

# Making a Difference around The World



Global Citizenship Report  
2000 - 2001

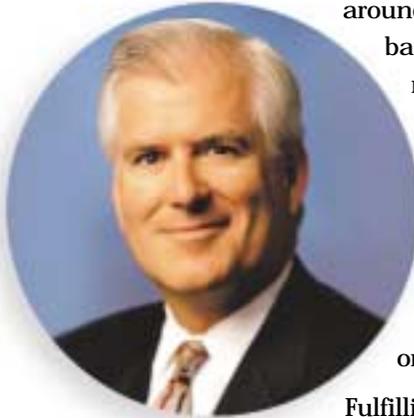
# Table of Contents

• A Message from Miles D. White, Chairman of the Board and CEO	1
• About Abbott	2
• Corporate Governance	4
– Frequently Asked Questions	5
– Office of Ethics and Compliance	6
• Environmental, Health and Safety: Managing for Performance	8
– EHS Policy	8
– EHS Organization	9
– Global Standards	10
– Risk Management	10
– Workplace Safety	12
– Training and Internal Communication	12
– Integrating EHS into Business	14
– Toward Global Energy and Greenhouse Gas Management	18
– Recycling	19
– Environmental Preservation	20
– Global Metrics: Measuring Our Environmental Performance	22
– Global Metrics: Measuring Our Health and Safety Performance	23
– Compliance	24
• Human Resources: Supporting Our Global Team	26
– Our Long Range Human Resources Plan	26
– A Global Culture of Diversity and Inclusion	26
– A Respectful and Responsive Work Environment	27
– Early Discoveries Child Care Center	28
– Performance Excellence and Leadership Development	28
– Competitive Compensation and Benefits Programs	29
• Community Commitment: Partnering Locally and Globally	30
– Tackling Global Health Care Challenges	30
– Supporting Quality Science Education	36
– Building Healthy, Vital Communities	38
• Promoting Dialogue on Important Issues	40
• Performance Recognition Around the Globe	42
• Engaging Stakeholders	44

*Scope of Report* This report includes our financial; environmental, health and safety; and social performance information for 2000 and 2001. Our 2001 information incorporates data from our acquisition of BASF's pharmaceutical business, including the global operations of Knoll. Our report also contains a few 2002 highlights. It does not contain performance data for Vysis, Inc., acquired in late 2001, or TAP Pharmaceuticals Products Inc., our 50/50 joint venture with Takeda Chemical Industries, Ltd. of Osaka, Japan.

# A Message from Miles D. White,

Chairman of the Board and Chief Executive Officer



Welcome to our *Global Citizenship Report 2000-2001*. This report, which is greatly expanded from our *1999 Environmental, Health and Safety Report*, reflects our many efforts to make a difference around the world. Abbott's commitment to global citizenship means thoughtfully balancing our financial, environmental and social responsibilities. And it means responding with both compassion and expertise to the complex challenges in providing health care worldwide.

One of today's biggest challenges is expanding access to affordable health care. Having witnessed firsthand the human suffering and devastation wrought by the AIDS pandemic in Africa, I have a deep appreciation for the tremendous amount of work that must be done in this one area alone. Sustainable solutions will require partnerships between industry, governmental and non-governmental organizations, and individuals. And this is happening.

Fulfilling our role as a corporate citizen requires ethical conduct that balances the interests of our stakeholders. That includes providing our shareholders with attractive and consistent returns on their investments. It also means that we must protect the integrity of the environment and provide our employees with a safe and healthy workplace. Beyond these basics, Abbott employees share a strong desire to give back to the communities where we can make a difference.

This *Global Citizenship Report* provides a representative overview of how we delivered on our commitments during the past two years. A few highlights include:

- The establishment of an Office of Ethics and Compliance to support our commitment to ethical business conduct;
- The implementation of global environmental, health and safety standards to better manage and measure our performance;
- The launch of Abbott Access, a program to expand access to our HIV products in poor countries hardest hit by AIDS;
- The creation of *Step Forward ... for the world's children*, our effort to help orphaned and vulnerable children impacted by AIDS in communities in the developing world;
- The formation of our Executive Inclusion Council to assure our work environment enables all employees to contribute to their full potential; and
- The opening of Early Discoveries, a state-of-the-art child care center located at our corporate headquarters, to help employees achieve a better work/life integration with quality day care.

While we are proud of our accomplishments, they are only a springboard to help us reach higher levels of performance. Our continued success as a health care leader depends on our ongoing ability to safeguard trust by listening to, and addressing the concerns of, our present-day stakeholders. And we are equally committed to taking into consideration the needs of generations to come. We must always strive to do better for the future that we all share.

A handwritten signature in black ink that reads "Miles D. White". The signature is written in a cursive, flowing style.

# About Abbott

*“At a fundamental level, our success is measured by the positive impact we have on health and on people’s lives.”*

*– Richard A. Gonzalez, President and Chief Operating Officer,  
Medical Products Group*

Abbott Laboratories is one of the world’s leading health care companies, headquartered in north suburban Chicago, Illinois, USA.



Approximately 70,000 employees and 150 facilities worldwide (of which 71 are manufacturing sites) create products for customers in 130 countries.

Abbott discovers, develops, manufactures and markets innovative products and services that span the continuum of health care: from prevention and diagnosis to treatment and cure. Our research and development efforts are focused on chronic care diseases where great unmet needs remain, such as cancer, diabetes, metabolic disease, immunoscience, neuroscience and infectious disease.

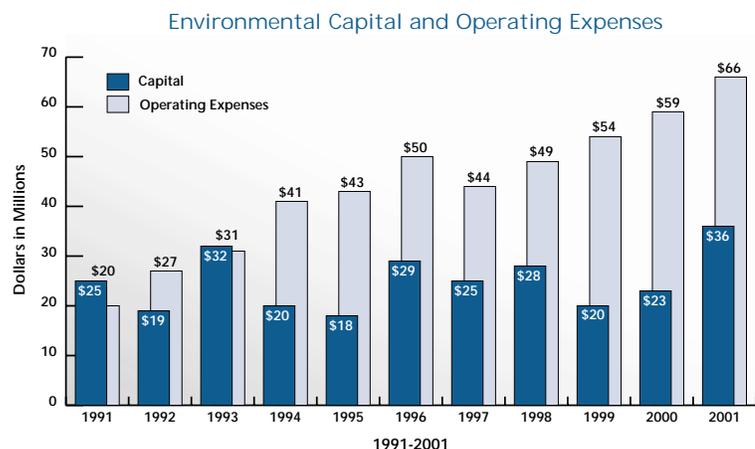
Abbott is organized in two key groups:

- **Pharmaceutical Products Group** includes our Global Pharmaceutical Research and Development, Pharmaceutical Products, Specialty Products and Abbott International divisions.
- **Medical Products Group** includes our company’s Hospital Products and Diagnostics divisions, and Ross Products Division, which specializes in adult and pediatric nutritionals.

In 2001, we strengthened our scientific capabilities worldwide with the acquisition of the pharmaceutical business of BASF, best known by the name of its largest component, Knoll Pharmaceuticals. With this acquisition, we significantly increased the number of drugs we have in development, and increased our research and development investment to almost \$1.6 billion annually, with approximately \$1 billion for pharmaceutical research alone. We also acquired Vysis, Inc. in 2001, known for its clinical products that provide information critical to the evaluation and management of cancer, prenatal disease and other genetic disorders.

## Environmental Capital and Operating Expenses

Environmental capital and operating expenses are associated with emissions control, waste disposal, wastewater pretreatment, and other environmental control and management systems.



*“The ability to innovate is at the heart of Abbott’s business. Our mission is to create a top-tier global pharmaceutical business capable of consistently discovering, developing and marketing breakthrough drugs to improve patient health care.”*

*– Jeffrey M. Leiden, M.D., Ph.D., President and Chief Operating Officer, Pharmaceutical Products Group; Chief Scientific Officer*



### Leading Brands

- **AxSYM** systems and reagents (immunodiagnosics)
- **Biaxin/Biaxin XL/Klacid/Klaricid** (macrolide antibiotic)
- **Depakote** (bipolar disorder, epilepsy, migraine prevention)/**Depakote ER** (migraine prevention)
- **Ensure** (adult nutritionals)
- **Flomax** (alpha blocker for treatment of benign prostatic hyperplasia)
- **Isomil** (soy-based infant formula)
- **Kaletra/Norvir** (protease inhibitors for HIV)
- **MediSense** (glucose monitoring products)
- **Similac** (infant formula)
- **Synthroid** (synthetic thyroid hormone)
- **Ultane/Sevorane** (anesthetic)
- **Zemplar** (renal care pharmaceutical)

### Financial Highlights

Historically, Abbott has consistently met financial objectives and delivered solid financial results to our shareholders.

<i>(in millions except per share data)</i>	% change 2000-2001	2001	2000	1999	1998	1997
Net sales	18.5	\$16,285.2	\$13,745.9	\$13,177.6	\$12,512.7	\$11,899.3
Research and development	16.8	1,577.6	1,351.0	1,194.0	1,228.8	1,307.4
Net earnings	5.6*	2,942.8*	2,786.0	2,445.8	2,334.4	2,079.1
Diluted earnings per common share	5.6*	1.88*	1.78	1.57	1.50	1.32
Cash dividends declared per common share	10.5	.84	.76	.68	.60	.54
Common shares outstanding at December 31	0.6	1,554.5	1,545.9	1,547.0	1,530.7	1,542.6

\* Excluding acquired in-process R&D and other one-time charges in 2001

# Corporate Governance

The United States Congress, the United States Securities and Exchange Commission (SEC) and the New York Stock Exchange (NYSE) are all requiring public companies to adopt new corporate governance practices and procedures. The new requirements have focused on financial reporting and corporate disclosure.



Sound financial management is an Abbott hallmark; it is deeply rooted in our culture. Our company has a strong tradition of financial accountability and tight control. We have an independent board of directors, and we have a strong and actively involved Audit Committee that meets at least once each quarter to monitor Abbott's financial compliance. We have rigorous internal controls and accounting discipline, adhering strictly to Generally Accepted Accounting Principles. Most importantly, we are committed to full disclosure in our financial reporting. Our existing internal policies and procedures provide the framework and guidance we need to address these new requirements.

Abbott's board of directors plays an important role in overseeing management performance on behalf of shareholders. For years, most of Abbott's directors have been independent. Abbott's 14-member board currently includes 11 outside, fully independent directors who have relevant business, industry and public policy experience to guide management on significant issues. Abbott's board of directors has five committees: Audit Committee; Compensation Committee; Nominations and Board Affairs Committee; Public Policy Committee; and Executive Committee. With the exception of the Executive Committee, only independent directors are members of these committees, which hold their own separate meetings during the year to conduct their business and apprise the full board of their activities on a regular basis. Membership of the Executive Committee is made up of the chairman of the board and chairs of the other committees.

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## *Code of Business Conduct*

*Abbott's Code of Business Conduct summarizes the comprehensive policies and procedures for conducting business in a legal and ethical manner. It applies to all employees and agents of Abbott, our divisions and our affiliates around the world. Additionally, our Code provides all of our employees with contacts for asking questions, requesting further information, or reporting suspected violations.*

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## Frequently Asked Questions

### *Q. How are board members compensated?*

A. Abbott employees are not compensated for serving on the board of directors. Nonemployee directors are paid \$6,667 for each month of service and \$667 for each month of service as a chairman of a board committee. These fees are paid either in cash or nonqualified stock options, or deferred for later payment (generally at age 65 or upon retirement from the board). Each nonemployee director who is elected or re-elected to the board at the annual shareholder meeting also receives a stock award equal to approximately \$65,000. The shares cannot be transferred prior to termination or retirement from the board, or a change in control of Abbott. None of Abbott's directors receives any other compensation from Abbott. For example, none of the directors receives consulting fees.

### *Q. What measures assure the independence of Abbott's board?*

A. In addition to the measures noted previously, the board's independence also is reinforced by following written corporate governance guidelines; having the board participate in setting the agenda for its meetings; and holding regular meetings of the independent directors without management directors present.

### *Q. How does Abbott assure its financial reports are accurate?*

A. Abbott's senior management is responsible for internal controls and the financial reporting process, setting a tone of honesty, candor and integrity for our operating and financial staffs. In response to the SEC's recent mandate to certify financial statements, Abbott established a new Financial Management Disclosure Committee, composed of our legal, finance and accounting experts. During face-to-face dialogue, they thoroughly scrutinize our latest financial reports and proxy statements from different perspectives. Our chief executive officer and chief financial officer participate in this review process and officially sign off on these reports under oath. This rigorous review formalized our prior practices, but ultimately did not change the content of the reports.

*“Abbott has always been strongly focused on safeguarding the assets and the financial reputation of our company. We have a steadfast commitment to transparency and full disclosure in financial reporting.”*

*– Thomas C. Freyman, Senior Vice President, Finance and Chief Financial Officer*

*Q. What is the role of the Audit Committee of the board?*

A. The Audit Committee is composed solely of independent board members and is directly responsible for the appointment, termination, compensation and oversight of the work of Abbott's independent auditors, as well as approval of all audit and nonaudit services provided by the independent auditors.

The Audit Committee has unrestricted access to Abbott's internal audit function, and meets with Abbott's internal auditors to evaluate the effectiveness of the work they perform. The Audit Committee also has the authority and funds to engage its own lawyers and other advisors.

Each member of the Audit Committee is financially literate and has a broad understanding of Abbott's corporate financial statements, including why certain accounting principles are chosen; why key judgments and estimates are made by management; and how the choice of selected accounting principles impacts the reported financial results.

*Q. What is the role of Abbott's independent auditors?*

A. Abbott's independent auditors report directly to the Audit Committee. These auditors are responsible for performing an audit of Abbott's financial statements in accordance with Generally Accepted Auditing Standards, and for expressing an opinion on those financial statements based on their audit. The independent auditors review with the Audit Committee the adequacy of internal financial controls; the scope and results of the audit; and the financial statements, based on auditing standards. The Audit Committee approves any nonaudit fees paid to the independent auditors in advance, assuring that such fees would not impact the independence of the auditors. Certain services, such as systems and internal audit, cannot be performed by the independent auditors.

## Office of Ethics and Compliance

Reflecting our intention to go beyond minimum legal requirements, in 2000 we formally established the Office of Ethics and Compliance and appointed a chief ethics and compliance officer. The chief ethics and compliance officer serves as the chief architect and focal point of Abbott's compliance programs globally, and coordinates with other areas of the company, including environmental, health and safety, which manage compliance functions.

The Office has a full-time staff that works with the divisions and provides guidance to employees. It also sponsors Abbott's Ethics and Compliance Helpline, a long-established, toll-free telephone resource available to all employees 24 hours a day, 7 days a week. The chief ethics and compliance officer co-chairs Abbott's Business Conduct Committee, which is composed of senior-level managers, and which reports directly to our chairman and chief executive officer. The Committee provides perspective and advice on the implementation of our companywide compliance programs.

*"The only way to ensure ethical behavior over the long term is to maintain a corporate culture that clearly defines, communicates, promotes and demonstrates its fundamental ethical values."*

*- Charles M. Brock, Chief Ethics and Compliance Officer*



In 2001, Abbott launched the Legal and Ethics Resource Network (LERN), a Web-based training program that is administered by the Office of Ethics and Compliance. LERN reinforces our ethics and compliance standards with employees, teaches them how to apply those standards in typical business scenarios, and directs them to other resources in the company for help. Completion of a curriculum of selected LERN modules is required for our managers and field sales forces in the United States. The program is accessible as a resource to other employees as well. Abbott's Legal Division continues to conduct extensive in-person training on compliance requirements for our employees worldwide.

In 2002, the Pharmaceutical Research and Manufacturers of America promulgated a Code on Interaction with Healthcare Professionals and Principles on Conduct of Clinical Trials and Communication of Clinical Trial Results. Abbott is committed to compliance with both the Code and the Principles.

# Environmental, Health and Safety: Managing for Performance



How we conduct our business has a direct impact on the health and safety of our employees and the communities in which we operate, as well as the total environmental footprint we leave behind.

Our long-range plan is to continuously raise the bar on our performance to assure we are proactive, effective and accountable in environmental, health and safety (EHS) matters. This means setting challenging goals to significantly improve our EHS performance; implementing companywide programs, as well as specific division-level initiatives; and tracking our progress. In the past two years, we have made significant progress by building on the strong foundation of a global EHS Policy and established EHS management systems. The sections that follow summarize these efforts.

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## ***Environmental, Health and Safety Policy***

*(Adopted 1999)*

*Abbott Laboratories will conduct its business in a manner designed to be protective of human health, safety and the environment. This policy applies to all operations and employees of the Company worldwide.*

*Abbott Laboratories is committed to achieving the following key objectives:*

- *Maintain a safe and healthy workplace and environment;*
- *Continuously reduce the use of materials or practices that may have a negative impact on human health and the environment;*
- *Conserve energy and other natural resources;*
- *Integrate health, safety and environmental concepts into business and operations planning and decision-making;*
- *Educate and engage employees in the Company's efforts to optimize health, safety and environmental performance, and provide other stakeholders with relevant information on these efforts; and*
- *Comply with all applicable laws, and company policies and standards designed to protect human health, safety and the environment.*

*To achieve these key objectives and foster continuous improvements, Abbott Laboratories will continue to develop and implement management systems that include:*

- *Company health, safety and environmental goals;*
- *Strategic planning;*
- *Effective programs, procedures and training; and*
- *Performance measures, self-assessment and independent assurance reviews.*

*It is the responsibility of every employee to work safely, to adhere to the letter and spirit of the EHS policy, and to report to management any practices or conditions that are inconsistent with this policy or that pose recognized or unacceptable risks to human health, safety and the environment.*

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## EHS Organization

Through our EHS organization, we have established clear lines of accountability for performance. Performance against internal and external requirements is independently assessed and the results communicated through plant and division senior managers on a routine basis. This helps to assure that the appropriate managers have the information, authority and resources to integrate EHS considerations into business practices and to actively improve performance.

Commitment to EHS starts at the top of our organization, with both line and corporate senior management collaborating to achieve measurable results. Our EHS Executive Council is made up of our division vice presidents of operations, along with the vice president of Corporate EHS. This group is responsible for approving our global EHS strategies, appropriating resources, and overseeing our companywide performance.

At the next level, our EHS Leadership Team comprises EHS directors from all our divisions who meet monthly with the vice president and directors of Corporate EHS. They share the strategies and specific programs they are implementing for their respective divisions, as well as jointly address issues of companywide importance.

Supporting these divisional EHS directors and their staffs are experts in our Corporate EHS organization. Our Corporate EHS staff develops and manages our companywide EHS policies, programs and initiatives. This group also is a highly experienced resource for global operations.

On the front lines, our divisional and facility EHS personnel work directly in our company's business units. Their day-to-day efforts are critical for ensuring our EHS Policy and considerations are applied throughout our operations around the world. In total, we dedicated approximately 128 full-time equivalent employees to our EHS function in 2001.

*“As a company, the only way we can truly say we are providing health care worldwide is if we provide those products without negatively impacting the communities we share.”*

– Robert A. Accarino, Director, Corporate Environmental Services

## Global Standards

During the period covered by this report, we developed and began the implementation of global standards to ensure consistent EHS management companywide. These standards, consistent with the international standard ISO 14001, articulate required activities to fulfill our EHS Policy, including the following:

- Strategic planning • Self-assessment/risk assessment • Business integration
- Training and awareness • Communications and information
- Performance measures • Assurance review

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### **ISO 14001 Certification**

*In 2001, we had eight ISO 14001-certified facilities located in Granada, Spain; Kurnell, Australia; Sligo, Donegal and Cootehill, Ireland; Ankleshwar, India; Liestal, Switzerland; and Brockville, Canada.*

### **ECOPROFIT® Certification**

*ECOPROFIT® is a cooperative effort between industry leaders and several city governments in Germany to promote the complementary relationship between environmental performance and profitability. Participating companies earn certification from ECOPROFIT® by sponsoring strong environmental programs and demonstrating continuous improvement on key measures. Abbott's manufacturing facility in Delkenheim, Germany participated in the program and achieved ECOPROFIT® certification.*

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## Risk Management

Some of our most critical EHS functions include effectively assessing, managing and minimizing risks to people, the environment and our business. In 2001, we developed the Risk Identification and Management System, an automated online tool that helps our EHS personnel identify, manage and track such risks in a consistent manner. Companywide implementation of this system began in 2002.

During the same period, we developed global EHS technical standards for Incident Response and Waste Facility Selection. The latter standard provides our facility managers worldwide with consistent criteria to assess third-party waste management vendors. In addition, a comprehensive, up-to-date master list of approved vendors is readily available through our internal Web site.

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### **Emergency Response Teams**

*To ensure that we are prepared to respond in the event of a community crisis, Abbott has Emergency Response Teams stationed at many of our facilities worldwide. Volunteers from our EHS departments receive extensive training and sometimes partner with municipal Emergency Response Teams in preparation for such emergencies in our neighboring communities.*

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*“The rollout of global standards and completion of numerous initiatives over the past two years demonstrate our worldwide team’s commitment to getting things done. We are positioned to add solid, measurable value to our business.”*

*– Robert D. Morrison, Divisional Vice President, Corporate Environmental, Health and Safety*



### **Update: Removing Underground Storage Tanks**

Abbott standards prohibit the installation of underground storage tanks at our facilities unless such installations are required by local authorities. In these rare cases, we review all designs for compliance with stringent internal requirements.

Since 1999, Abbott International Division has been implementing a voluntary five-year strategy to remove or take out of service all underground storage tanks and underground piping, and replace these with above-ground alternatives. The goal is to eliminate the risks associated with underground storage tanks, such as inadvertent ground and water contamination resulting from unseen leaks.

During 2000, we successfully removed from service 32 tanks and/or underground piping from facilities in the following cities:

- Buenos Aires, Argentina
- Campoverde, Italy
- Cootehill and Sligo, Ireland
- Kurnell, Australia
- São Paulo, Brazil
- Granada and Madrid, Spain
- Montreal, Canada
- Queenborough, United Kingdom

By 2001, all of the targeted underground storage tanks and equipment had been successfully removed, three years ahead of schedule. We are aiming to remove all similar storage systems for our recently acquired non-U.S. facilities by year-end 2002.

## Workplace Safety

Safety on the job is a basic right of our employees. All divisions conduct extensive programs to reduce work-related hazards in their own facilities.

In 2000, we identified fleet safety and ergonomics as the two higher-risk areas that would benefit from the development of companywide strategies. These are major global initiatives and remain works in progress.

As a first step, all divisions collaborated to review and learn from existing fleet safety and ergonomics programs within Abbott, as well as best-in-class programs from outside the company.

Pharmaceutical Products and Ross Products divisions continued to implement comprehensive fleet safety programs. One proven element is Behind-the-Wheel defensive driving instruction for sales representatives, which is being rolled out worldwide.

In 2000, Behind-the-Wheel training was provided to sales representatives in Spain and Puerto Rico. In 2001, it was extended to employees in Uruguay, Guatemala, Nicaragua, Costa Rica and Germany.

Our ergonomics programs are as varied as the work processes they support. For example, our Specialty Products operation in North Chicago, Illinois, USA developed an Ergonomic Enhancement Process. In 2000, they applied the process to automate many of the heavy-lifting tasks associated with container filling operations.

Our facility in Cootehill, Ireland also completed an ergonomics initiative for its warehouse operations, automating a pallet-loading process previously done manually. Both of these initiatives significantly reduced employees' risk of back strain and other work-related injuries.



## Training and Internal Communication

To foster a strong EHS culture within our company, we continued to sponsor training for our EHS personnel, as well as managers of other functions, and initiated several communications programs supporting this goal.

Based on an internal needs survey, we coordinated a series of training programs for our EHS employees in Illinois, North Carolina and Ohio, USA; Puerto Rico; Spain and Brazil. Among the topics covered were performance assessment, incident investigations, the business aspects of environmental management, risk assessment, hazard analysis, ergonomics, electrical safety and hazardous waste management.

For the third consecutive year, we offered an Environmental Strategy course through the Abbott Leadership Development Program, to teach our executives in all functions how to integrate environmental considerations into their business strategies. At the plant level, we piloted EHS awareness training for supervisors at two of our facilities. These sessions covered topics ranging from industry-specific EHS trends to the potential impact of our EHS performance on business performance.

*“Manufacturing safety is about more than compliance. It’s about working toward a goal of zero workplace-related injuries and illnesses. Because that’s the only acceptable goal where health and safety are concerned.”*

– Kay E. Peel, Vice President of Operations, Pharmaceutical Products Division



Abbott also sponsored a number of internal EHS conferences to provide forums for both training and face-to-face communications. In the spring of 2001, we brought together more than 240 of our company's EHS and other professionals from 20 countries at our Reaching Beyond Tomorrow EHS conference in Chicago, Illinois, USA. The conference was an excellent opportunity for our people to share expertise and experiences with each other, as well as learn more about global EHS trends from external consultants. Several ongoing regional conferences hosted by our divisions worldwide supplemented this effort.

One of our most visible communications programs is our annual Environmental, Health, Safety and Energy Excellence Awards. We received close to 100 nominations each year for teams or individuals within Abbott, citing exceptional efforts to protect people and the environment.

## Integrating EHS into Business

Integrating EHS considerations into our overall business strategies and performance indicators is yielding economic, environmental and social benefits. We set clear direction and provided our managers with training, new tools and technology to support our objectives. We also championed and learned from innovations at the local level, such as those described below. These are examples of how our operations are improving manufacturing processes, products and packaging to reduce the use of resources, cut waste, safeguard our people and the environment, and save money.

### Process Innovation

#### *Conserving Water Resources*

As part of a comprehensive environmental management system, Abbott's hospital products manufacturing facility in Austin, Texas, USA conducts innovative water recycling and wastewater treatment programs. These programs have reduced annual water consumption by 28.4 million gallons and resulted in annual cost savings of \$250,000. In 2001, for the fourth year in a row, the City of Austin Water and Wastewater Utility recognized this facility with an Excellence in Pretreatment Award.

Similarly, Abbott's Barceloneta, Puerto Rico facility has been reclaiming more than 60 percent of its wastewater since it began an in-house water treatment program in 1991. This prevents significant amounts of wastewater from discharging into the publicly owned municipal treatment facility. The program reclaimed an average 1.32 million gallons of water per day.

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#### *Making USEPA's Performance Track*

*In recognition of its EHS performance accomplishments, the United States Environmental Protection Agency (USEPA) accepted our Casa Grande, Arizona, USA facility as a charter member of the National Environmental Performance Track program in 2000. This program distinguishes facilities in the United States that have demonstrated effective environmental management systems, solid pollution prevention initiatives and good relations with their surrounding communities.*

*As a result of ongoing changes in its manufacturing processes, the plant has achieved annual reductions of the following:*

- 635,022 pounds of product packaging;
  - 240,000 pounds of Biochemical Oxygen Demand and Chemical Oxygen Demand waste;
  - 5 million gallons of wastewater; and
  - 8,500 pounds of chemicals and biocides.
- 





### ***Cutting Tritium Waste***

Tritium is a radioactive substance used in drug safety evaluations during the research and development of pharmaceutical compounds. Traditional methods for treating tritium waste still release small, allowable amounts of radioactive chemicals into the environment. In an effort to further reduce those amounts, Abbott's Global Pharmaceutical Research and Development Division successfully partnered with a Canadian company to develop an alternative treatment process. The new technology, which recovers more than 99 percent of the tritium for reuse, saved Abbott \$1.8 million in material treatment costs in 2000. This technology was subsequently licensed to a radioactive waste treatment corporation in Houston, Texas, USA to extend the benefits of this new process to others.

### ***Reducing Use of Solvents***

Abbott's Specialty Products Division eliminated the use of five solvents through the innovative redesign of an antibiotic manufacturing process. This resulted in:

- A raw material savings of roughly \$600,000 per year;
- Increased operational safety by eliminating the possible exposure of operators to reaction mixtures;
- A 50 percent reduction of solvent waste per unit of product; and
- An improved quality of waste stream, which aids in recycling and reuse.

## Packaging and Product Innovation

### *Creating Safer Packaging*

A break-resistant container for the inhalation anesthetic sevoflurane, engineered by Abbott's Hospital Products Division, is reducing risk of accidental exposure to the anesthetic. This first-of-its-kind packaging weighs only one-tenth of the old glass container, reducing waste packaging material by 252 tons per year. Fewer spoiled and damaged goods also saved Abbott approximately \$100,000 in 2000 and \$150,000 in 2001.

Abbott Diagnostics Division worked for more than two years to develop alternatives to the lead-based protective cartons used in distribution of very low-level radioactive diagnostic kits. The new cartons feature innovative aluminum and air barriers, totally eliminating the use of 40,000 pounds of lead annually.

### *Reducing Materials*

With resource conservation, safety and cost-savings in mind, our Ross Products Division created a polyethylene alternative bag for our Enteral Feeding System. This product is used to deliver nutrition to patients who are unable to eat. The new durable bag, which is 50 percent lighter, has led to a 91 percent reduction (842,000 pounds) in materials used to manufacture these systems; a 30 percent reduction in total packaging material and a \$1.4 million cost savings per year due to modifications to the assembly processes.

Other examples of the environmental and economic benefits of packaging redesign are as follows:

- Simpler retail packaging for **Biaxin XL** resulted in a 78 percent reduction in paperboard (21,000 pounds of materials per year) and a combined savings from materials and labor of roughly \$1 million per year.
- Lightweight, flexible and recyclable flow-wrap packaging has eliminated 35 tons of packaging inserts per year at our Abbott International facility in Sligo, Ireland and lightened the primary packaging weight by 133 tons. As a result, we can pack more product per pallet, per truck, significantly reducing transportation fuel costs.
- A one-size-fits-all polyethylene pouch has cut the use of paper, plastic and corrugate by 2 million pounds per year at one of our hospital products facilities. By simplifying the transport of these products, the new pouch packaging has saved the operation 30,000 gallons of fuel and \$2.9 million in freight, sterilization and materials costs.

*“By dedicating a significant amount of effort and funding toward innovative product development and professional education programs, Abbott has made great strides in improving patient and health care worker safety.”*

*– Julie A. FitzGerald, Marketing Manager, Administration Equipment, Hospital Products Division*



### **Needlestick Safety Campaign**

Abbott's Hospital Products Division has been at the forefront of designing and marketing technologically advanced medical devices that protect health care workers from needlestick injuries and bloodborne pathogens.

Coinciding with the passage in the United States of the Needlestick Safety and Prevention Act, we launched a comprehensive educational campaign in 2000 on this important issue. The program is directed to health care workers in hospitals and clinics in the United States, as well as professional organizations such as the Infusion Nurses Society. It consists of educational seminars, speaker programs, materials that provide guidance on new legal requirements, and information on how to evaluate and adopt safer procedures and product alternatives to protect health care workers from needlestick injuries.



## Toward Global Energy and Greenhouse Gas Management

Through both our own initiatives and innovative partnerships, we are addressing our global energy consumption, particularly our reliance on fossil fuels. Historically, we have made energy-efficiency gains within our individual facilities around the world. As a result of more efficient energy management and conservation, by 2001 we had lowered the amount of energy we use in our United States and Puerto Rico operations to less than one-third of our 1973 consumption rate, approximately a 70 percent reduction in energy per unit produced.

Increased knowledge about the science and consequences of global warming warrants worldwide efforts to reduce the greenhouse gases that are believed to contribute to this phenomenon. As part of our response, we began the complex task of developing companywide energy and greenhouse gas metrics. Our environmental database is being expanded in 2002 to allow us to calculate and track these metrics for all of our operations and begin setting corresponding reduction targets.

A few examples of the strategies we are employing to achieve energy efficiencies and reduce greenhouse gases include:

- Through an industry-governmental partnership, Abbott worked with the city of Casa Grande, Arizona, USA and Reliant Energy to construct the 563-megawatt Desert Basin power plant on 20 acres of land adjacent to our facility. Desert Basin is fueled by natural gas, the cleanest burning fossil fuel available for the generation of electricity, and it uses state-of-the-art environmental protection technology. In addition to the environmental benefits associated with this project, energy-efficiency gains also have decreased production costs.
- As part of our commitment to reduce the use of fossil fuels, we are exploring how we can use more renewable energy and alternative technologies such as wind turbines, fuel cells and solar cells in our operations. In 2001, we installed a 75 kW natural gas microturbine at our operations in north suburban Chicago, Illinois, USA. This pilot program enabled the manufacturer of the microturbine to gain practical industrial experience with this relatively new technology and enabled us to study how this highly energy-efficient technology might complement our operations.
- Abbott is a founding member of the Combined Heat and Power Partnership, which comprises the United States Environmental Protection Agency, city and state governments, non-governmental organizations and other Fortune 500 companies. The purpose of the Partnership is to promote the benefits of combined heat and power energy installations, or cogeneration. Through this highly efficient technology, waste heat from the generation of electricity is used to heat buildings and operate manufacturing equipment, further reducing total energy requirements. As a member, we are contributing expertise that we have gained from the installation of these technologies.



## Recycling

Recycling programs at our facilities around the world are tailored to local business needs and opportunities. They share common goals, however, to reduce the use of resources, save landfill space, generate bottom-line savings, and forge strong relations with our surrounding communities.

### Recycling Tyvek® Suits

Tyvek® clothing is worn by some of our employees to ensure the cleanliness of the manufacturing environment. At one of the Chicago-area facilities of our Specialty Products Division, up to 30 percent of this Tyvek® apparel had to be handled after each use as medical waste. In 1999, Abbott partnered with Garment Recovery Systems to launder and recycle this Tyvek® clothing, keeping it from entering municipal waste-disposal sites. As a result, we recycled 65,000 pairs of overalls, for a savings of \$120,000 in 2000 and \$250,000 in 2001 at this facility. The Tyvek® recycling program also has been adopted in other areas of Abbott.

### Salvaging Useful Items

In 2000, Abbott was recognized by the Solid Waste Agency of Lake County, Illinois, USA for the outstanding salvage and recycling programs at our headquarters site. In 2001, this program recycled a range of materials, including more than four tons of paper; approximately 1,170 tons of ferrous materials; 500,000 pounds of plastics; and 180 tons of obsolete electronics. We also maintain a Salvage and Recycling Shop at this site, which is open to the public during the business week and sells a variety of used office furnishings, tables, chairs, light fixtures and other miscellaneous items. Some of these items also find useful second lives as donations to charities that are recommended by our employees.

### Recycling at Work and Home

From modest beginnings in 1991, the recycling program at our Barceloneta, Puerto Rico facility has continued to grow. In 2000, Abbott recycled more than 1,000 tons of materials, avoiding the need for 8,000 cubic yards of landfill space and saving Abbott \$160,000 in disposal costs. The program was expanded in 2000 through the Abbott and I recycling initiative. To encourage employees to recycle household disposables such as newspapers, plastic containers and cans, collection receptacles have been conveniently located in Abbott parking lots. The program was officially recognized for excellence by the local municipality of Barceloneta in 2001.

\* Tyvek® is a registered trademark of Dupont.



## Environmental Preservation

Preserving and restoring the natural habitats surrounding many of our facilities around the world is a priority for our company and our individual employees. At Abbott's 475-acre headquarters campus, more than 100 employee volunteers participated in a variety of environmental awareness and wildlife protection programs. These efforts have earned Abbott certification by the Wildlife Habitat Council, a nonprofit organization that assists corporations in managing wildlife habitats on corporate, private and public land. Activities included monitoring endangered native plants in wetlands and planting wildflower gardens.

A team from Abbott's headquarters site also developed an innovative storm water management program that uses native plantings to filter and control rainwater drainage on existing natural areas. As part of this comprehensive program, employee volunteers strategically placed more than 1,700 plants from 30 species along swales and basins on Abbott property. The quality of the rainwater runoff has improved naturally as it flows through these planted areas to join the north branch of the Chicago River. In addition, the program has eliminated the use of pesticides, reduced the risk of erosion and provided a natural habitat for a variety of wildlife species.

### **In Trust for the Future**

In May 2001, Abbott sold 467 acres of the largest remaining unprotected woodlands in Lake County, Illinois, USA to the Lake County Forest Preserve to protect it for the enjoyment of future generations. With its 170-acre oak-hickory woodlands, wetlands, prairies, streams and 60-acre Rasmussen Lake, the area is home to a rich variety of flora and fauna.

We also partnered with the Lake County Forest Preserve to promote environmental preservation through education. The Smith Nature Weekend and Symposium, sponsored by Abbott, offered local participants a valuable opportunity to learn about conservation through workshops and nationally renowned speakers.



*“The work we do today to minimize our environmental footprint is about creating a better place for Abbott and our communities in the years to come.”*

*– Deborah C. Hammond, Manager, Global Strategic Initiatives,  
Corporate Environmental Services*

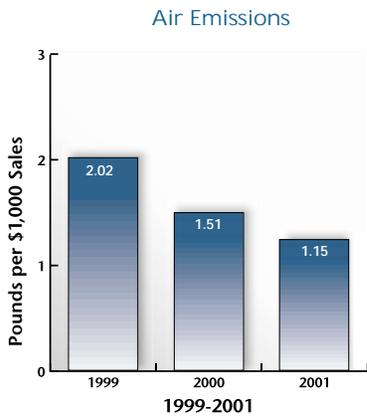
## Global Metrics: Measuring Our Environmental Performance

Standardized EHS metrics are necessary to effectively track our progress in achieving goals with the same discipline Abbott applies to financial performance.

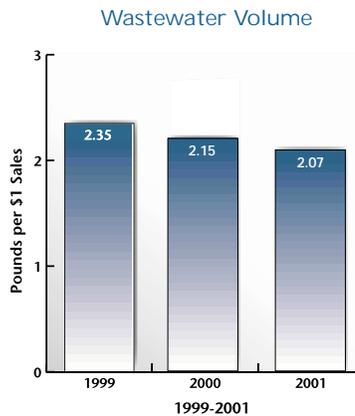
Over the past two years, we developed global environmental metrics and launched a complementary database. The metrics and database now enable us to systematically collect and analyze uniform, companywide environmental data. This is essential for quantifying the impact of our business operations on the environment. All of our manufacturing operations began submitting these metrics.

### Environmental and Energy Data

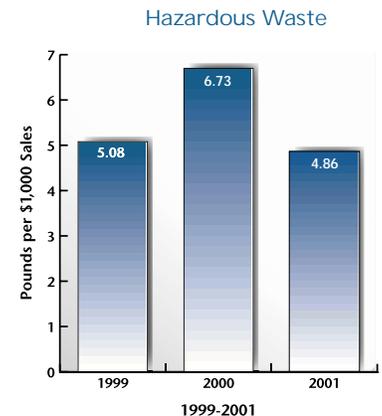
Air emissions, wastewater discharges, hazardous waste and nonhazardous waste data are collected annually. All environmental metrics are normalized to pounds per \$1,000 (U.S. dollars) of sales except our wastewater volume, which is normalized to pounds per \$1 (U.S. dollars) of sales.



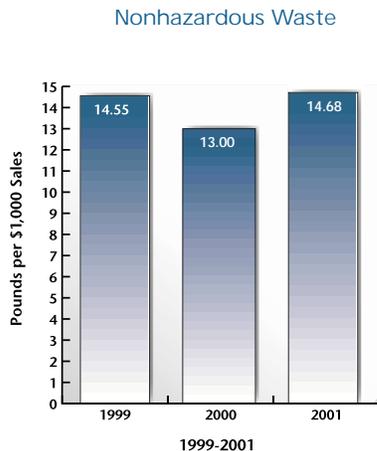
This metric does not include greenhouse gases.



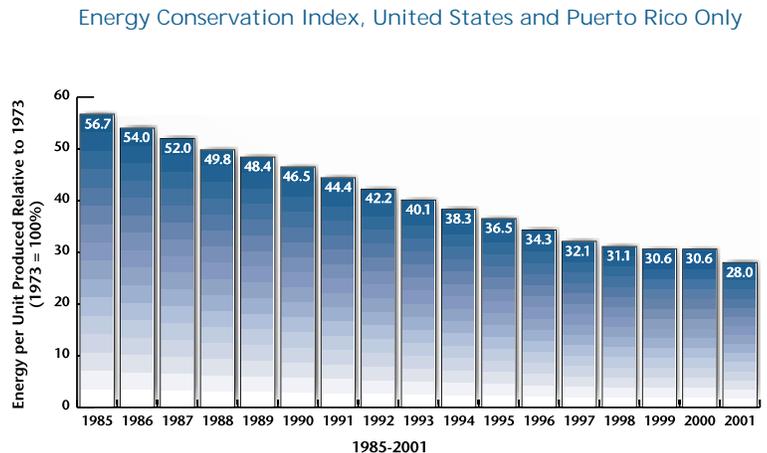
Wastewater data includes all process (not sanitary) discharges except non-contact cooling waters.



Hazardous waste includes all waste regulated as hazardous, toxic, radioactive, biohazardous or ignitable based on applicable regulation.



Nonhazardous waste includes recycled and nonrecycled trash, production waste and other wastes not regulated as hazardous.



# Global Metrics: Measuring Our Health and Safety Performance

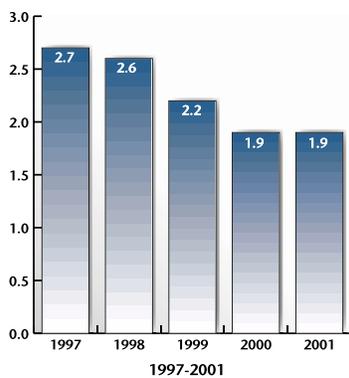
Abbott's selected health and safety data reflect companywide performance.

## Health and Safety Performance – United States and Puerto Rico

Health and safety data for employees in Abbott's United States and Puerto Rico operations are based on criteria established by the United States Occupational Safety and Health Administration (OSHA), the federal regulatory agency that oversees the enforcement of certain labor laws in the United States.

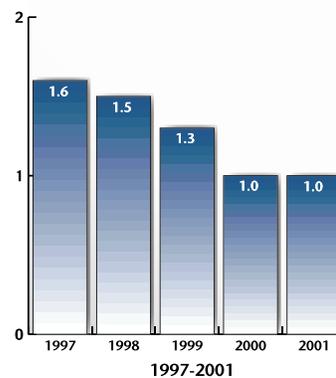
In relation to our industry peers in the United States, our company's health and safety performance compares favorably. Since 1997, injuries and illnesses have decreased by 30 percent, and the frequency of serious injuries were down 37 percent.

OSHA Recordable Rate



The OSHA Recordable Rate is the number of work-related injuries and illnesses per 100 Abbott employees.

Lost Workday Case Rate

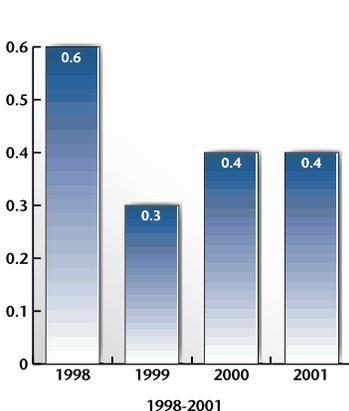


The lost workday case rate is the number of work-related injuries and illnesses that result in a lost workday or a day of restricted work activity per 100 Abbott employees.

## Health and Safety Performance – Non-USA

Our company policy is to comply with all health and safety laws in countries where we operate, as well as our own rigorous EHS Policy and standards. Because different countries use different criteria, we currently are developing our own internal set of global measures for our health and safety performance worldwide.

Days Away Case Rate – Non-USA



The Days Away Case Rate is the number of work-related injuries and illnesses that result in a lost workday per 100 Abbott employees.

*“Numbers and statistics only have meaning when we remember and respect what we are measuring. They represent the names and faces of people.”*

– James J. Murphy, Director, Corporate Health and Safety

## Compliance

Compliance with laws and regulations, as well as with our own policies and standards, is critical to retaining our licenses to do business and maintaining the trust of our stakeholders. Abbott has a formal, independent facility assessment program that evaluates facilities on their compliance with internal standards and regulatory requirements. Performance reports are communicated to facility and division operations management, as well as senior corporate and division EHS managers. In 2000 and 2001, 41 of our facilities received these independent assessments.

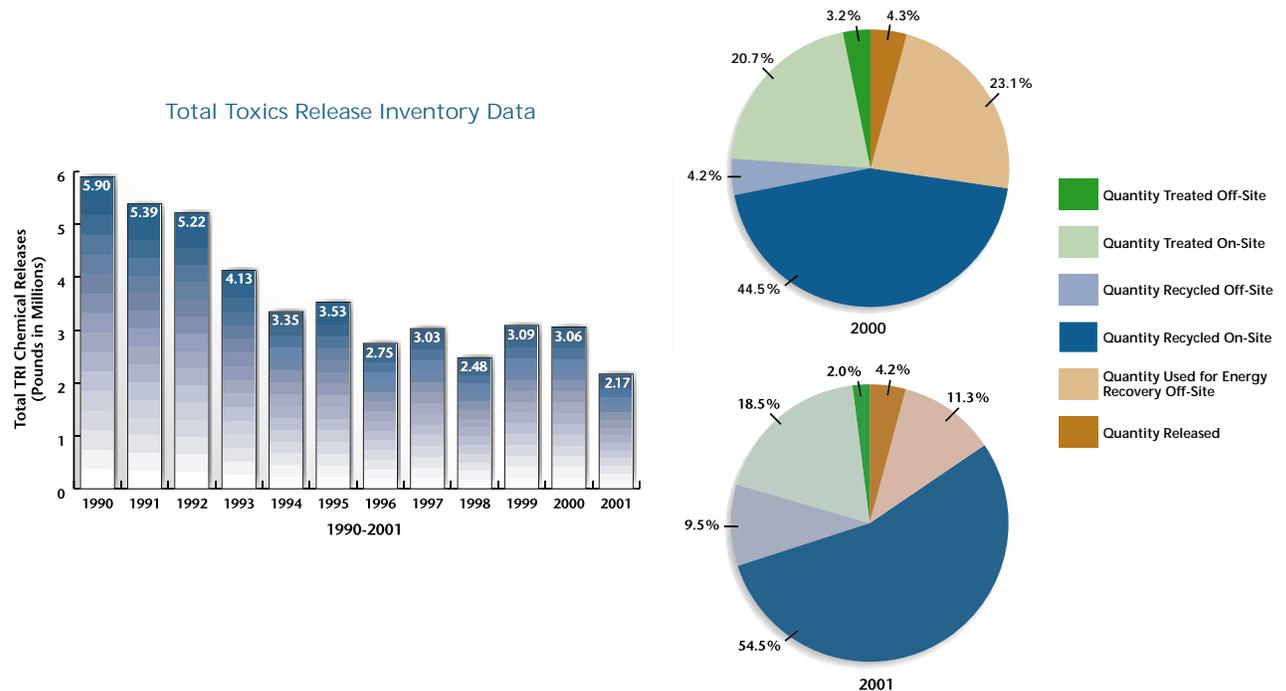
Compliance issues that are identified either by our own internal assurance review or through outside agency inspections are addressed expeditiously through root cause analysis and appropriate corrective action.

### Toxics Release Inventory Data – United States and Puerto Rico

Each year, our facilities in the United States and Puerto Rico that manufacture, process or otherwise use chemicals above a certain threshold quantity are required to publicly report associated waste management activities to the United States Environmental Protection Agency (USEPA), and if applicable, the corresponding state agency as well. Known as the Toxics Release Inventory (TRI), this report documents our waste management activities, releases and transfers of toxic chemicals to the air, water and land.

Our TRI chemical releases in 2001 totaled 2,165,732 pounds, which represented a 29 percent decrease since 2000. We also improved the amount of TRI chemicals that we recycled on-site to 55 percent, which was an improvement of 22 percent over our performance in 2000. Our reductions can be attributed to actual production changes and improved emissions calculation methods.

In 2001, as a result of the USEPA's new lower reporting thresholds, two of our facilities were required to report for the first time. In total, 11 of our 26 facilities in the United States and Puerto Rico have TRI reporting requirements. Through the implementation of successful pollution prevention programs, we have also been able to eliminate the requirement for certain facilities to submit TRI reports. We continue to improve environmental accounting procedures and review our processes in an effort to reduce the release of targeted substances listed in the TRI.





### **Superfund Remediation – United States and Puerto Rico**

Under the Comprehensive Environmental Response, Compensation and Liability Act, our company has been identified as one of many potentially responsible parties in investigations and/or remediations at 24 locations in the United States and Puerto Rico.

We are also voluntarily investigating potential contamination at six Abbott-owned sites and are engaged in remediation at three sites in cooperation with the USEPA or similar state agencies.

### **Notices of Noncompliance Resulting in Penalties**

During 2000, Abbott received three notices of noncompliance from a single environmental authority for the late filing of documents. We paid a fee of \$250 per event, for a total of \$750. To ensure the more timely submission of this information, we revised our associated reporting procedures.

In 2001, we received three notices of noncompliance that resulted in \$8,514 in penalties. All three were related to wastewater discharges. In all three events, we took corrective action to prevent recurrences by implementing spill prevention procedures.

# Human Resources: Supporting Our Global Team



Good corporate citizenship starts at home with a commitment to improving the quality of life of our own employees.

Abbott's ability to have a positive impact on the world ultimately depends on how well we provide opportunities for our talented workforce and assure their job satisfaction, well-being and financial security. In 2000 and 2001, we launched several new programs to further these goals.

## Our Long Range Human Resources Plan

In 2000, we developed a comprehensive Human Resources Long Range Plan, based on extensive employee needs research in the countries where we operate. The plan focuses on key strategies to help us maintain a competitive advantage by addressing our workforce needs worldwide. The goals of the plan are to:

- Assure diversity in our workforce and inclusion of all our employees;
- Provide a responsive and respectful working environment;
- Acquire and retain talented people;
- Support our employees in achievement of performance excellence;
- Develop our leaders;
- Offer competitive compensation and benefits; and
- Encourage open communication.

## A Global Culture of Diversity and Inclusion

Abbott's vision is to create a diverse and inclusive work environment that enables all people to contribute to their full potential. Efforts to make our company more reflective of the markets we serve and the countries where we operate began in earnest in 1990 with the appointment of a corporate director of diversity. Over the past decade, we progressed from compliance with affirmative action laws in the United States to a true appreciation of the value diversity and inclusion brings to our company.

In 1996, we established an Executive Change Team tasked with addressing our workforce issues as a global company and making Abbott more responsive to our employee population worldwide. The findings and recommendations from this Executive Change Team helped to create the foundation for Abbott's current diversity and inclusion strategy.

This diversity and inclusion strategy is set and championed by our Executive Inclusion Council, which is chaired by our chairman and chief executive officer, and consists of five corporate officers. This strategy is communicated to all areas of our business through Abbott's Corporate Office of Diversity, Inclusion and Work/Life Integration, in conjunction with our Divisional Inclusion Councils. Each of Abbott's divisional

*"As a global company, our leaders are responsible for managing people with diverse experiences and cultural backgrounds. We focus on improving and measuring our performance in building a truly inclusive environment."*

– Sharon Larkin, Divisional Vice President, Human Resource Programs and Business Integration

*“Remaining relevant to a highly diversified global workforce means that our programs must grow and evolve. This is essential for keeping our talent and creating high-performance teams.”*

*– Thomas M. Wascoe, Senior Vice President, Human Resources*

presidents and human resources vice presidents sets organizational goals and strategies based on the unique priorities of their business units. Ultimately, it is the responsibility of each member of our global team to foster a culture in which everyone feels accepted, respected and valued.

One key focus of Abbott’s diversity and inclusion strategy is increasing representation of women and minorities in our company. Abbott policies – and perspectives – have historically had a strong United States focus. Our employee statistics that measure diversity and inclusion efforts during this reporting period still pertain to approximately 60 percent of our workforce within the United States. In 2001, 49 percent of our employees in the United States were women, and 29 percent were minorities. Over the last five years (from 1997 to 2001), we have increased the number of women in management positions within our operations in the United States by 106 percent and the number of minorities by 137 percent. In 2001, 33 percent of our management population were women and 15 percent minorities. We have also established executive networks to support the development and mentoring needs of women and minorities in Abbott management.

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### ***Promoting Supplier Diversity – United States and Puerto Rico***

*Abbott’s Supplier Diversity Program, established in 1974, is another aspect of our commitment to diversity and inclusion. Through the program, we purchase goods, equipment, supplies and services from businesses that are owned by minorities, women, veterans, as well as from nonprofit organizations designed to provide employment for the physically disabled and mentally impaired. To date, Abbott has worked with over 2,000 minority suppliers in the United States and Puerto Rico.*

*We are committed to increasing our purchases from these businesses each year. In 2001 Abbott made purchases worth \$120 million from minority-owned businesses and \$107 million from women-owned businesses. Facilitated by a full-time supplier diversity manager, this program establishes companywide goals; trains local Abbott coordinators; audits all domestic plant sites for compliance; and tracks our results for senior management and government entities. Abbott also works closely with minority business advocacy organizations like the National Minority Supplier Development Council and regional affiliate councils such as those based in Chicago, Dallas and Columbus where we have major manufacturing facilities.*

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## **A Respectful and Responsive Work Environment**

Our goal is to create a work environment that fosters communication and values employee contributions, opinions, ideas and backgrounds. In addition, we strive to provide employees with services and tools to promote wellness, save time and balance their unique work/life obligations. Because employee needs differ worldwide, these programs vary by location and continue evolving to address the changing expectations of our workforce.

In 2000, our Inclusion/Work/Life Team developed policies and guidelines for a companywide flexible work alternatives program. It was officially communicated to all of our managers in 2000 prior to implementation throughout our company. Part-time work arrangements, job sharing, telecommuting and compressed work weeks – with attractive compensation and benefits – are some of the alternative work arrangements available to Abbott employees.

Many of our facilities offer useful programs and convenient workplace features. These include wellness programs such as on-site fitness and rehabilitation centers; comprehensive sports and activities programs; outdoor recreational areas; prenatal programs and lactation rooms; nutrition counseling; and on-site mammograms, prostate exams and flu vaccinations. Programs offered to all sites in the United States include employee counseling and assistance programs, and free resource and referral programs for child care and elder care.

*“We strive to create an environment that values employees’ needs to integrate work with their personal life.”*

*– Michelle W. Thomas, Director, Workforce Diversity/Work/Life Integration*



## Early Discoveries Child Care Center

As part of Abbott’s larger, long-term Child Care Solutions Strategy to address employees’ need for safe and reliable child care, we completed the design and began construction of Early Discoveries in 2000. This 46,000 square-foot child care center, located on 10 acres of land on our headquarters campus, provides a nurturing environment for more than 430 children. It officially opened its doors in June 2001.

Early Discoveries is the largest on-site child care center in Illinois – and one of the five largest centers in the United States. Unique design elements, such as a play loft with a 210-gallon aquarium, computer learning stations and an art studio, encourage children to explore in a safe location only minutes away from their working parent.

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### *Finding Solutions for Child Care*

*One of the most pressing challenges in the communities surrounding our facilities is the shortage of quality child care services for local families. Our companywide Child Care Solutions Strategy was designed to provide real options to help meet both our employees’ child care needs and those of our neighbors.*

*One of the programs developed from our strategy was the Lake County Child Care Initiative, which serves the communities surrounding Abbott headquarters. Working closely with families, area agencies, school districts, community leaders and external consultants, Abbott helps recruit, train and accredit local day care providers and expand the availability of before- and after-school programs. In 2001, we hosted a forum for parents and community leaders to continue the productive exchange of ideas on these issues and the search for solutions in Lake County.*

*Over the past two years, we also continued with our Summer of Service program, a program designed to engage local Lake County teenagers and help them gain life experience volunteering at not-for-profit organizations and community service projects.*

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## Performance Excellence and Leadership Development

Another component of our Long Range Human Resources Plan is a new Performance Excellence program that provides all employees with timely, constructive feedback focused on results and reflective of our business needs. To assure the success of this program, we trained more than 7,000 managers worldwide on their accountability and responsibilities for this program. Employees partner with management to set goals, assess their performance and create their own plans for career development and advancement. Each employee works on defined core competencies, such as adaptability and teamwork, that are essential to our company’s success.

The Performance Excellence of our managers is also measured against specific competencies that help develop them as effective leaders. Managers are evaluated and compensated based on their ability to set vision and strategy; build our company and inspire employees; know Abbott’s business; drive for results; make difficult decisions; encourage an open environment; and participate in knowledge sharing.

To support the goals of Performance Excellence, we offer extensive professional development programs in finance, information technology, pharmaceutical sales and engineering to provide employees with a number of career growth opportunities within our company.

## Competitive Compensation and Benefits Programs

Overall, Abbott's compensation and benefits are competitive with our industry peers. During our reporting period, we made a number of changes to our benefits programs. We continue to review opportunities that will apply globally, as well as those that are needed in our specific markets.

### Improving Benefits Around the World

We have introduced or improved our life, health and retirement benefits programs in a number of countries where we operate. The following are some highlights:

- In 15 countries, we increased life insurance levels.
- We began the launch of a discounted stock-purchase program for our employees outside of the United States.
- In Malaysia, the Philippines, Taiwan and South Africa, we made pension plan improvements.
- In France, our company approved a new pension plan.

### Enhancing Benefits in the United States and Puerto Rico

In 2001, we also enhanced benefits for our employees in the United States and Puerto Rico including:

- **Increased vacation time.** New hires receive three weeks of vacation, and employees are entitled to four weeks of vacation after 12 years with Abbott.
- **Increased tuition assistance.** We offer 100 percent reimbursement, up to \$5,250 per year for undergraduate and \$7,000 per year for graduate classes, with no waiting period after hiring.
- **Increased adoption assistance.** New parents are eligible for up to two weeks of paid time off and \$10,000 reimbursement for adoption costs.
- **Improved stock retirement plan.** We increased our company contribution to 5 percent of pay toward each participant's account, with full vesting after two years of employment. A change in our retirement plan from a 401(k) to an employee stock-ownership plan provides employees more flexibility in their investment options. We also provide a noncontributory pension plan in which employees are fully vested after five years of service.
- **Cash profit sharing.** All employees are eligible with full vesting upon hiring for this benefit. In 2001, we paid out \$134.4 million in profit sharing, with employees' average award being 7.2 percent or approximately 3.4 weeks of pay.



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### Employee Retention in the United States

*During this reporting period, our employee retention rate was better than the health care industry average in the United States. In 2001, we experienced a 5.1 percent voluntary turnover, which measures the number of employees who voluntarily left our company to pursue other opportunities. Our total turnover, which includes voluntary and involuntary turnover, and employees who retired, was 9.4 percent.*

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# Community Commitment: Partnering Locally and Globally



Abbott's philanthropic and humanitarian programs around the world focus on areas in which we can best make a difference in the quality of people's lives:

- Addressing global health care challenges;
- Supporting science education; and
- Building healthy, vital communities.

By leveraging our financial contributions, core expertise, products and people, we address issues that matter most to our neighbors and customers around the world.

Through partnerships with diverse organizations, we are making positive changes. During 2001, the value of Abbott-donated products, as well as Abbott employee and Abbott Laboratories Fund contributions, exceeded \$135 million.

## Tackling Global Health Care Challenges

Abbott is engaged in addressing a number of global health care challenges. The following are examples of some of the programs we have developed.

### **Battling the AIDS Crisis**

Nearly 40 million individuals are infected with HIV worldwide and roughly 95 percent of these individuals live in the developing world.\* Abbott committed to the fight against HIV/AIDS soon after the virus was first identified, and our involvement in this problem has expanded as the tragedy of the pandemic has deepened. In 1985, we introduced the first licensed test to detect HIV in blood. In the years since, we have continued our leadership in HIV diagnostics and expanded our scientific commitment into therapeutics, discovering and developing both **Norvir** (ritonavir), one of the first HIV protease inhibitors and **Kaletra** (lopinavir/ritonavir), a powerful second-generation protease inhibitor. Currently, Abbott has a next generation protease inhibitor in preclinical testing.

\* Report on the Global HIV/AIDS Epidemic, UNAIDS, 2002



Consistent with our mission, Abbott is committed to helping address the HIV crisis in Africa and Least Developed Countries as defined by the United Nations. Our approach is to capitalize on Abbott's unique expertise, portfolio and resources, and to partner with organizations with local knowledge and on-the-ground experience in the developing world. We listened to the perspectives of experts – the World Health Organization, health officials, physicians and non-governmental organizations (NGOs) – and learned from their experiences fighting HIV in Africa. Our partners include Axios International, a public health consultancy; and international NGOs such as the Elizabeth Glaser Pediatric AIDS Foundation, the International HIV/AIDS Alliance and the Baylor College of Medicine/Texas Children's Hospital.

#### **Abbott Access**

In 2001, we launched Abbott Access to provide our company's protease inhibitors and rapid diagnostic test to 68 countries, covering all of Africa and the Least Developed Countries, at no profit to Abbott. Our Abbott Access program is available to any organization or institution that provides products to patients as part of a sound and sustainable program of care. Working closely with Axios International, we provide technical assistance to these organizations to ensure counseling, stock management and necessary therapy monitoring are part of their programs. Currently, hundreds of organizations in Africa are purchasing our products under Abbott Access, including the following: United Nations agencies, hospitals, pharmacies, private clinics, companies and NGOs. Abbott Access continues to receive a high level of interest from many programs, and we are working to expand our reach in Africa.

Find out more about our program by visiting [www.accesstohivcare.org](http://www.accesstohivcare.org).



### ***Step Forward ... for the world's children***

Today, some 14 million children are orphans as a result of AIDS worldwide.\* It is projected that the number of AIDS orphans in Asia, Latin America and Africa will rise to more than 25 million by 2010.\*

*Step Forward ... for the world's children* was created in 2000 by the Abbott Laboratories Fund to improve the lives of orphans and vulnerable children affected by HIV/AIDS. *Step Forward* funds model programs in Burkina Faso, India, Romania and Tanzania in four critical activities: health care, voluntary counseling and testing, education, and the provision of basic needs.

For more information about *Step Forward*, please visit our Web site at [www.stepforwardforchildren.org](http://www.stepforwardforchildren.org).

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#### *Step Forward in Tanzania*

*In Tanzania, an estimated 1.5 million people are living with HIV/AIDS.\* In some areas, one out of every four pregnant women has AIDS,\* resulting in the birth of approximately 60,000 HIV-positive children each year.\*\* AIDS has orphaned more than 800,000 children, and this number is estimated to double by 2005.\**

*Since Step Forward's program in Tanzania became operational in June 2001, the program has focused on building the local government's capacity to provide services to children coping with HIV. Step Forward and the government are working together to establish standards for orphanages and guidelines for the identification of relatives of orphans. Infrastructure improvements are underway in villages, such as reconstruction of roads, and the renovation of homes for orphans, health facilities and schools.*

*One such school to benefit is located in Rungwe, a district hard-hit by AIDS. Until recently, the Kipande School located there did not have adequate facilities and resources, and children attended irregularly. A grant from Step Forward was used by the community to renovate classrooms, add a new school kitchen and dining hall, and provide supplies for the teachers and children. Within one year, attendance rose from 50 percent to 94 percent, and the school's academic ranking soared to number one in its district.*

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\* Report on the Global HIV/AIDS Epidemic, UNAIDS, 2002

\*\* HIV/AIDS in Tanzania: A USAID Brief, USAID, 2002



*“Abbott’s Step Forward program arrived with a focus on children at a crucial time when the International HIV/AIDS Alliance and many of our partners were recognizing that we need to do more.”*

*– Jeffrey O’Malley, Executive Director, International HIV/AIDS Alliance*

### **Patient Assistance Program, United States**

Abbott's Patient Assistance Program was launched in the United States in 1996 to increase access to our pharmaceutical products for people in financial need. Through this physician-based referral program, Abbott provides eligible patients with a number of drugs, including those for cardiovascular disease, metabolic disorders and infectious disease. In 2001, this program provided approximately \$40 million worth of free medicine to 85,000 patients, including many senior citizens.

### **Product Donation Program**

Established in 1980, Abbott's product donation program supports humanitarian programs, disaster relief and special medical missions around the world with appropriate pharmaceutical, nutritional and hospital products.

In 1996, the World Health Organization established product donation guidelines, which have become the standard for our program. Abbott is also a member of the Partnership for Quality Medical Donations, a not-for-profit organization of pharmaceutical and medical supply companies and humanitarian relief organizations based in the United States. The Partnership works to raise the standard of medical donations programs to meet the needs of underserved populations and disaster victims around the world.

To date, our company's product donation program has contributed products valued at hundreds of millions of dollars to leading international relief agencies with demonstrated expertise in getting these products to people in need. Some of the organizations we supply include AmeriCares, Catholic Medical Mission Board, MAP International, Project Hope and Direct Relief International. Our partners, in turn, work with other reputable agencies within affected areas to ensure products assist where they are needed most.

During 2000 and 2001, Abbott, through our partners, provided products to people affected by floods in Mozambique, Madagascar and Cambodia; famines in Ethiopia and Korea; a tornado in the United States; the dengue fever epidemic in El Salvador; Hurricane Keith in Central America; and earthquakes in India and El Salvador. We also supported approximately 1,000 medical missions around the world.

*"The shipment of sevoflurane arrived today. Words cannot adequately express our appreciation of Abbott Laboratories' and AmeriCares' contribution of the sevoflurane to our 2001 mission to Mazatlan in Mexico."*

- Linda S. Magill, M.D., Volunteer Anesthesiologist, Operation San Jose Project, Houston, Texas, USA

## September 11<sup>th</sup>

Abbott also marshaled resources in response to the September 11, 2001 terrorist attacks on the World Trade Center in New York City and the Pentagon in Washington, D.C., USA. In partnership with the National Guard and police escorts, we delivered more than 80 truckloads of vital medical supplies and blood from Illinois blood banks to hospitals in the affected cities. We also donated nutritional bars and eye drops to rescue workers. In addition, the Abbott Laboratories Fund contributed more than \$2 million to the American Red Cross, AmeriCares and the September 11<sup>th</sup> Fund. We also contributed to the American Veterinary Medical Foundation to support veterinary rescue teams that administered medical treatment to more than 1,000 search and rescue dogs at “Ground Zero.”



## Helping Prepare a Nation

Abbott joined with other companies in the pharmaceutical industry to offer support to the government of the United States in the wake of the anthrax tragedy in 2001. As part of our readiness plan, we offered the expertise of our leading scientists, as well as our manufacturing and delivery systems, to assist federal and state government teams in responding to this threat. Abbott is committed to providing supplies of our antibiotics free of charge if approved for use against anthrax by the United States government.

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## 2002 Highlights

### *Update on International HIV/AIDS Programs*

*We implemented further price reductions for **Kaletra** and **Norvir** through Abbott Access, making them available at a loss to Abbott. We also launched a program to donate up to 20 million **Determine HIV** rapid diagnostic tests over the next five years. These tests will benefit programs in Africa and Least Developed Countries aimed at preventing mother to child transmission of HIV. We are also working with the government of Tanzania to further strengthen the capacity of its national health care system to treat and care for HIV patients.*

### *The Together Rx™ Card*

*We became a founding member, along with several other major pharmaceutical companies, of the Together Rx™ Card in the United States and Puerto Rico. This program offers qualified seniors on Medicare point-of-sale savings on more than 150 pharmaceuticals. At the time of this report's publication, over half a million members had enrolled in the program. More information is available at the program Web site: [www.Together-Rx.com](http://www.Together-Rx.com).*

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*“Camp Invention’s innovative programming is designed to foster creativity, teamwork and problem-solving skills, as well as to turn kids on to science and inventing. An additional impact from our programming is the training benefit of teachers being immersed in a hands-on, inquiry-based learning classroom setting. With Abbott’s help, we’ve been able to continue to expand our program and bring it to more kids and teachers across the country.”*

— Jeffrey A. Saxon, President and Chief Executive Officer, Camp Invention

## Supporting Quality Science Education

As a science-based organization, our education strategy is focused on academic areas from which we will recruit our skilled employees of the future. We support science, math, environmental and technical education programs for students in kindergarten through post-graduate school. This strategy includes special efforts to identify and support programs that encourage minorities, women and other underrepresented groups to pursue careers in science.

### Academic and Enrichment Programs

- For more than seven years, we have sponsored middle-school teachers to attend the Key Issues Institute, Keystone Science School’s national teacher training workshop, in Keystone, Colorado, USA. In 2000 and 2001, we sponsored the participation of approximately 15 science educators at this week-long program that presents new ways to address current environmental issues in the classroom.
- As part of the Illinois Mathematics and Science Academy’s 2061 Project, we sponsored a two-day workshop for Lake County, Illinois and Kenosha, Wisconsin schools to help educators better understand and use the tools, research and best practices of education reform. The project is a long-term initiative to reform K-12 education across the United States to ensure all high school graduates have adequate grounding in the sciences.
- Camp Invention, a week-long summer camp, is a joint educational outreach project of the United States Patent and Trademark Office and Inventure Place, the National Inventors Hall of Fame. The project stimulates elementary-age students’ interest in science and provides a curriculum model for teachers. Abbott provided regional sponsorships for Camp Invention in a number of cities in the United States, and continues to expand sponsorship for children in urban and underserved communities.
- At our own headquarters site, we sponsor Family Science Nights, which typically bring together more than 100 Abbott families with elementary school children to participate in problem-solving activities. Abbott Science Days is another event hosted by our leading scientists and employee volunteers, which annually engages more than 350 middle school children in interactive education sessions in microbiology, engineering, chemistry and medical/pharmacy. Throughout the year, our Abbott Explorer Programs enable local high school students interested in engineering, laboratory or computer science to observe how six engineering disciplines are applied at Abbott.

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### **Learning About Nature**

*In 2000, Abbott sponsored and coordinated a field trip for 65 La Aurora Elementary School students to INBio Parque, a 20-acre park near San José, Costa Rica that combines interpreted nature trails with multimedia technology. The trip enabled the children to learn more about a range of living ecosystems, from tropical humid forests to native forests, and the inhabiting wildlife and plant life. The park is operated by the Instituto Nacional de Biodiversidad (INBio), a nonprofit scientific institution that promotes awareness of the value of biodiversity and conservation.*

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- For graduating high school seniors, we offer a number of scholarship programs. Working in partnership with the National Merit Scholarship Program and the Citizens' Scholarship Foundation of America, the Abbott Laboratories Fund offers four-year educational scholarships to graduating high school students at our major locations in the United States and Puerto Rico.
- Abbott Laboratories Fund also supports the Ph.D. Project, an alliance that began in 1994 to increase the diversity of business school faculties by attracting African-Americans, Hispanic-Americans and Native Americans to business doctoral programs.

### **Educational Exhibits**

To foster understanding about issues of scientific and cultural significance, during 2000 and 2001 the Abbott Laboratories Fund supported a number of exhibits and artistic works featured in museums in the United States.

Examples include:

- We became the lead sponsor for the Chicago Field Museum's permanent exhibit: Living Together: Common Concerns, Different Responses. The exhibit draws on the museum's extensive anthropology collections to help people explore and understand cultural diversity.
- We funded a number of HIV/AIDS-related exhibits in 2001, including Hope=Life: Living in the New Age of AIDS at Chicago's Museum of Contemporary Art. This series of three exhibits explored the many issues people face when coping with AIDS, and it included artwork by internationally renowned artists Gilbert and George.
- We provided a million-dollar contribution to AIDS: The War Within, a 4,000-square-foot exhibit at the Museum of Science and Industry – the first permanent exhibit on the science of AIDS. At the same museum, we were a lead sponsor of the Genetics: Decoding Life exhibit that promotes understanding about the emerging field of genetics and important scientific advances within the field. It is the first permanent genetics exhibit in the United States.
- We were a sponsor of the Corporations Inspiring Innovation program at the Tech Museum of Innovation in San Jose, California, which is aimed at inspiring the innovator in everyone.





## Building Healthy, Vital Communities

Abbott strives to be a good neighbor by contributing to the vitality and health of the diverse communities where we operate. Our employees and retirees work hard to strengthen relationships and promote dialogue with community stakeholders. We strongly encourage our employees' leadership and volunteer efforts in a number of ways – from formalized volunteer programs to funding support. These examples represent a few of the ways in which we made a positive difference in our communities.

### **Bringing Recycling to the Community**

Working closely with our neighbors to implement a local recycling program at our facility in São Paulo, Brazil was good for both the environment and the surrounding community. The Abbott recycling team coordinated the program and arranged for two recycling contractors to collect recyclables. Now, approximately 97 percent of the community residents are recycling paper, plastics, metal and glass through this weekly program. The money that is collected from the sale of these items is put toward community safety and environmental initiatives.

### **Partnering for Purer Water in Puerto Rico**

Abbott is part of The Partnership for Pure Water that aims to improve the quality, operation and infrastructure of rural communities' drinking water systems not served by the Puerto Rico Aqueduct and Sewer Authority. The Partnership's main goal is to ensure that people have access to water that complies with the latest potable water standards. Members of the Partnership also include the Pharmaceutical Industries Association, United States Environmental Protection Agency, Puerto Rico Health Department, Corporation for Rural Development and others. As members, we are helping to install chlorination equipment and related facilities for the Saltos Cabra I and II, Pellejas and Barrio Cacao communities in Puerto Rico's Orocovis municipality.

*“The community recycling program established by our team in São Paulo was not simply a nice thing to do. Abbott partnered with the community and addressed an important community need.”*

– Steven J. Lichter, Vice President, Manufacturing Operations, Abbott International



*“The pharmaceutical industry has made significant investments in our business and communities in Puerto Rico. Helping to improve the lives of our neighbors, employees and communities is the right thing to do. It builds trust and understanding.”*

*– Harry Rodriguez, Divisional Vice President, General Manager of Operations,  
Barceloneta, Puerto Rico*

# Promoting Dialogue on Important Issues

Abbott keeps abreast of pressing issues and concerns in the health care industry through research and discussions with our employees, peer companies and external stakeholders.

We recognize that our responsiveness, ongoing engagement and transparency on these issues are vital to maintaining trust and promoting mutual understanding. The following section provides our positions on a few important issues.

## Pharmaceuticals in the Environment

Trace levels of pharmaceuticals in the environment is a topic of growing public concern. Increasing sensitivity and accuracy of analytical methods that are able to detect levels as low as the parts-per-trillion range has led to the documentation of this development in a number of published technical papers. The origins of these trace amounts are believed to be predominantly related to human consumption activities.

Abbott's review of available studies and data leads us to believe that there currently is no corresponding threat to human health posed by these trace levels. We recognize, however, that a broader body of knowledge must be developed to determine the scope of the issue and verify actual impacts. We support this research, and we are working with our peer companies through Pharmaceutical Research and Manufacturers of America (PhRMA) to address these concerns.

In addition, Abbott has established a team of highly qualified, senior level environmental, safety and scientific personnel to continuously improve our worldwide strategies for minimizing releases of pharmaceutical materials from manufacturing and research activities. This team also is responsible for verifying that our activities do not pose a threat to human health and the environment.

## Care and Ethical Use of Animals in Biomedical Research

Abbott respects the unique role animals have in advancing scientific discovery, without which millions of people would not realize the benefits of the many innovative treatments available today that improve and save lives. The majority of research at Abbott that involves the use of animals is centered on drug discovery and development. Ninety-nine percent of the laboratory animals used are rodents. The company's laboratory animal research program and facilities meet regulations of the United States, European Union and other countries as applicable, including the United States Animal Welfare Act and the standards put forth by the National Research Council in the *Guide for the Care and Use of Laboratory Animals*. Our program has been accredited by the Association for Assessment and Accreditation of Laboratory Animal Care International (AAALAC) since 1975.

Abbott's Institutional Animal Care and Use Committee (IACUC) continuously evaluates and ensures the quality and humanity of the company's programs, facilities, procedures and practices. The IACUC requires all employees involved in any aspect of the animal research program to attend training that addresses the humane care and use of research animals. Abbott's approach is to employ the "3Rs" whenever possible, which include refining experimental procedures to avoid or minimize unnecessary pain or suffering; reducing the number of animals used in any tests we conduct to the minimum to get valid results; and replacing the need for animal testing through alternative research methods.

## Development of Alternatives to PVC/DEHP

Abbott Laboratories is committed to, and vigilant about, the safety of its products – as a supplier of health care products and services, and as a company whose central purpose is to deliver innovative products that advance patient care. Polyvinyl chloride's (PVC) unique properties and long history of safe use in life-saving medical products support it as the material of choice in many such products.

In developing its next generation of flexible medical devices, Abbott is actively evaluating new materials and process technology. No one material has all of the properties required for the existing range of drugs and applications. Abbott already has a number of alternatives to PVC- and the plasticizer di(2-ethylhexyl) phthalate (DEHP)-containing medical devices, and has made the necessary investment for the development of additional PVC-free alternatives that will offer innovation and value to our customers and patients through additional product features and enhanced performance. We expect to begin introducing these products to the marketplace starting in 2003, with an expanded alternative product line available by 2010.

In response to the recently published draft guidance from the FDA regarding medical devices containing DEHP, Abbott is evaluating options for product labeling, consistent with the therapies and patient groups identified as priorities in the notification. Abbott is committed to providing practitioners with adequate information about product content to allow them to make informed decisions regarding patient care.

## Biosafety

Pharmaceutical research provides promising new methods for improving human health. It enables the discovery of innovative treatments for disease and safer, more powerful medicines. We recognize that this powerful science requires constant vigilance and care in its development and application.

### Workplace Biosafety

Strong workplace programs can help mitigate biosafety risks. Abbott's Corporate Standards and division-specific programs address workplace hazards associated with infectious agents, clinical specimens, recombinant DNA (rDNA) organisms and other potentially infectious materials. These programs, which are enforced in all facilities worldwide, exceed the following established international biosafety standards:

- The World Health Organization's (WHO) *Laboratory Safety Manual*;
- The Centers for Disease Control and National Institutes of Health's (NIH) *Biosafety in Microbiological and Biomedical Laboratories*;
- The NIH's *Guidelines for Research Involving Recombinant DNA*.

Abbott's biosafety programs are developed and overseen by a team of highly qualified biological safety professionals. These programs encompass procedures, training, specialized equipment, medical surveillance and immunizations. All related policies and procedures, tools for program implementation and reference materials are made available to all employees on Abbott's internal intranet site.

In accordance with NIH's *Guidelines for Research Involving Recombinant DNA*, all proposed biological research or production projects at Abbott that involve rDNA organisms are reviewed by the Institutional Biosafety Committees (IBCs). IBC members include biotechnology experts, biological safety professionals and two community members who have no affiliation with Abbott.

### Clinical Research

Our basic research, preclinical laboratory and clinical trials are conducted with adherence to strict corporate policies and internationally recognized standards for research using humans including the International Conference on Harmonization's (ICH) *Good Clinical Practices (GCP): Consolidated Guidelines*; and the European Union Standard *EN 540 (Clinical Investigation of Medical Devices for Humans)*.

All investigations, evaluations, trials or studies that involve human subjects or specimens collected from humans must be reviewed and approved in advance by Independent Ethics Committees (IECs) and Institutional Review Boards (IRBs). These independent bodies, comprising medical, scientific and nonscientific members, also provide ongoing monitoring of clinical trials.

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*"The rights, safety and well-being of subjects are important and must prevail over the interests of science and society. Informed consent must be obtained from every human subject or their legally authorized representative prior to clinical trial participation."*

*– Excerpted from Abbott's Policy on Clinical Research Programs – Protection of Human Subjects*

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# Performance Recognition Around the Globe

During this reporting period, Abbott's efforts to continuously improve performance were recognized by a number of publications, and governmental and non-governmental organizations worldwide.

## Overall Recognition

- Since 1984, Abbott has been listed among *Fortune* magazine's prestigious ranked listing of America's Most Admired Companies.
- Abbott was ranked 157<sup>th</sup> in *Forbes* magazine's Platinum 400 list. (2001)
- Abbott was ranked 70<sup>th</sup> in *Forbes* magazine's Top 500 American Companies list. (2001)

## Environment

- The City of Austin Water and Wastewater Utility selected our Hospital Products Division in Austin, Texas, USA for an Excellence in Pretreatment Award for the fourth year in a row. (2001)
- The State of Illinois honored our multidivisional, North Chicago facility in Illinois, USA with the Governor's Pollution Prevention Award. (2001)
- The Professional Grounds Management Society selected the grounds around Abbott headquarters for its Industrial/Office Park Award. The award was sponsored by *Landscape Management* magazine. These efforts were also recognized at the annual Professional Grounds Management Association Conference with the Grand Award for Grounds Management Excellence. (2001)
- The State of Hessen granted Abbott Diagnostics Division in Delkenheim, Germany a certificate from Umweltaianz Hessen (Hessen Environmental Alliance) for voluntary commitments to environmental improvement. (2000)
- The UK Chemical Industries Association named Abbott International Division's facility in Queenborough, United Kingdom a finalist for its Responsible Care Award for environmental, health and safety performance. (2000)

- Buckeye Recyclers presented Ross Products Division in Columbus, Ohio, USA with a Platinum Environmentalist Award for efforts to divert 10,000 cubic yards of wood recyclables from landfills. This facility was also given an honorable mention by the Solid Waste Authority of Central Ohio and Keep Franklin County Beautiful, Inc. for its recycling efforts. (2000)
- The Sindh Government Floriculture Society of Karachi, Pakistan, and the Sindh Government Horticulture Society of Pakistan presented Abbott with two first prize Awards for Industrial Gardening and Flower Arrangements. In partnership with communities and government, Abbott helped to improve city environments through landscaping initiatives. (2001)

## Health and Safety

- The United States National Safety Council recognized Ross Products Division in Sturgis, Michigan, USA with their National Safety Council Perfect Record Award. (2000)
- The Illinois Safety Council awarded Abbott's multidivisional facility in Lake County, Illinois, USA with a Safety and Health Award for significant performance improvement. This same facility also won an award from the Safety Council for lowering our accident rates by 15 percent over a three year period. (2001)
- The State of New Jersey chose our facility in Whippany, New Jersey, USA for the Governor's Occupational Safety and Health Award for performance improvement. (2001)
- The National Safety Driving Commission presented Abbott's facility in Barceloneta, Puerto Rico with a Gold Category Safety Award for the fourth consecutive year in a row. (2001)

- The National Irish Safety Organization (NISO) selected Abbott's facility in Sligo, Ireland for a Regional Award for Excellence in Occupational Health and Safety for improved safety performance and effective management systems. NISO also presented our facility in Cootehill, Ireland with the National Irish Safety Organization Award for being rated number one in safety standards and procedures. For participating in European Safety Week, our Cootehill facility was also presented with a Participation Certificate by the Ireland Safety and Health Authority. (2001)
- The Puerto Rico Manufacturing Association awarded Abbott Diagnostics Division in Barceloneta, Puerto Rico a President's Award and Outstanding Safety Professional Award. (2000)
- The Instituto Nacional de Seguros (National Insurance Agency) awarded Abbott's facility in Heredia, Costa Rica with a Premio Global Preventivo Award for the second consecutive year, acknowledging the facility's outstanding safety performance. (2001)
- Abbott International Division in Buenos Aires, Argentina received the Inter-American Safety Council's Merit Award and Contest Award. (2000)
- The European Agency for Health and Safety at Work chose Abbott's facilities in Ballytivnan and Sligo, Ireland for the Management of Accident Prevention Award for demonstrating excellence in safety management programming. (2001)
- The European Safety Association selected Abbott Diagnostics Division in Delkenheim, Germany for an Exceptional Service Award. (2000)
- The Chemical Industries Association selected the Abbott International Division facility in Queenborough, United Kingdom for a Safety Award. (2000)
- The Ireland Safety and Health Authority presented Abbott with a Good Neighbor Award for our efforts to assist smaller companies with the development of health and safety programs. The Authority also presented Abbott with a Participation Certificate for partaking in European Safety Week initiatives. (2001)
- *USA Today Employment Review* chose Abbott as among its 500 Employers of Choice. (2000 and 2001)
- *Next Step Magazine* included Abbott on its Diversity 100 List of America's Most Diverse Corporations. (2000)
- *Minority MBA Magazine* selected our company for its list of top companies hiring minority MBAs. (2001)
- *Princeton Review* gave Abbott a five-star rating on its list of America's Top Internships. (2000)
- Catalyst selected Abbott for its Blue Ribbon List of Fortune 1000 Companies with Multiple Women Directors. (2001)

## Employee Programs

- Our compensation and benefits programs were recognized by the U.S. publication *Money* magazine, which ranked Abbott's benefits among the top 10 in the United States. (2001)
- We were named to a list of the 10 Best Employers in China based on an extensive survey conducted by Hewitt Associates, *The Asian Wall Street Journal* and *The Far Eastern Economic Review*. Survey responses were collected from more than 355 companies and 92,000 employees. (2001)
- *Working Mother* magazine selected Abbott for its prestigious 16<sup>th</sup> annual list of the United States' 100 Best Companies for Working Mothers. (2001)
- We received the State of Illinois Governor's Family Investment Award for creating employee programs that promote work/life balance. (2001)
- *Chicago* magazine named Abbott as one of the top five companies to work for in Chicago. (2001)

## Product Related

- The American Chemical Society and Britain's Royal Society of Chemistry presented Abbott with their prestigious International Historic Chemical Landmark Award for our large-scale development of penicillin during World War II. (2000)
- At the Industrial Design Awards, sponsored by *Business Week* magazine, Abbott was presented with the Silver Award for the innovative reclosable bottle we designed for our 32 oz. ready-to-feed Similac<sup>®</sup> infant formula. (2000)

## Diversity and Inclusion, USA

- In 2000 and 2001, *Fortune's* annual list of 50 Best Companies for Minorities recognized Abbott for the third and fourth consecutive years. In 2000, we ranked higher (38 out of 50) than any other company in our industry. For both years, Abbott's ranking was based on 15 qualitative and quantitative measures, including overall diversity programming, the number of minority workers and the implementation of a formal mentoring program for minorities.

# Engaging Stakeholders

Worldwide, we belong to and work with hundreds of organizations that enable us to gain perspective and to engage in stakeholder consultation and dialogue.

Some of these organizations include:

- Advanced Medical Technology Association
- American Arbitration Association
- Arthritis Foundation
- American Cancer Society
- American Chemical Association
- American Diabetes Association
- American Heart Association
- American National Standard Association
- Association for the Advancement of Medical Instrumentation
- Business Roundtable
- Catalyst
- Chamber of Commerce
- Chicago Council on Foreign Relations
- Conference Board
- Epilepsy Foundation
- Family Support America
- Food and Drug Law Institute
- Foundation of the American Medical Women's Association
- Global Environmental Management Initiative
- Grocery Manufacturers Association
- Healthcare Leadership Council
- International Organization for Standardization
- Juvenile Diabetes Research Foundation
- Labor Policy Association
- Mid America Committee for International Business and Cooperation
- National Association for Biomedical Research
- The National Association of Manufacturers
- National Black Caucus of State Legislators
- National Minority Supplier Development Council
- National Association of Black Engineers
- Organization Resources Counselors, Inc.
- Pharmaceutical Research and Manufacturers of America
- Partnership for Quality Medical Donations
- Society for Women's Health Research
- Work/Family Directions, Inc.
- World Economic Forum

# “We will continue to explore

how the principles of sustainable  
development can be applied to our  
business to create more value for a  
broader range of our stakeholders,  
now and in the years to follow.”

– **Miles D. White,**

*Chairman of the Board and Chief Executive Officer*



Please contact us with your questions or comments:  
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