efficiency, reducing costs and preserving our ability to do business in the future.

It is in these three areas that we believe Abbott can have greatest impact on Russia’s future well-being. They offer us a myriad of opportunities for creating shared value, for engaging with and investing in Russian communities and for ensuring that Abbott continues operating as a responsible, sustainable business in Russia.

Outstanding product innovation and maintaining the highest standards in product manufacturing and distribution are integral to meeting the evolving needs of our healthcare partners, patients and customers.
PARTNERSHIP WITH CHEMICAL DIVERSITY RESEARCH INSTITUTE

Our partnership with Chemical Diversity Research Institute (CDRI) started in 2012 and is part of our long-term commitment to invest in and drive Russian healthcare innovation. CDRI is the research arm of the Russian R&D and investment group, ChemRar. Our work together focuses on creating new, convenient forms of existing Abbott medicines, on improving patient compliance and on decreasing medicine intake through new technologies and formulations.

Recently we expanded this global collaboration to develop and register a pipeline of new branded generic pharmaceutical products. As part of this renewed collaboration, CDRI is developing product formulations and undertakes pre-clinical and clinical studies on a number of products. The partnership also enables product registration and technology transfer to the manufacturing of new products that Abbott will market in Russia and the CIS.

LEADERSHIP IN HIV AND HEPATITIS

HIV and hepatitis are significant challenges for global healthcare systems, and rates of infection in Russia are of particular concern for the healthcare industry. For decades, Abbott has helped physicians and laboratories to identify infectious diseases more effectively. Abbott’s Global Surveillance Program, for example, actively monitors the emergence of new HIV strains to identify and respond to variants before they become a major public health concern. Its research provides a scientific basis for assay development to ensure that tests can reliably detect HIV infections. During the last decade, the program has also expanded to monitor hepatitis B, which, similar to the HIV virus, can mutate and is genetically diverse.

NEW PRODUCTS

WE’VE PARTNERED TO DEVELOP AND REGISTER A PIPELINE OF NEW BRANDED GENERIC PHARMACEUTICAL PRODUCTS

PALM OIL-FREE PRODUCTS

Palm oil and a derivative, palm olein oil, are currently added to many infant formulas as sources of palmitic acid, a fatty acid that is naturally found in breast milk. However, in contrast to the palmitic acid found in breast milk, the palmitic acid from palm oil and palm olein oil can be less beneficial when digested in the digestive tract; it couples with dietary calcium to form insoluble soap that is not as well absorbed.

Abbott has developed an infant formula that is palm olein oil free. A palm oil-free formula promotes greater calcium absorption and assimilation, better bone mineralization, soft stool formation and comfortable digestion. Infants using this formula have a stool pattern and gastrointestinal tolerance similar to breastfed infants.

EDUCATING OUR WORKFORCE ON QUALITY MANAGEMENT

To ensure that all Abbott employees understand the importance of operational excellence and exceptional performance, we conduct global trainings in Pharmaceutical Affiliate Compliance Excellence (PACE). In 2015, we expanded our PACE program to Russia through a series of e-learning modules given to all employees here.

The PACE program has significantly raised awareness among Abbott employees in Russia about the importance of their own contributions to maintaining quality. Employees dealing with pharmaceutical products registration, quality, promotional materials and logistics have improved knowledge of factors that can negatively influence product quality, and behaviors that must be avoided.
Abbott is committed to improving people’s health and well-being and to providing the right solutions for Russia’s rising healthcare challenges. These commitments are fundamental to our citizenship philosophy and integral to our core business strategy.

We seek to expand people’s access to quality healthcare and to Abbott products and services. Abbott works with a wide range of stakeholders and partners to improve patient and consumer access to the vital information that enables them to better monitor and manage their own health. We also provide extensive support to Russian healthcare professionals through training and education, ensuring that they have access to the latest clinical expertise globally.

**IMPROVING ACCESS**

**WOMEN’S HEALTH**

**WOMEN FIRST**

In Russia 36 million women are approaching or over age 50 and require more regular gynecological healthcare, yet access to this care varies significantly between regions. To help advance gynecological care in Russia and support women in getting access to the latest medical and scientific information, Abbott launched the Women First program in 2014. The program seeks to support Russian women with the latest medical information about their health management, and to support healthcare professionals to optimize women’s healthcare in Russia, through a range of initiatives. The program was active in 13 cities in its first year and initiatives included:

- A dedicated website on women’s health – WomenFirst.ru
- Free testing on hormones and pH tests in five Russian cities – with approximately 1,000 women tested in 2014
- An informational campaign, Don’t Wait to Know!, aimed at encouraging women to know more about their health and to take necessary actions to manage or improve it
- Medical symposia and lecture tours for healthcare professionals
- More than a dozen annual educational workshops for women, run by leading Russian experts
- In its initial year, our Women First program was awarded with the prestigious industry Platinum Ounce award for the Best Project of 2014.
- In its second year, in 2015, five educational seminars were held for women over 45 in Voronezh, Belgorod and Volginsky, during which doctors discussed women’s health topics and how women can manage menopause symptoms to stay active and healthy at any age.

**FREE HORMONE AND PH TESTS PROVIDED IN FIVE RUSSIAN CITIES**

**1,000 WOMEN TESTED**
LIFE WITHOUT PAUSE SURVEY

In early 2015, as part of our Women First program, Abbott conducted an online survey of 500 respondents, women aged 45 to 49 who were either at the peri-menopausal or menopausal stage and who had experienced at least one menopausal symptom in the previous 12 months. The survey aimed to provide data and insights into the lives of women approaching or over 50 years old, their attitudes and behaviors with regard to menopause. It also analyzed their attitudes and behaviors towards seeking the advice of healthcare professionals in relation to menopausal symptoms, as well as the perceived value of such advice.

The survey discovered that approximately 65 percent of women in Russia have seen the doctor or intend to do so, although almost one in three women (30 percent) indicated having no plan to seek professional healthcare advice. Most of these women (62 percent) feel that menopause is a personal experience that should be coped with alone. There also seems to be a lack of faith related to what healthcare professionals can do to help with menopausal symptoms management (52 percent), and many indicate not having the time to consult a healthcare professional (42 percent).

There is also a strong relationship between the number of menopausal symptoms experienced and the perceived negative impact of menopause: among women with four or more menopausal symptoms, 56 percent agree that the symptoms impact their ability to enjoy daily life and 56 percent state that the menopause is a time for confusion and anxiety. Hot flashes are perceived as causing the greatest impact on quality of life (65 percent), followed by sleep problems (21 percent) and having a depressive mood (14 percent). Women expressed additional areas of concern related to certain attributes associated with menopause, such as aging skin (62 percent), not being able to be as physically active as before (59 percent) or having hair looking or feeling less vibrant and youthful. The importance placed on the physical symptoms as a negative perception of menopause suggests the physical appearance and looks as one of the ways that define how women in Russia feel about their age and perceive the impact of menopause.

EMPOWERING PATIENTS AND CONSUMERS

In Russia, Abbott provides numerous educational programs on the prevention, diagnosis and treatment of prevalent diseases and health conditions, our goal being to empower Russian patients and consumers to improve their own health outcomes.

VERTIGO AWARENESS AND TREATMENT

We work extensively to help patients and healthcare professionals deal with the debilitating effects of vertigo, a symptom that can manifest in more than 80 diseases. Abbott worked with leading vertigo experts to set up dizziness offices throughout the nation. We helped to educate specialists for these new offices, which have specialized equipment for providing expert diagnosis of vertigo and its 80 different causes. We helped open 54 of these offices across 25 Russian cities during 2015, providing assistance to some 450 patients daily. In addition, we launched the website vertigo.ru in October 2015, where patients suffering from vertigo can find the addresses of these dizziness offices and download useful information on rehabilitation and lifestyle.

In 2016 we plan to open another 10 new offices and continue with ongoing development of the Web site for patients.

HEALTHY LIVER CAMPAIGN

Liver disease is a major challenge in Russia, half of whose population suffers from some form of the disease. One in four Russians has fatty liver disease, which can be caused by excessive alcohol consumption, unhealthy diet or viral infections. In October 2015, Abbott launched its Healthy Liver awareness program. In addition to liver disease diagnosis and treatment, the program includes broad educational outreach stressing the importance of having regular liver checks, especially for those who consume alcohol even occasionally. The program includes:

- 170 medical diagnosis rooms: These are set up in 71 cities across Russia, providing visitors with a consultation, blood test, liver ultrasonography and treatment recommendations for liver disease from healthcare professionals.
- An educational Web site: www.nponeps-nenena.pf. This provides information and a short test that advises visitors if they may have alcohol addiction and if their livers might be at risk, which amounts of alcohol are considered moderate, and how alcohol impacts the organs, as well as advice on getting liver checkups and the nearest available treatment centers. Between October and December 2015, the Web site had nearly 70,000 page views.
- A telephone hotline: 8 800 555 82 58. People can call this number for help locating their closest available medical diagnosis room. The hotline also provides a short test that advises callers whether they have alcohol addiction, and whether their livers are at risk.

To further awareness about liver disease, we work with one of the nation’s largest pharmacy chains, promoting our Healthy Liver campaign in stores, in popular magazines and online.

“When with our new Have Your Liver Checked program, we hope to reduce the prevalence of alcohol consumption, improve the level of liver disease diagnosis and help people to live healthier lives.”

TATIANA VLADIMIROVA
MEDICAL DIRECTOR, ESTABLISHED PHARMACEUTICALS DIVISION, ABBOTT IN RUSSIA
SUPPORTING HEALTHCARE PROFESSIONALS

Our work to enhance healthcare access in Russia involves varied interventions, including work with governments to improve healthcare access and services, making health outcome data readily available and running nutrition education programs for healthcare professionals.

Some of the most important work we do involves training and educating Russian healthcare providers to address gaps in services.

To raise the level of healthcare knowledge in Russia through direct engagement with healthcare professionals, we support seminars, continuous medical education (CME) programs and conferences. These events bring together leading experts in the field with healthcare practitioners to advance understanding of new treatments across some of the most pertinent disease areas.

The aim is to help raise the expertise of healthcare professionals across a range of different disciplines. Abbott seeks to reach key opinion leaders in each subject area, so they can cascade the learning and knowledge across their profession. As they disseminate what they have learned to colleagues, they promote greater awareness among a much larger group of healthcare professionals. Specific disease areas covered include:

• **Cystic fibrosis:** Abbott is a long-time supporter of the All-Russian Association for Cystic Fibrosis, with whom we partnered in 2014 to hold a series of regional educational events for more than 300 healthcare professionals. We also supported the IV All-Russian Conference of Cystic Fibrosis Patient Organization in St. Petersburg in 2014, and in April 2015 the XII International Congress Current Issues in Cystic Fibrosis event in Moscow.

• **Gastric cancer:** Abbott’s Test & Treat program holds 35 conferences throughout Russia, with around 40 to 50 participants attending each event. The conferences are organized in collaboration with the Russian Gastroenterologist Association (RGA).

• **Vertigo:** Abbott’s Integro program (International Educational Program on Vertigo) is a series of educational seminars bringing the latest information about the diagnosis and treatment of vertigo to otolaryngologists, neurologists and general practitioners. Over the past two years, these seminars have trained 380 professionals from 34 cities.

• **Motility disorders:** These disorders occur when the gut has lost its ability to coordinate muscular activity – which can lead to such discomforts as bloating, pain, nausea, vomiting and diarrhea. Abbott supports a continuous medical education program (CME) aimed at increasing knowledge in the area of gastromotility. In 2014, 23 speakers in Russia gave more than 200 lectures throughout the Russian Federation, attended by 4,100 healthcare providers.

EXPERIENTIAL LEARNING FOR HEALTHCARE PROFESSIONALS

Our Preceptorship Program supported educational exchange between neonatologists in Russia and Israel. Each program involved a visit of physicians and healthcare professionals to leading hospitals in Tel Aviv to share best practices and learn about neonatal care in a country that is a recognized leader in this area of medical care. The purpose of the exchange is to promote experiential learning – increased knowledge and understanding about all aspects of pre- and post-natal care.

“We’ve always tried to provide our students with opportunities to test their skills and apply these skills in a real world environment. The expansion of our engagement is a big step.”

OLEG POLUKHIN
HEAD OF BELGOROD STATE UNIVERSITY (BELGU), ON THE ADDITION OF SCIENTIFIC AND R&D COOPERATION AND ABBOTT’S EXPANSION OF THE SCOPE OF THE PROGRAM
The project ran from 2012 through to 2015 and in that time Abbott supported eight groups of Russian neonatologists (about 75 healthcare professionals in total) in visiting the Sourasky Tel-Aviv Medical Center in Israel. The program included visits to an intensive care unit and other neonatal departments, case study training and lectures on pre-term nutrition, as well as a Q&A session.

At present, Russian pediatricians lack strong knowledge about feeding disorders. We address this need with a special pediatrician preceptorship program, sponsoring 25 key Russian opinion leaders in visiting the Failure to Thrive and Feeding Difficulties Clinic in Edith Wolfson Medical Center (Holon, Israel). The aim of this exchange is to teach Russia’s key pediatric opinion leaders about feeding disorders so they can disseminate their knowledge more widely throughout the Russian healthcare system.

IMPROVING THE HEALTHCARE SYSTEM THROUGH LABORATORY CENTRALIZATION AND MODERNIZATION

Abbott has deep expertise in the development and optimization of clinical laboratories, using a unique approach of combining the principles of lean manufacturing methodology (a systematic method for the elimination of waste) and Six Sigma (a data-driven approach for eliminating defects). Using this approach, we have allowed our partners to significantly reduce the time taken to deliver results, reduce the amount of space required, reduce the amount of inventory required and increase the productivity of clinical laboratories. We have delivered almost 300 successful projects in Europe using this approach, including 20 projects in Russia.

An example of one of our centralization and modernization programs is the laboratory consolidation project in Oktyabrsky, a town of 120,000 people. In partnership with Abbott, the town centralized its eight laboratories to one central location to improve efficiency and reduce costs. Initial results of the project, assessed in March 2015, showed that operational expenses had been reduced by 10 percent, the laboratory’s test portfolio had been expanded, providing greater availability of testing to patients; and the possibility of diagnostic errors had been reduced. Abbott played a key role in designing and developing the project and evaluating all details related to the initiative.

Following the current trend on the laboratories centralization, Abbott Russia has developed the methodology approved by the Department of Pharmacoeconomics of the First Moscow State Medical University for further implementation in Russia regions.
Abbott’s manufacturing plants in Russia follow the Environment, Health, Safety and Energy (EHS&E) policy of Abbott’s Established Pharmaceutical Division. This includes the following objectives:

- Fostering a work environment that promotes employee health and productivity, and is ultimately free of injuries
- Continuously improving the efficiency and sustainability of our business activities and products, resulting in the lowering of greenhouse gas emissions, water use and minimizing landfill wastes
- Expecting that contractors doing work on behalf of Abbott conform to regulatory requirements and meet applicable internal EHS&E standards;
- Promoting the use of safe and fuel-efficient business vehicles
- Continuing to integrate sound EHS&E practices consistent with our management system into all aspects of the business, in addition to maintaining regulatory compliance
- Establishing meaningful goals and strategies for the division and reporting on our progress toward achieving them
- Routinely monitoring our business functions for accountability to this policy

We have three environmental priorities: addressing climate change, water usage and product stewardship. We are equally committed to creating a safe environment for our employees, and we integrate sound health and safety practices into all aspects of our business.

A healthy environment is essential for better health, stronger communities and more fulfilling lives. Abbott works diligently to reduce our environmental impacts – in Russia and throughout the world.
THREE-YEAR EHS INTEGRATION PLAN

We have developed a three-year plan for integrating Abbott’s global Environmental, Health and Safety (EHS) standards at Veropharm. We have successfully completed our first year at the end of 2015 where we covered implementation of eight standards including areas such as the EHS management system standards, contractor safety, and hazardous energy.

We are now working towards our schedule for the second year, which extends to 12 additional EHS standards related to waste management, spill prevention and fleet safety, among others. At the end of the second year we will complete an internal EHS audit to assess progress. In the third year (2017), we will complete the last stage of the phased implementation, integrating 10 final standards.

As part of this integration process, all of the Veropharm site directors and other senior executives in Abbott Russia have the achievement of specific EHS goals as part of their performance objectives.

EHS IN PRACTICE

We work to ensure that our everyday workplace practices minimize our impact on the environment. For example, we encourage employees to use conference calls rather than business travel wherever possible, and we have eliminated paper documents for clients and arranged for all correspondence and document-sharing to be done electronically. Our Established Pharmaceutical Products manufacturing building in Volginsky plans to adapt to using LED lightbulbs in 2016 to achieve both cost and energy savings. In addition, in the near future we aim to enhance wastewater at our plants so we are able to better measure and improve effluent discharge.

OCCUPATIONAL HEALTH AND SAFETY

Another important element of Abbott’s EHS global policy is the objective to foster a work environment that promotes employee health and productivity, and is ultimately free of injuries. Our injury rate has remained low and we saw just one lost-time workday case in 2015. We will continue to integrate the health and safety standards into Veropharm’s management practices over the next two years to continually improve our practices in this area.

FLEET SAFETY

Our Safety Driving program is aimed at reducing accidents and ensuring that our fleet employees drive safely. Program elements include:

- An exam that all new fleet employees must pass to ensure they have a strong awareness of traffic rules and driving skills.
- Third-party behind-the-wheel training for employees, as well as an online refresher training on safe driving.
- If fleet accidents do occur, we provide post-accident coaching.
- We have a comprehensive safe driving communication program for employees that includes leaflets, intranet publications and videos about defensive driving.
The foundation of Abbott’s approach to citizenship rests on being a responsible business.

Our business decisions are guided by a set of principles that preserve our ability to successfully meet society’s needs in a sustainable, successful manner while conserving resources and advancing social, environmental and economic best practices.

Every day, through actions big and small, we ensure that our business works for the benefit of the many people we serve. This includes managing the direct impacts of our business operations and building strong relations with our key stakeholders in Russia, including employees, suppliers, healthcare professionals, customers and consumers.

RESPONSIBLE BUSINESS

VALUING OUR PEOPLE

People are an important asset at Abbott. Their skill, dedication, zeal and agility in helping our business understand and respond to changing healthcare needs is what helps Abbott live up to its promise to help people live fuller, healthier lives. The key to Abbott’s success is our people – their skills, dedication and enthusiasm. We choose them carefully, value them and strive to make Abbott a great place to work. Abbott is committed to achieving a diverse and inclusive work environment. Diversity of perspectives, experiences and skills is critical to our competitiveness. We work to leverage and learn from our differences to deliver greater business impact across all levels of our company. We have an excellent record in terms of top management, with a gender balance in Russia of 58 percent male and 42 percent female.

One of our highest priorities is helping each employee reach his or her potential and build a rewarding, fulfilling career at Abbott. We offer employees ample opportunities for personal growth and development.

As part of Abbott, Veropharm pays special attention to corporate culture and has developed clear internal communication channels that allow employees to effectively engage with the business, understand key goals of the company and receive responses to any questions or concerns they might have. This communication includes an internal email distribution, meetings with company managers and executives, and all-employee meetings at the production sites.
Abbott's robust training programs cover orientation, basic ability, leadership and professional skills. We also offer regional- and global-level training for job-specific development. Examples include:

- **Training for new recruits**: In 2015, we developed our Welcome Aboard program, aimed at increasing employee awareness of Abbott's Core Values, and ensuring that new recruits begin their jobs fully equipped to do their work. For new employees joining Veropharm, the onboarding program includes an Adaptation Workshop and online induction on the company’s culture, management and systems.

- **Manager development**: Abbott's Corporate Training Academy provides a system of corporate education allowing employees to select from a range of training programs appropriate to their positions and experience levels. In Veropharm, leadership development programs are delivered by Abbott-certified coaches in such areas as personal motivation, business planning, teamwork and effective delegation.

- **Online skills development**: Our e-learning training is available to all Abbott employees and covers a diverse range of skills such as sales, finance and English language fluency. The Veropharm Training Portal incorporates around 100 courses and 20 online tests, including modules on Good Management Practice (GMP) and International Organization for Standardization (ISO) standards.

- **Beyond training and development**: Abbott seeks to ensure all employees are able to maintain a healthy balance between their lives inside and outside work. Initiatives to support work-life balance include workplace medical care, flexible working schemes and remote work for staff with family commitments.

**CLARA ABBOTT FOUNDATION**
Abbott supports its employees in their times of need. The Clara Abbott Foundation is a not-for-profit organization dedicated to helping families of Abbott employees through challenging financial situations. In Russia, we provide short-term financial assistance and university-level scholarships to Abbott employees.

- **Financial assistance**: The foundation provides need-based grants to help Abbott families who are struggling to afford basic needs such as food, utilities or rent due to unexpected circumstances. We help with expenses related to things such as disasters, special-needs children and medical costs.

- **University-level scholarships**: The Clara Abbott Foundation offers need-based scholarships to help the dependent children of Abbott employees attend accredited colleges or universities, community colleges, vocational and trade schools. Awards are offered to students enrolled in full- or part-time studies to obtain their first undergraduate degree. Scholarships can be used to help with expenses such as tuition, fees, books, supplies, transportation and room and board.

**ETHICS AND INTEGRITY**
Abbott seeks to maintain the highest standards of ethical conduct in everything we do. Abbott employees understand the important impact that their work and our products have on people. They strive every day to ensure they are doing the right thing in the right way. We make it a priority to ensure that all Abbott employees understand our company values, our Code of Conduct, policies and procedures, as well as our wider legal obligations.

Abbott's global compliance policies take into account Russian regulations to create an environment where strong ethical practice remains a fundamental component of our business success. Creating an environment where employees can raise questions and concerns helps us preserve and enhance our commitment to ethical behavior. We require our employees to complete training and education programs to ensure compliance with our Code of Conduct, and increase their understanding of the legal and ethical implications of their actions and behaviors on a day-to-day basis. We conduct training sessions during the onboarding of staff and also regular refreshers on important topics.

Abbott offers employees a number of resources, such as our Ethics and Compliance Helpline, a telephone and Web-based hotline available 24 hours a day, seven days a week. Employees also may contact the Office of Ethics and Compliance or regional/divisional Ethics and Compliance personnel directly. Violations of the code and policies may be subject to disciplinary action.

Abbott also has rigorous procedures governing our relationships with third parties that are regulated, documented and subject to due diligence procedures. These policies extend throughout our value chain.

**STAKEHOLDER ENGAGEMENT**
We recognize that listening to our stakeholders, and responding thoughtfully to their concerns and ideas, is vital to our success as a business enterprise. In addition, stakeholder insights, gathered through one-on-one engagement or through wider forums, help us to develop new products that address unmet health needs; educate patients, healthcare professionals and others about emerging diseases and treatment options; and understand how and where our company can make a difference. We have a defined method of stakeholder engagement, designed to be used on a cross-functional basis within each of our businesses.
## Engaging Our Stakeholders

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<tr>
<th>Stakeholders</th>
<th>Key Interests</th>
<th>Method of Communication</th>
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| **Government** | • Value pricing  
• Access to healthcare  
• Business ethics and compliance  
• Solving medical problems through cooperation  
• Regional disparity in healthcare standards  
• Healthcare efficiency  
• High-quality medicines | • We cooperate with government on pricing policy  
• We work as a proactive partner regarding government priorities and policies  
• We develop policies to promote ethical and responsive engagement  
• We partner to localize education programs for healthcare professionals and contribute to healthcare industry improvement |
| **Healthcare Professionals** | • Innovative research and development  
• Proper product use  
• Quality, safety and efficiency of products  
• Responsible, ethical behavior (ethical marketing practices)  
• Introduction of cutting-edge technology, tools and training | • We provide hardware and software support to improve hospitals’ infrastructure  
• We share knowledge with HCPs through educational programs, research partnerships and daily clinical practice  
• We organize medical-related conferences to raise the level of healthcare knowledge in Russia  
• We share our advanced research methodologies by collaborating with hospitals  
• We develop policies to promote ethical and responsive engagement |
| **Patients and Customers** | • Availability of products that are safe and effective  
• Value pricing  
• Access to information about diseases  
• Effective treatment | • We enhance products and service management  
• We listen to issues raised by patients and consumers  
• Increased awareness and education of patients about product safety and quality |
| **Suppliers and Distributors** | • Procurement compliance  
• Ethics, labor laws and health and safety | • Supplier auditing and training |
| **Local Communities** | • Support for community development  
• Support for disadvantaged groups | • We support local communities to improve livelihoods and wellbeing |
| **Employees** | • Opportunities for personal growth and professional development  
• A comprehensive training system  
• Employee communication  
• A healthy and safe workplace | • We offer competitive salaries and benefits  
• We provide diversified training opportunities  
• We encourage activities that improve employees’ physical and mental health |
| **Non-Governmental Organizations (NGOs)** | • Community health service  
• Reducing environmental impact | • We participate in NGO research  
• We organize and participate in NGO-related conferences and seminars  
• We carry out collaborative projects with NGOs |

## External Awards and Recognition

Abbott has been recognized around the world for its comprehensive approach to global citizenship.

We are grateful for the recognition of our efforts to act as a responsible business, in Russia and everywhere Abbott operates.

### 2015
- Abbott’s Duphaston was awarded the Russian Pharm Awards 2015 in the “Drug of choice among the progestin and estrogens” category. The product gained thousands of practicing Russian healthcare practitioners’ votes – users of the largest Russian-speaking professional social network, Doctor at Work.
- Abbott’s Mothers and the City nutrition project won in the category “Social media and community/Videochannel” of the contest Best Digital Communication Awards 2016. The jury praised a series of videos, Mothers and the City, which was developed and launched on the YouTube channel in 2015.
- Elena Kartasheva, General Manager of Abbott in Russia, was named among the RBC TOP 25 Women CEO annual ranking.
- Abbott Russia won the prestigious Captains of Russian Business award “for outstanding business reputation,” awarded by Human Resources Management magazine. The award celebrates corporate achievements in business leadership, corporate branding, ethics and compliance.

### 2014
- Abbott’s acquisition of Russian pharmaceutical manufacturer Veropharm in late 2014 was named Deal of the Year by Platinum Ounce, the leading pharmaceutical awards in Russia.
- Abbott was honored with the Russian pharmaceutical industry’s prestigious Platinum Ounce Award for our Women First educational campaign, deemed Social Project of the Year. The program advances the knowledge, understanding and treatment of gynecological conditions through education and training for healthcare professionals throughout Russia.
- Abbott Russia was awarded the Ranstad Award for Most Attractive Employer in the Healthcare Industry. The Ranstad Award is presented each year to the most attractive employer in 23 countries worldwide.
1 DSM Group Report, Patches sales in Russia in 2015.
14 37% – said yes, 28% – intend to do so, 5% – don’t know—more—
16 Bateneva T. The main secret of our body sits inside the right side. 2010. www.inauka.ru