

CHINA

CITIZENSHIP
REPORT
2012-2013



Abbott

Dear Readers,

Abbott has deep roots in China, having opened its first subsidiary here in 1937, and maintaining a continuous presence since 1988. We have grown to employ more than 4,000 people, and earn revenue of 6.78 billion RMB in 2013. We are proud to present the *China Citizenship Report 2012–2013*, our third such report highlighting Abbott's work in the country. This report describes our company's long-term commitment to responsible economic, social and environmental practices and to working in close collaboration with all of our important stakeholders – in China and around the world.

We continue to make substantial investments here – in our people and in the resources we bring to bear in addressing China's healthcare challenges. Our diverse mix of products and services address a broad range of healthcare needs – from our nutrition and pharmaceutical products to our medical devices and diagnostic equipment.

And as Abbott's business operations expand, so do our efforts to be an exemplary corporate citizen, using our business and scientific expertise to make a positive difference in the health and well-being of China's people. We categorize these efforts in terms of our three citizenship priorities:

- Delivering Product Excellence
- Improving Access
- Safeguarding the Environment

By integrating these priorities with Abbott's core business strategies, we ensure that our company can thrive locally while meeting the needs and expectations of important stakeholders.

We maintain an active dialogue with our stakeholders, which is key to achieving our corporate citizenship goals. We work to strengthen the connection between Abbott and key Chinese stakeholder groups, which include:

OUR EMPLOYEES

At Abbott, we regard employees as our greatest asset. We work to ensure their health and safety, and support them in achieving work-life harmony and building rewarding careers.

GOVERNMENT

Abbott is committed to complying with all relevant laws and regulations and to working in concert with the government to enhance the health and well-being of China's people.

HEALTHCARE PROFESSIONALS

We maintain responsible partnerships with China's hospitals, healthcare providers, lab technicians, research centers and other key players in the nation's healthcare system.

CONSUMERS

We strive to deliver safe, effective healthcare and nutritional products that address the needs of Chinese consumers.

SUPPLIERS, DISTRIBUTORS AND RETAILERS

We work with a broad range of suppliers, distributors and retailers in China to meet the highest standards of manufacturing, social responsibility and ethical behavior.

COMMUNITIES

Making strong, positive contributions to China's welfare is essential to our company's ongoing success. We want to be a good neighbor and an exemplary corporate citizen.

Thank you for taking the time to read this report and to learn more about our citizenship commitment and activities. Abbott will continue to report on the progress we make in addressing China's important healthcare needs.

SENIOR MANAGEMENT TEAM

ROGER BIRD

*Divisional Vice President,
China and Hong Kong,
Abbott Nutrition
International*

RENAUD GABAY

*General Manager, Established
Pharmaceuticals Division*

KENNY LAM

*General Manager, Abbott
Diagnostics Division*

BRIAN CHEN

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HELEN SHEN

*Plant Manager, Established
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FREEMAN ZHENG

*Country Manager, Abbott
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PAUL TAN

*General Manager,
Abbott Vascular*

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*Senior Director, China
Supply Chain and Operations
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Nutrition Supply Chain*

DENLY DENG

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Jiaxing Plant*

JACK ZHANG

*Site Director, Abbott Medical
Optics, Hangzhou Plant*

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About Abbott

NET SALES

\$21.8
BILLION

R&D INVESTMENT

\$1.45
BILLION

EMPLOYEES WORLDWIDE

69,000

GLOBAL REACH

150
COUNTRIES

Abbott is a global healthcare company devoted to helping people live fuller lives through better health. With a portfolio of leading, science-based offerings in diagnostics, medical devices, branded generic pharmaceuticals and nutritional products, Abbott serves people in more than 150 countries and employs approximately 69,000 people.

In China, our headquarters are located in Shanghai, and we employ more than 4,000 people. Abbott provides a broad range of diagnostics, medical devices, branded generic pharmaceuticals and nutritional products. In China, Abbott has 10 offices, three plants and two R&D centers covering our nutritional and diagnostics businesses. Primary locations in China include Shanghai, Beijing and Jiaying.

Since 2010, Abbott has increased our investment in manufacturing and product development in China to ensure our products and services meet the needs of China, from prevention and diagnosis, to treatment and recovery. In 2014,

Abbott opened a state-of-the-art nutrition manufacturing plant in Jiaying, a 1.4 billion RMB investment, which is Abbott's largest investment in China to date.

We have also enhanced our R&D capability in China. We have set up two R&D centers in Shanghai, and through local clinical trials and operations, as well as capacity building, our R&D competency in the country has greatly improved. Collaborating with Abbott's other R&D facilities, we are committed to addressing global healthcare challenges through innovation.

Aside from our business achievements, we are equally committed to furthering community development throughout China. The Abbott Fund, the philanthropic arm of Abbott, invests in ideas that promote science, enhance access to healthcare and strengthen communities. In 2013, Abbott and the Abbott Fund donated 16.34 million RMB to charitable causes in China.

ABBOTT IN CHINA

10 OFFICES

 SHANGHAI

 HANGZHOU

 BEIJING

 SHENYANG

 NANJING

 WUHAN

 CHENGDU

 XIAMEN

 SHENZHEN

 GUANGZHOU*

3 PLANTS

 SHANGHAI

 JIAXING

 HANGZHOU

2 R&D CENTERS

 SHANGHAI

*The Guangzhou plant was closed in 2014; the Abbott office remains open.

We continue to invest in China. One recent example: our new, state-of-the-art, 1.4 billion RMB nutrition manufacturing facility in Jiaxing – our largest investment in China to date.



**OUR APPROACH
TO CITIZENSHIP**



At Abbott, we work to integrate our citizenship strategy with our core business strategy.

Our commitment to citizenship is built on a strong foundation of stakeholder engagement.

In developing our new strategy, we have sought to build upon and strengthen our long and distinguished record of making responsible business a fundamental part of the way we operate.

We call our new approach “Finding the Upside.”



Finding the Upside

At Abbott, we believe that innovative, responsible and sustainable business practices are essential to building a healthy, thriving society. We strive to foster economic, environmental and social well-being in all of our activities.



Our products are designed to help individuals lead healthier lives.

It starts with responsible and sustainable business practices. We believe in doing business in the right way and for the long term – for the benefit of the many people we serve. We see responsible, sustainable business practices as essential to our continued growth and to China's continued growth and prosperity.

We can't tackle every healthcare challenge. But what we can do is address the critical issues that best match our scientific expertise, business acumen and unique resources, applying ingenuity and innovation to find the best answers.



Our business is designed to help communities grow and prosper.

By building a more inclusive business, we aim to reach more people in more places than ever before. From strengthening the capacity of our suppliers to creating products that address China's health needs, we constantly find new opportunities to expand the positive impact of our people, products and businesses.

Knowledge and optimism are resources that grow in value the more they are shared. Healthy economies contribute to healthy communities. Opportunity is contagious. It's a way of doing business. It's a way of solving problems. It's a way of realizing our potential by helping others realize theirs.

That's the Upside.



That's how we work together.

Our Strategic Priorities

As our business in China continues to grow, so will our work to enhance the impact of our citizenship activities. Working in concert with our stakeholders, we will continue sharing our expertise and resources to improve the health and well-being of China's people.

In China, we redefined our strategic citizenship priorities to better address the nation's healthcare needs.

These new priorities include:



DELIVERING
PRODUCT
EXCELLENCE



IMPROVING
ACCESS



SAFEGUARDING
THE ENVIRONMENT

These are the material areas where our core business can have a significant impact on society and the environment. Our approach to citizenship enables us to deliver positive results in each of these priority areas by identifying opportunities to create shared value, and engage and invest in communities, all while ensuring we operate as a responsible and sustainable business.

Corporate Citizenship Governance

Abbott's commitment to good citizenship starts at the top of our company. Our board of directors and senior management play an active role in valuing and championing Abbott citizenship activities around the world.

In China, we have a full-time Global Citizenship and Policy manager, who is responsible for coordinating our 60-member China Citizenship Working Group and for integrating our citizenship and business strategies.

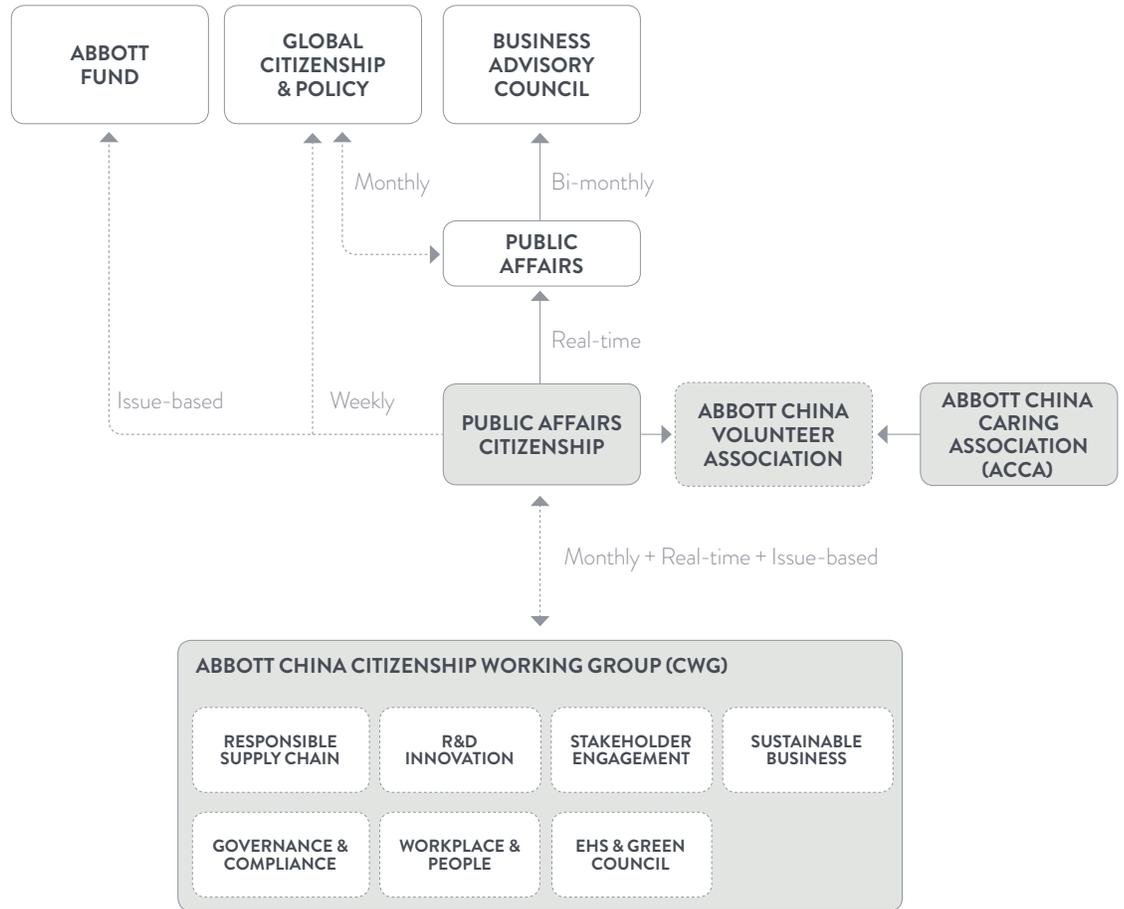
In 2012 and 2013, the China Citizenship Working Group focused on core social responsibility issues. These included stakeholder engagement; sustainable business; and research, development and innovation. We worked to localize our citizenship policies, develop toolkits and related policy guidelines, build a platform for citizenship exchange, organize community activities, and establish incentive policies for employee participation.

Abbott is an active participant in the global dialogue on health. Listening to our stakeholders and responding thoughtfully to their concerns and ideas is vital to our success as a business – and to our progress in citizenship. In addition, stakeholder insights, gathered through one-on-one engagement or through wider forums, help us to develop new products and services to address China's unmet health needs. They help us educate China's consumers, healthcare professionals and others about emerging diseases and treatment options, and help us to understand how and where our company can make a difference.

Like Abbott operations globally, Abbott in China and our citizenship committee follow a well-defined stakeholder engagement plan that guides us in setting local engagement strategies.

Engaging Our Stakeholders

CHINA CITIZENSHIP WORKING GROUP ORGANIZATIONAL STRUCTURE



STAKEHOLDERS	KEY INTERESTS	METHOD OF COMMUNICATION
GOVERNMENT	<ul style="list-style-type: none"> • Value pricing • Access to healthcare • Business ethics and compliance • Solving medical problems through cooperation • Regional disparity in healthcare standards 	<ul style="list-style-type: none"> • We cooperate with government on pricing policy • We work as a proactive partner regarding government priorities and policies • We develop policies to promote ethical and responsive engagement
HEALTHCARE PROFESSIONALS	<ul style="list-style-type: none"> • Innovative research and development • Proper product use • Quality, safety and efficiency of products • Responsible, ethical behavior (ethical marketing practices) • Introduction of cutting-edge technology, tools and training 	<ul style="list-style-type: none"> • We provide hardware and software support for hospitals • We engage with HCPs through educational programs, research partnerships and daily clinical practice • We organize medical-related conferences • We share our advanced research methodologies by collaborating with hospitals • We develop policies to promote ethical and responsive engagement
PATIENTS AND CUSTOMERS	<ul style="list-style-type: none"> • Availability of products that are safe and effective • Value pricing • Access to information about diseases • Effective treatment 	<ul style="list-style-type: none"> • We enhance products and service management • We listen to issues raised by patients and consumers • Increased awareness and education of patients about product safety and quality
SUPPLIERS	<ul style="list-style-type: none"> • Procurement compliance • Ethics, labor laws and health and safety • Support for small and diverse suppliers 	<ul style="list-style-type: none"> • Supplier auditing and training • We maintain a strong supplier social responsibility program
LOCAL COMMUNITIES	<ul style="list-style-type: none"> • Support to community development • Support to disadvantaged groups • Corporate volunteer participation 	<ul style="list-style-type: none"> • We conduct Abbott Family Science programs • We provide charitable healthcare services • We are a member of Women's Network Against AIDS–China • We conduct employee volunteer activities
EMPLOYEES	<ul style="list-style-type: none"> • Opportunities for personal growth and professional development • A comprehensive training system • Employee communication • A healthy and safe workplace 	<ul style="list-style-type: none"> • We offer attractive salaries and benefits • We provide diversified training opportunities • We improve employees' physical and mental health • We carry out a variety of employee activities
NON-GOVERNMENTAL ORGANIZATIONS (NGOs)	<ul style="list-style-type: none"> • Community health service • Reducing environmental impact 	<ul style="list-style-type: none"> • We participate in NGO research • We organize and participate in NGO-related conferences and seminars • We carry out collaborative projects with NGOs

OUR
PRIORITIES



Abbott in China is committed to advancing people’s health and well-being. We call it our “Promise for Life.” We uphold that promise by turning science into caring – with high-quality pharmaceuticals, medical devices, diagnostics and nutritional products. We work in partnership with China’s government and professional institutions to introduce advanced devices and medical procedures; to support healthcare professionals and customers; and to raise the level of healthcare practice and awareness.

Delivering Product Excellence

NUTRITION

Abbott Nutrition has developed and manufactured key nutritional products that advance the health and well-being of people of all ages. Our products have been clinically proven to help infants, children and adults, especially those with severe health problems and special nutritional needs.

PEDIATRIC NUTRITION

Our key pediatric nutrition brands in China include:

- *Similac*® *YAPEI QINTI*™—Contains a new formulation and employs 3 YAPEI QINTI™ technologies. Very mild and actively absorbable for babies.
- *Eleva*™—Innovative “intelli-absorption structure.” Manufactured by Abbott in Europe.
- *Essence*™—Imported from Europe. Advanced High Q +Shield 100™ formula supports baby’s growth.
- *Similac*® *SimplePac*—Manufactured in and fully imported from the U.S.
- *PediaSure Complete*™—Complete nutrition supplement that provides kids with sufficient nutrition to boost growth and immunity, especially for picky eaters.

- *Similac Total Comfort*™—Hypoallergenic formula plus low lactose is easy to digest and recommended for diarrhea, fussiness and gas due to lactose sensitivity. Plus palm olein free and no palmitic acid contained. Formulas with no palm olein oil have been shown to promote softer stools.
- *Similac*® *Mom*—Supports the different nutrition needs of different stage moms with the superior High Q +Shield 100™ formula.
- *Similac*® *Sensitive*™—Low lactose infant formula.
- *Similac*® *NeoSure*—The brand for premature babies.

THERAPEUTIC NUTRITION

Backed by science, Abbott develops products addressing the diversified nutritional needs of patients with different conditions.

Our key therapeutic nutrition brands in China include: *Ensure*® *Rx*, *Ensure*® *NG*, *Glucerna TF*®, *Glucerna SR*® and *Jevity*®.

ESTABLISHED PHARMACEUTICAL PRODUCTS

Abbott's Established Pharmaceuticals Division (EPD) is focused on helping make the world a healthier place by bringing the benefits of a growing portfolio of high-quality, trusted pharmaceutical brands to much broader patient populations.

In China, EPD aims to become a trusted partner by providing high-quality medicines and branded generic pharmaceuticals to broader patient populations across the country. We offer medicines across a wide range of therapeutic areas:

- **Gastroenterology and hepatology:**
Transmetil, Creon, Duphalac, Elthon, Diclet, Klacid, Hidrasec
- **Cardiovascular health and urology:**
Lipanthyl, Teveten, Hytrin, Rytmonorm, Isoptin SR
- **Women's health:** *Duphaston, Femosten*
- **Central nervous system:** *Luvox*
- **Vaccine:** *Influvac*

DIAGNOSTICS

As a global leader in in vitro diagnostic products and technologies, Abbott Diagnostics has 22,000 institutional clients in more than 100 countries, providing key customers like hospitals, reference laboratories, blood banks and dispensaries with a range of innovative instrument systems and detection methods. Using Abbott Diagnostics products, customers can implement automated inspection that is convenient, cost-effective and flexible. Chinese healthcare professionals use Abbott's innovative diagnostic instrumentation systems and tests for early identification, diagnosis and treatment of diseases.

Our focus is on advancing diagnostics by investing in ground-breaking science to improve patient care, continually enhancing the quality and reliability of our tests and instruments, and expanding our automation, informatics capabilities and solutions for our laboratory customers.

Abbott develops customized solutions based on the needs of our customers. We believe every laboratory is unique, and we provide options to enhance lab performance and processes for laboratories of all sizes.

Abbott's broad range of diagnostic instruments and tests diagnose and monitor a wide array of serious health concerns. The cornerstone of the global diagnostics business is immunodiagnosics, the science of measuring the precise lock-and-key antigen/antibody reactions to detect diseases and other medical conditions.

Clinical areas served by Abbott's diagnostic tests and instrument systems include: cancer, diabetes, therapeutic drug monitoring, blood chemistry and hormonal monitoring, drug abuse testing, heart disease, hepatitis, HIV/AIDS, chlamydia, gonorrhea, toxoplasmosis, kidney disease, prostate cancer, respiratory disease, rheumatoid arthritis, thyroid conditions, pregnancy and fertility.

MOLECULAR DIAGNOSTICS

As a leader in molecular diagnostics, we provide physicians and researchers with DNA, RNA and related molecular diagnostics products. Hundreds of our scientists at our global headquarters are engaged in the development of new products in the clinical area, for disease diagnosis at an early stage, adopting appropriate treatment solutions and monitoring their curative effect. We offer more than 450 molecular diagnostic products for infectious diseases (e.g. hepatitis and HIV/AIDS), tumor genomics (cervical carcinoma screening), transplantation and automation. These wide product lines offer a variety of technologies to provide faster and more accurate results for hospitals and healthcare organizations.

INTRODUCING INTELLIGENT DIAGNOSTIC DEVICES

Improving the quality and availability of diagnostics is an important part of China's current healthcare reform efforts. Accordingly, Abbott Diagnostics has introduced AbbottLink, a state-of-the-art intelligent system for remote diagnosis. Using the latest cloud computing technology, AbbottLink is able to detect potential risks and send them to our customer support center, where Abbott technicians solve problems in real time, without the need to suspend the use of our devices. The installation of AbbottLink effectively safeguards efficient operation and digital management of these devices.

POINT OF CARE

Abbott Point of Care supplies clinicians with more than 20 test items for more than 20 diagnostic areas, including electrolytic, biochemicals, blood gas, cardiac and renal function markers, providing real-time, lab-quality results within minutes to accelerate the patient care decision-making process. Our key customers are hospital clinicians and laboratories.



450

Over 450 molecular diagnostic products

DIABETES CARE

The Abbott diabetes team produces blood glucose monitoring systems for use at home or in hospitals. Key brands include *Freestyle Freedom* and *Optium Xceed*, offering accurate testing results. Our customers are hospitals, pharmacies and consumers.

With more than 10 years of experience in the China diabetes monitoring market, Abbott's diabetes care business unit is constantly innovating and striving to find ways to improve the lives of individuals living with diabetes. We are committed to improving the glucose testing experience for diabetes patients and helping to reduce diabetes complications.

VASCULAR PRODUCTS

Abbott Vascular is a world leader in the manufacture of medical devices, offering hospitals world-class, innovative products in China. Key product lines include stents, balloon dilatation catheters, guide wires and vessel closure devices for the treatment of coronary heart disease and peripheral vascular diseases. Our key customers are interventional cardiologists, vascular surgeons and interventional radiologists.

MEDICAL OPTICS

Abbott's Medical Optics business offers a comprehensive portfolio of cataract, refractive and eye care products. Products in the eye care line include disinfecting solutions, enzymatic cleaners, lens rewetting drops and artificial tears, which are manufactured in our Hangzhou plant. Key customers are hospitals and pharmacies.

Improving Access

Abbott has long been committed to providing the right solutions for China's rising healthcare challenges. We work to share our expertise and best practices in setting up training systems for healthcare professionals, and exploring standard medical models.

RAISING THE PATIENT SAFETY MANAGEMENT LEVEL OF MATERNITY AND CHILD CARE CENTERS

In 2013, to raise the patient safety management level of maternity and child care centers, Abbott in China launched the Patient Safety Management Program in partnership with the National Center for Maternal and Child Health Care, affiliated with the Chinese Center for Disease Control and Prevention.

After establishing a panel of experts, the program introduced advanced international concepts, technologies and patient safety management expertise for exchange with leading international patient safety management institutions.

After the completion of the new guidelines, the program will be expanded to key Chinese maternity and child care centers. This will be accomplished by training a set of trainers. Selected trainees from provincial and municipal maternity and childcare centers will be trained as patient safety management experts. They in turn will deliver trainings to other staff from maternity and child care centers within their regions.

SUPPORTING DIAGNOSIS AND TREATMENT MANAGEMENT OF CORONARY HEART DISEASE

Cardiovascular disease (CVD) is common in China. According to the *China Cardiovascular Disease Report 2012*, published by the National Center of Cardiovascular Disease, 290 million Chinese people suffer from CVD. Indeed, someone in China dies of cardiovascular disease every 10 seconds. As a result, the workload of China's healthcare professionals is greatly increasing, and the diagnosis and treatment management of cardiovascular disease needs improvement.

In June 2012, Abbott Vascular and the National Institute of Hospital Administration developed a three-year project to enhance the quality of coronary diagnosis and treatment technologies in China – and to promote relevant training for healthcare professionals. Based on the Ministry of Health's access system for coronary intervention, this program attempts to upgrade maintenance of China's coronary intervention registration system; expand tutor teams; and support education conducted at coronary intervention training bases. It also will implement online teaching that is more efficient and standardized than current practices. Program goals include raising medical quality and coronary intervention levels; improving the certification, quality control and training systems of coronary diagnosis; and exploring standard job management for cardiovascular professionals in China.

SUPPORTING PATIENTS AND CONSUMERS

The rapid development of nutritional and medical science has put new focus on the role nutrition plays in people's health – especially the health of pregnant women, new mothers and infants. However, large numbers of Chinese people still lack access to better nutrition and to adequate nutrition education. We are acutely conscious of these problems, and we are using our expertise and resources to advance the availability of nutrition products and information.

NUTRITION PROGRAM FOR THE PERINATAL PERIOD

The Nutrition Program for the Perinatal Period – a joint undertaking by Abbott and the Chinese Ministry of Health (MOH) – was initiated in 2009. It aims at sharing nutrition and healthcare knowledge before and after pregnancy to emphasize the importance of nutrition; improve the health condition of newborn children; and reduce the birth defect rate. We have built perinatal nutrition demonstration bases in 46 key maternal and childcare service centers across China.

Given the program's great success, Abbott and the MOH announced the second phase of a three-year Nutrition Program for the Perinatal Period (October 2011-December 2015). To provide additional training for healthcare professionals, the program added special courses for pregnant women and new mothers. One year after the second phase, the program spread to eleven provinces and nearly 300 new hospitals, benefiting more than 800,000 pregnant women.

PROFESSIONAL SUPPORT TO PREEMIE CARE PROGRAM

Preterm birth is defined as the birth of a baby of less than 37 weeks gestational age. Premies usually face such challenges as insufficient nutrient reserves; hypoplasia of musculature and the gastrointestinal tract; and easy infection due to the prematurity of the digestive system and the immune systems. Many parents of premies lack adequate knowledge of their babies' feeding and healthcare needs. In 2011, Abbott launched the "Call Center Professional Support to Premie Care Program," aimed at providing consulting services to parents of premies by senior experts. The call center gained international Contact Center – Capability Maturity Model (CC-CMM) certification in 2012. So far, 35,600 parents of premies have called for help.

INTELLIGENCE TRAINING PROGRAM

The first three years of life are critical to a child's development. Working with the Professional Committee of Child Development, an affiliate of the Chinese Association for Improving Birth Outcome and Child Development, Abbott has launched a new Intelligence Training Program. It aims at assisting maternity and child healthcare professionals who help parents acquire scientific, early training methods that promote infants' comprehensive development in intelligence, physical ability and personality.

The Intelligence Training Program was developed with the help of leading early education experts in China. It addresses Chinese parents' need for valuable early education and is a direct response to the World Health Organization's call for more early education programs in China. This program has had a widespread impact. By the end of 2013, it had benefited more than 2,000,000 Chinese families.

TRAINING MEDICAL PROFESSIONALS

China's healthcare professionals are at the leading edge of healthcare reform. They know best about the quality, safety and efficacy of our products, and they provide us with important feedback, including the imbalances that exist in medical care from one Chinese province to another. We work actively to support the training of these professionals through a range of research and clinical practices.



“China Crossroads Institute provides Chinese healthcare professionals a valuable opportunity for access to state-of-the-art devices and technologies for vascular disease treatment as well as meeting international leading physicians in this field. We hope Chinese healthcare professionals take this opportunity to advance medical technologies in China and help patients with vascular diseases.”

PROFESSOR HUO YONG

Doctoral Supervisor and
Chairman Candidate
of Cardiovascular Physicians’
Association CMA

China Crossroads Institute

In October 2011, Abbott announced the opening of the China Crossroads Institute, a state-of-the-art training and education center in Shanghai. The program features opportunities for intensive learning and experience-sharing between medical peers and recognized experts in interventional care. The institute utilizes advanced equipment and provides multidisciplinary training in coronary, endovascular and structural heart interventions for healthcare practitioners in a number of specialties to benefit patients with vascular diseases.

Training courses are developed by an independent advisory board of leading healthcare professionals and renowned faculty members. Training takes place in small group sessions and is conducted by international faculty. Nearly 1,000 healthcare professionals and instructors participated in these training sessions in 2012.

Partner Assistance Program

One of China's key healthcare challenges is the disparity in standards that exists between cities and rural areas. Improving China's rural healthcare is an urgent priority.

In February 2010, the Chinese Society of Laboratory Medicine initiated a program to advance clinical laboratory technologies through partnerships between urban and rural hospitals. This program provides free training opportunities for healthcare professionals in urban and rural areas. Two to three training bases will be built in select provinces to serve as platforms for partner assistance. The Abbott Diagnostics Division is an active participant. By the end of 2013, Abbott had supported training in eight provinces, including Liaoning, Jiangxi and Guangdong, with 1,124 rural healthcare professionals having participated in the program.

Promoting Peer Exchange

The increasing prevalence of modern lifestyles in China has been accompanied by the spread of once uncommon diseases. As a result, the nation's healthcare professionals need far more knowledge of these diseases – from diagnosis to treatment and management. In response, Abbott has initiated a range of training programs and symposiums for healthcare providers throughout China.

Promoting Diagnostic Technology Exchange

Advanced diagnostic technologies can accurately detect health risk at the early stages of disease, helping doctors identify the right treatments and, therefore, reduce potential complications and treatment costs. The Medical Reform Plan of the Chinese Government's 12th Five-Year Plan emphasizes the importance of enhanced diagnostic technologies. As part of our efforts to advance these technologies, Abbott organized “Turning Science into Caring – the Fifth Annual Abbott Asia-Pacific Laboratory Symposium in Shanghai” in October 2012. More than 500 experts and scholars from China and abroad attended the symposium, sharing knowledge, experience and best practices in the field of diagnostics.

Providing Academic Support

Hyperglycemic crisis, an acute complication of diabetes, is increasingly common among the growing number of diabetic patients in China; many die from misdiagnosis. In response to this problem, Abbott and the Chinese Medical Association have published *Guidelines for Diagnosis and Treatment of the Hyperglycemic Crisis in China*. It tells healthcare professionals how to control related risks and save patients. Nearly 5,000 professionals in the diabetes field received systematic training in the guidelines at the 16th National Symposium of the Chinese Diabetes Society in 2012. In 2013, we joined the Endocrine Society of the China Medical Association in co-authoring *Expert Consensus on Medical Nutrient Treatment of Diabetes*.

Innovative Methods of Peer Exchange

As a leading innovator in ophthalmology, Abbott Medical Optics (AMO) works to advance academic exchange, especially with regard to cataracts. AMO created a 3D video on cataract surgery for the 2012 annual congress of China's National Ophthalmological Society, featuring the world's leading ophthalmologists. The novel video, which explained cataract surgery in detail, was viewed by some 200 ophthalmologists from around the country.

Improving Healthcare Devices and Technology

In addition to providing high-quality products and promoting peer exchange, Abbott also continues to invest in China's healthcare infrastructure, introducing a wide array of advanced facilities and medical procedures in China.

The Abbott Fund Institute of Nutrition Science

The Abbott Fund Institute of Nutrition Science (AFINS) is the result of a unique partnership between the Abbott Fund, the nonprofit organization Project Hope and Shanghai Children's Medical Center (SCMC). This collaborative partnership creates a "Center of Excellence" at SCMC to improve clinical pediatric nutrition practices through professional training, innovative research, development of nutrition support protocols and community outreach.

From 2007 to 2013, the Abbott Fund invested US \$5 million to establish the Abbott Fund Institute of Nutrition Science (AFINS). Thanks to AFINS, approximately 4,000 healthcare professionals received training, and there has been a 78 percent reduction in the risk of malnutrition among children admitted to SCMC since 2010.



Nearly

4,000

healthcare professionals trained by AFINS in China.

Safeguarding the Environment

Protecting the environment is among our top priorities. We believe it is vital to minimize our company’s environmental footprint across our business by using energy and water efficiently while minimizing waste.



OUR 2020 ENVIRONMENTAL GOALS

40%
reduction in carbon dioxide emissions

30%
reduction in total water intake

50%
reduction in total waste

ENVIRONMENT STRATEGY AND GOALS

To ensure that we achieve our overall aim of reducing our global environmental impact, Abbott has set ambitious worldwide goals for 2020 (adjusted for sales), compared with 2010 levels:

- A 40 percent reduction in carbon dioxide equivalent (CO₂e) emissions from direct emissions
- A 30 percent reduction in total water intake
- A 50 percent reduction in total waste

In China, each Abbott plant has established a dedicated Environment, Health and Safety (EHS) Committee that is responsible for managing all environmental issues. These committees set targets for environmental improvement and manage progress against those targets. In 2013, for example, the Abbott Guangzhou Plant* established the environment goals and achieved the results detailed as follows.

ABBOTT GUANGZHOU PLANT ENVIRONMENT KEY PERFORMANCE INDICATORS*	GOAL	RESULTS
CO ₂ e (carbon dioxide equivalent emissions) (pounds per unit product)	<4.30	1.97
ELECTRIC ENERGY CONSUMPTION (kwh per unit product)	<2.25	1.16
WATER CONSUMPTION (gallons per unit product)	<0.95	0.86
TOTAL WASTE (pounds per unit product)	<0.25	0.09

*The Guangzhou plant was closed in 2014.

A COMMITMENT TO CLEAN PRODUCTION

Energy Consumption Control

Managing energy consumption is an important part of our environmental protection efforts. Abbott actively increases energy efficiency and reduces power consumption through the innovation and adoption of new technologies.

For example, our Shanghai plant invested in technologies such as heat recovery, improvement of its chilled water system and condensed water recovery to reduce its energy consumption and yield cost savings of 274,500 RMB per year.

EFFICIENT CHILLERS

Chiller replacement is a key energy-saving program of the Guangzhou plant. In 2012, the plant’s old chillers were replaced by screw-type chillers, which have an energy efficiency ratio of 5.4. The new chillers reduce electrical usage by up to 15 percent compared to the older ones.*

Reducing Our Water Consumption

Clean water is a critical resource, essential to sustaining human health, economic growth and the environment. Abbott is committed to reducing our water use through a range of initiatives like equipment modification. Saving water also helps us reduce operating costs and increase production efficiency. In 2012, the Abbott Shanghai Plant modified its steam condensate channel pipeline and is now able to recycle condensed water, which that year reduced carbon dioxide emissions by 98,000 pounds and saved 6,000 tons of water and 144,000 RMB.



\$274.5K

Our Shanghai plant invested in technologies such as heat recovery, improvement of its chilled water system and condensed water recovery to reduce its energy consumption and yield cost savings.

To increase wastewater treatment capacity and reduce environmental impact, our Hangzhou plant upgraded its wastewater treatment system, increasing its wastewater treatment capacity from 150 cubic meters a day to 350.

Sustainable Product Packaging

At Abbott, we are committed to reducing the environmental impact of our product packaging and providing consumers with environmentally friendly products. In 2012, we worked with a new logistics carrier to greatly reduce shipping material. We now pack our tablet products by stretching film over a whole pallet, then consigning it directly to our customers, rather than putting tablets into transportation cases. As a result, Abbott is eliminating the need for 7,500 transportation cases annually, for a cost savings of 113,000 RMB.

Green Office Initiatives

The Abbott Guangzhou plant* introduced a range of green office initiatives in 2012, including advocating duplex printing, reducing the number of times work shoes are cleaned, installing LED lights in public areas to replace old energy-inefficient lights and encouraging use of durable products instead of disposables.

ADVOCATING GREEN AND SAFE COMMUNITIES

In addition to our environmental stewardship in manufacturing, Abbott conducts environment education for employees and organizes numerous other initiatives to increase employees' environmental awareness.

In April 2012, the Hangzhou plant organized a trip for employees and their families to the Herb Garden in Anji in celebration of Family Day and Earth Day. This activity was aimed at promoting Abbott's low-carbon and environmental-protection strategies and at encouraging green lifestyles for our employees and their families. More than 110 employee families participated.

Recognizing our Hangzhou plant's outstanding EHS performance, the Hangzhou Safety Supervision Bureau of Economic and Technological Development invited our factory experts to share their EHS practices and experiences with managers from more than 100 local enterprises.

In 2012, our Guangzhou plant* organized a series of activities on environmental protection, including "The Most Touching Picture" environmental photo exhibition, an environmental protection documentary movie viewing and "EHS on the Dining Table," a water-saving education project. As a result, 36 plant employees submitted 85 new ideas for saving energy.

To promote cross-plant and cross-section EHS exchange and cooperation, we held an Abbott Health-Safety-Environment Workshop in Shanghai in November 2013 – with support from the Abbott Citizenship Working Group; our AMO Hangzhou plant; our Guangzhou plant*; our Jiaying Nutrition plant; Abbott's Administration Department; EHS contact officials throughout the company; and specialists from Abbott's Asia-Pacific region. Participants shared best practices and innovative ideas for addressing EHS issues such as state regulations and policies, community environmental challenges, contractor and hazardous waste management and achieving green offices.

ABBOTT GLOBAL OCCUPATIONAL HEALTH AND SAFETY (EHS) POLICY AIMS TO:

- Foster a work environment that is ultimately free of injuries
- Improve the efficiency and sustainability of all our business activities
- Require contractors working on behalf of Abbott to conform to regulatory requirements and meet applicable internal EHS standards
- Integrate sound health and safety practices consistent with our management system into all aspects of the business

*The Guangzhou plant was closed in 2014.



SUSTAINABLE PACKAGING

Abbott is eliminating the need for 7,500 transportation cases annually, for a cost savings of 113,000 RMB.

In China, we are quite active in developing safety goals to ensure the implementation of our global EHS policy. For example, our Hangzhou plant has set safety goals for 2014 that include:

1. No lost-time incidents and no environmental incidents
2. EHS actions on-time closure rate exceeding 95 percent

Establishing EHS Committees

Every Abbott plant in China has established an EHS Committee that involves employees in factory EHS management and accident reduction. According to the latest EHS Committee Charter, the committee consists of the plant director, representatives from the EHS department and managers/directors and staff representatives from other departments.

RESPONSIBILITIES OF EHS COMMITTEES

- Discuss and set company's EHS policies and annual goals
 - Coordinate cross-departmental inspections and avoid EHS risks
 - Address and resolve major existing EHS issues
 - Motivate and raise EHS awareness of all employees
 - Promote internal communication on EHS issues
-

PROMOTING EHS IN ABBOTT PLANTS

Firefighting and First Aid Training and Drills

Fire safety and first aid are important parts of workplace safety. Abbott in China has organized firefighting drills, first aid and other safety training to strengthen employees' security awareness, emergency response capabilities and use of rescue equipment. In addition, the EHS department of the Guangzhou plant* has organized staff visits to the Shenzhen safety education base and carries out safety education through situation simulation.

On September 14, 2013, Abbott Guangzhou Customer Service Center invited experts from the Guangzhou Red Cross to give employees training on emergency relief. All trainees acquired knowledge of cardiopulmonary resuscitation and on-site trauma nursing, and passed tests with the assistance of these experts. This training helps employees prepare for future emergency relief activity.

Management of Chemicals and Special Equipment

Management of chemicals and special equipment is a key focus of EHS efforts at Abbott plants. Abbott in China launched the Chemical Account Management Improvement Project and established an improvement team to reduce EHS risks. Abbott plants in China strictly abide by the National Regulation of Special Equipment Management. We organize special equipment accident drills to raise safety awareness. Furthermore, the Guangzhou plant* established a project team to evaluate special equipment management according to the requirements of the Guangzhou Quality and Technical Supervision Bureau, and Abbott was nominated as a B-Class Special Equipment Management Company.

*The Guangzhou plant was closed in 2014.

Safety Training and Observation Program

STOP (Safety Training and Observation Program) helps create a safe and healthy working environment in Abbott plants around the world. STOP trains our employees to take appropriate actions in response to dangerous behaviors and conditions in their daily work. It helps them check and improve their practices and build safety habits that enhance the plant's safety performance.

STOP encourages employee participation through incentives. Employees are given STOP cards to record their safety observations, and the cards are scored to reward employees based on performance. By reviewing and analyzing the activity of each STOP card, we can closely monitor factory safety. On the basis of these reports, we develop improvement plans to ensure that dangerous behavior is identified and eradicated.

Regular EHS Inspection

Besides daily operational inspections, our EHS department organizes monthly plant inspections. In July 2012, we added a special inspection to the schedule – covering such areas as mechanical protection, fire emergency, personal protective equipment and electrical safety – to help identify EHS risks and hazards and ensure a safe working environment. The EHS department summarizes identified risks in operations, makes further risk analyses and develops appropriate improvement plans with the help of experts from headquarters.

SAFE PRODUCTION AT GUANGZHOU

In 2012, according to the Administrative Measures for Contingent Plans of Production Safety for Luogang District, Guangzhou, Abbott completed our contingency plans for the Guangzhou plant. In addition, the Guangzhou plant* was named as a Safety Culture Building Model Company and Advanced Company in the Safe Production Month Activity initiated by the Guangzhou Development Zone and Luogang District.*

*The Guangzhou plant was closed in 2014.

EHS Activities

Abbott understands the importance of incorporating EHS awareness into our culture, and we have launched a variety of activities to increase employees' awareness and create a safe working environment, including "EHS Table" and "Treasure Hunt." EHS education also is integrated with Earth Day, Family Day and Abbott Family Science, among other Abbott programs.

BUILDING A CULTURE OF SAFETY

In December 2013, Abbott's Jiaxing Plant hosted a Safety and Health Day program to further enhance our safety culture. A range of hands-on activities were carried out to help employees raise their awareness of safety and acquire knowledge of safety facilities and emergency relief. Aimed at a "zero-accident" goal, this program called on all employees to participate in building a safety culture.

**OPERATING AS
A RESPONSIBLE
BUSINESS**



The foundation of Abbott's approach to citizenship rests on being a responsible business. There are a number of principles that guide our business decisions and ensure we remain able to meet the needs of society in a sustainable, successful manner while conserving resources and advancing social, environmental and economic best practices.

Supply Chain Excellence

Our core commitment is to develop, manufacture and distribute high-quality products that enhance health and well-being responsibly and safely. Abbott in China works diligently to deliver on this commitment for all the people of China.

ENSURING QUALITY AND SAFETY

Every Abbott product must meet the highest level of quality standards and quality control procedures before it is distributed. For example, each batch of Abbott infant formula products sold in mainland China must pass all of the tests set by the Chinese government, including tests by the General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China (AQSIQ) and the China Food and Drug Administration (CFDA).

Abbott in China has precisely designed and strictly controlled production facilities and processes to ensure that we meet national and industry standards. Abbott's Shanghai plant passed the new Good Manufacturing Practices (GMP) certification in 2012.

RIGOROUS PRODUCTION PROCESS

Abbott has comprehensive quality control systems to ensure that our products meet the highest quality and safety standards at every stage of production.

To meet the growing Asian demand for Abbott nutrition products, Abbott established the largest good manufacturing practices-standard nutrition production plant in Singapore, winning the Singapore government's honorary title of "Food Security Partner." The plant's products are sold throughout Asia, including China. These products use the same high-quality ingredients and are tested against the same high standards as products from our other plants around the world.

Abbott's Singapore plant employs numerous processes to ensure the highest levels of safety and product quality at each stage of production – from raw materials procurement to packaging. These processes include fully automated and closed production lines; 121°C sterilization; spray drying, etc. – all to ensure zero contamination. Abbott regularly monitors our production processes and guarantees product quality before distribution.

MANAGING OUR SUPPLY CHAIN SUSTAINABLY

Supply chain management is integral to successfully delivering on our citizenship commitments. We work closely with our suppliers to ensure high performance in all aspects of production quality, compliance and social responsibility. We communicate with our suppliers, monitor their performance according to well-defined metrics and help them enhance their operational systems.

ABBOTT SUPPLIER GUIDELINES

All Abbott suppliers are provided with our Supplier Guidelines, which are published in multiple languages. These guidelines set forth our expectations for suppliers in the following areas: ethical behavior; business integrity; fair competition; human rights; privacy; labor rights and employee protection; animal welfare; environmental stewardship; and health and safety practices. Through careful supplier selection and strict management, Abbott works to ensure the materials we purchase comply with our expectations for quality, safety and technical specifications.

SUPPLIER AUDIT AND TRAINING

Abbott has intensified our focus on monitoring and managing suppliers' social responsibility in recent years. We have established a special program to assist suppliers in meeting our expectations with regard to employee health and safety, compliance and environmental stewardship.

SUPPLIER WASTE MANAGEMENT AUDIT

In July 2012, assisted by Abbott experts from the U.S., our Guangzhou plant carried out a triennial examination of our waste management suppliers. The goal was to ensure that waste disposal practices adhered to public environmental protection policies and to Abbott policies globally. Following on-site and document reviews, Abbott experts from the United States issued examination reports to our waste management suppliers and suggested that the list of factory wastes be adjusted. Our Environment, Health and Safety Department quickly amended the list to ensure consistency between the standards of Abbott plants in China and our plants in the United States.*

Abbott believes it is important to take preventive and corrective measures that strengthen supply chain operations. We focus on educating suppliers by inviting them to external supply chain social responsibility exchanges and events, as well as to internal compliance, ethics and quality assurance lectures and trainings aimed at raising awareness and understanding of responsible supply chain issues.

ON-SITE SUPPLIER SOCIAL RESPONSIBILITY AUDIT

To identify responsible suppliers, Abbott conducts on-site audits of supplier social responsibility programs. In 2012, we carried out 25 on-site supplier social responsibility audits, 14 of which were performed by third parties. To plan the on-site supplier social responsibility audits in 2013, Abbott organized a supplier social responsibility survey, and sent out more than 300 questionnaires. Based on the survey results and internal judgments, we compiled a list of suppliers that needed to be audited in 2013. We consequently conducted 34 on-site social responsibility audits during the year.



34

We conducted 34 on-site social responsibility audits during 2013.

*The Guangzhou plant was closed in 2014.

Valuing Our People

Employees are Abbott's greatest asset. We value our people and continually strive to make Abbott a great place to work.

We are committed to enabling employees to fulfill their potential and build rewarding careers. We provide competitive compensation and benefits and promote diversity and inclusion in the workplace. We pay close attention to employees' health and safety and help our people achieve a healthy work-life balance.

COMPENSATION AND BENEFITS

Abbott respects our employees. We sign and uphold labor contracts with employees in compliance with relevant Chinese laws and regulations, and we pay the full portion of the obligated social insurance for our employees. As a responsible employer, we respect and follow the International Covenant on Human Rights and Labor Force standards, which strictly prohibit the use of child or forced labor.

We offer competitive total rewards programs to employees. Abbott in China participates in industry-wide compensation and benefits surveys organized by external human capital consulting firms every year. Our total rewards programs target and reference the median of the market, while individual pay varies based on performance, experience, inflation and other factors.

We engage with employees through multiple formal channels – letters, emails, employee handbooks and brochures, the intranet, face-to-face discussion and interaction. Through these vehicles, we communicate our compensation and benefits policies, interact with employees on compensation and benefits inquiries and offer other feedback. Abbott is dedicated to providing

a competitive suite of employee benefits that help employees to address their personal and family needs. Such benefits include annual physical examinations, a health insurance plan, an Employee Stock Purchase Plan, the Abbott in China Caring Association (ACCA), a rewards program, a loyalty program and others.

ABBOTT TOTAL COMPENSATION STATEMENT

Our employees have a convenient and complete view of all of their Abbott compensation and benefits through their Total Compensation Statement, which was launched in China in 2011. The tool gives employees a complete picture of their Abbott total rewards, and targets personalized messages to help employees make the most of the programs Abbott offers. The user rate of this statement among employees reached 80 percent in 2012.

Abbott makes every effort to safeguard employees' health and safety. Compatible compensation and benefits are also available to employees with work-related and non-work-related illness or injuries according to national regulations and Abbott's policies. We work to create a safe and healthy working environment for our employees, by providing facilities and conditions that meet the national labor safety and healthcare standards. Continuously throughout the year, Abbott develops safer working practices, carries out safety education, offers special labor protection to women and raises the safety awareness of employees.

STOCK PURCHASE PLAN FOR NON-US EMPLOYEES

Employees have an opportunity to own Abbott stock and to share in Abbott's success. The Employee Stock Purchase Plan for non-US employees allows employees in China to contribute a certain percent of eligible pay to purchase Abbott stock below market price.

DIVERSITY AND INCLUSION

Abbott is committed to creating a diverse and inclusive workplace. We treat our employees equally, regardless of gender, age and race. Diversity and inclusion are increasingly critical to our competitiveness and to our business growth in China. We recognize and foster gender representation and women's leadership as part of our strategy to create a diverse and inclusive workplace. In 2013, women leaders comprised 34 percent of the top 50 senior executive positions.



34%

In 2013, women leaders occupied 34% of the top 50 senior executive positions.

Abbott was invited to attend the International Conference on Gender Equality and Corporate Social Responsibility: Enhancing Business Competitiveness, which took place in Beijing in 2012. This conference was jointly organized by the Sino-German Corporate Social Responsibility Project, UN WOMEN and the All-China Women's Federation (ACWF). More than 300 leaders attended to discuss gender equality and corporate social responsibility, and Abbott shared the experience of building a diverse and inclusive workplace during the Strategic Philanthropy Panel at the conference.

RECOGNIZED FOR DIVERSITY

Abbott has been recognized for promoting diversity and inclusion. Named one of DiversityInc. magazine's top 50 companies for diversity for 11 consecutive years, Abbott is also recognized as one of the 100 Best Companies by Working Mother magazine for 13 consecutive years.

GENDER RATIO OF ABBOTT EMPLOYEES IN CHINA 2011-2013

YEAR	PERCENTAGE OF FEMALE EMPLOYEES	PERCENTAGE OF MALE EMPLOYEES
2013	54%	46%
2012	56%	44%
2011	56%	44%

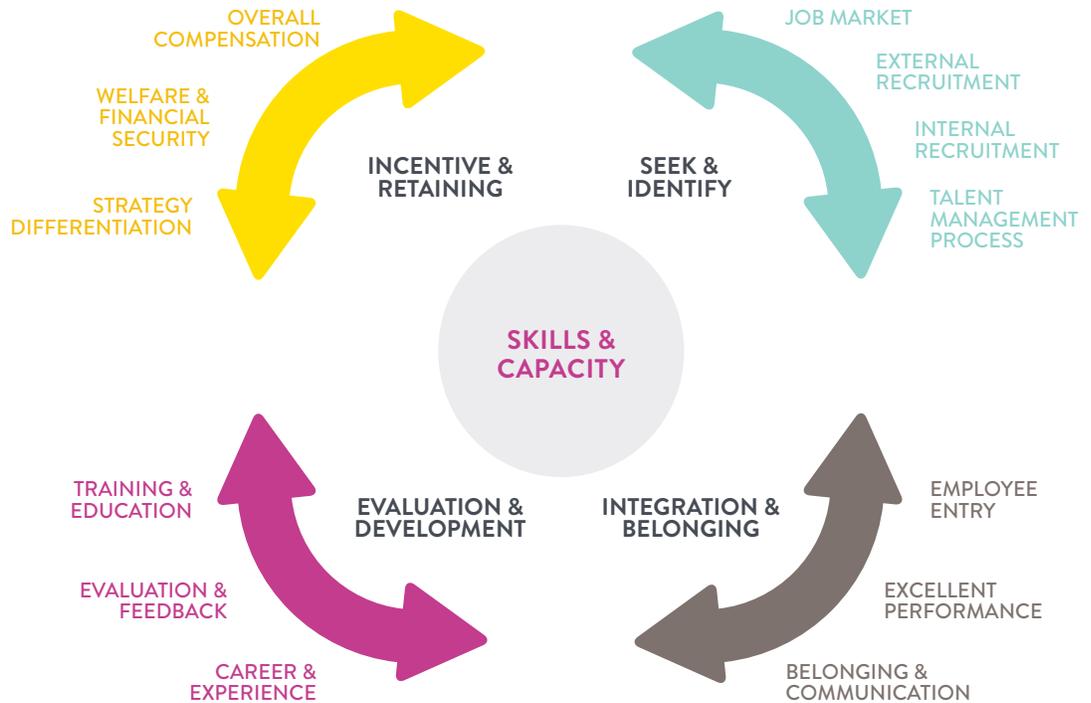
TRAINING AND DEVELOPMENT

One of our highest priorities is helping each employee to fulfill his or her potential and build a rewarding career. We offer employees varied resources, training and opportunities for personal growth and development.

Abbott has robust training programs covering orientation, basic ability, leadership and professional skills. Regional- and global-level training is also administered to facilitate job-specific development of employees.

EMPLOYEE TRAINING

In 2012, the accumulated basic ability training and leadership training time of Abbott in China added up to 27,003 hours, equivalent to an average of 8.9 hours for each employee.



TALENT MANAGEMENT FRAMEWORK

To attract, develop and retain skilled, diverse employees, Abbott employs a Talent Management Framework that ensures we have a strong pipeline of leaders to grow and sustain our business. This process is designed to:

- Align our leadership resources with strategic business priorities.
- Predict where and when we need to build our leadership team.
- Plan for internal talent movement and external sourcing to fill leadership gaps.
- Create actionable, targeted development plans with current and emerging leaders in order to retain and develop our best talent for the leadership pipeline.

We also use Performance Excellence (PEX) and Talent Management Review (TMR) tools to develop outstanding talent and help these employees deliver excellent performance at Abbott.

COMPETENCY MODEL

Based on the talent framework, we developed an Abbott Competency Model that documents the core competencies needed in a job. This sets out a streamlined and simplified set of competencies that applies across the organization, with different behavior factors to reflect leader and individual contributor expectations. We combine this model with related learning and training programs to systematically develop the potential of our people.

At Abbott in China, our Global Competency Model defines five key competencies for employees and for managers. These competencies are:

- Set Vision and Strategy
- Anticipate
- Innovate
- Build
- Deliver Results

COMPETENCY MODEL	TARGET EMPLOYEES	CORE CAPACITIES
Abbott Competency Model	All staff including leaders and individual contributors	To develop vision, mission, achieve results, prediction, training and innovation
Abbott Common Professional Competency Model	Functional department	Customer focus, delivering results, self-development, coaching and mentoring others, communication and collaboration, decision-making quality, strategic thinking, managing budgets, statistics and research application, strategy and development plans, strategy implementation, understanding the business and product environment

CAREER PATH

A comprehensive promotion process helps employees plan successful careers, and allows employees to have meaningful dialogue on development and growth with their managers. Customized career paths are designed for employees in business and management roles, and those who are in sales, marketing, business professional, medical professional, salesforce excellence professional and sales training professional teams. All employees have access to extensive development opportunities at Abbott.

Employees have an online platform and a wide range of tools and materials to help them develop successful career plans. Our range of career development tools include: Self-Testing of Career Development, Conversation Guidelines for Employee Career Development (for Managers), Career Planning Handbook (for Employees), Career Planning Sheet and Career Planning Process.

ABBOTT CHINA ACADEMY

The Abbott China Academy was founded in 2009, with a goal to provide employees with comprehensive training programs, learning opportunities and a variety of tools and resources to fulfill their potential and help them build rewarding careers.

Similar to a university model, we integrate training resources from local programs and business divisions, as well as courses developed by the Abbott Global Learning and Development team. Academy faculty includes trainers from the Learning and Development team in Abbott Human Resources and other business departments. In addition, we offer a wide range of classroom and e-learning courses to help employees develop new skills at their convenience and at remote locations.

70-20-10 LEARNING AND DEVELOPMENT MODEL

Abbott uses a 70-20-10 model to help employees reach their development goals: 70 percent of an employee's learning and development comes from experience; 20 percent from assessment and feedback; and 10 percent from formal education. The Abbott China Academy works with employees and managers to provide guidance on career development matched with relevant experience, which fulfills the 70 percent goal of the model. The academy uses the Performance Excellence (PEX) tool to help managers and employees set goals and establish feasible development plans, thereby meeting the assessment and feedback goal. To realize the education goal, the academy has designed and targeted training programs at basic, intermediate and advanced levels for employees across divisions who have different needs.

EMPLOYEE CARE

Employee assistance at Abbott goes well beyond our support for career development and personal welfare. Abbott in China has a variety of activities to help employees achieve work-life harmony.

The Abbott China Caring Association (ACCA) was established in 2007 to provide support for employees in need of assistance. We organize employee greeting and festive events, assistance and fitness clubs. In 2012 and 2013, we conducted more than 100 employee activities, including the annual and quarterly staff meetings and Abbott Green Family Day, as well as an employee family volunteer camp.

ABBOTT MOTHERS' ROOM

The Abbott Mothers' Room was set up at the end of 2012 to provide a convenient and private space for nursing mothers. The Mothers' Room is equipped with disposable cleaning equipment and audio equipment in a comfortable and relaxed environment. Abbott in China will continue to provide enhanced care and support for mothers who breast-feed.

Community Engagement

Making a positive and lasting difference in people’s lives, and strengthening communities in China and wherever we live, work and do business – these ideas are central to what we do.

We achieve these goals by creating and distributing life-enhancing products; by providing our expertise to build healthy communities; and by providing financial support to the Abbott Fund, a nonprofit 501(c)(3) foundation established by Abbott in 1951.

GLOBAL SCIENCE EDUCATION OUTREACH EFFORTS

Abbott Family Science Program

Abbott supports numerous programs to engage students in scientific exploration and to inspire their families and teachers to foster the next generation of innovators. In addition, Abbott employees actively volunteer their time and share their passion for science through schools and community programs. The Abbott Fund has contributed US \$25 million over the past five years in support of programs that advance Science, Technology, Engineering and Mathematics (STEM) education at primary, secondary and collegiate levels. Abbott Family Science is active in China, the United States, Puerto Rico, Ireland, the United Kingdom, Germany, South Korea and Singapore. To date, the program has involved more than 30,000 participants and more than 3,500 Abbott volunteers.

With the theme “Making Science Fun for the Whole Family,” Abbott scientists and volunteers join teachers in conducting hands-on experiments that impart basic science skills to children and their parents at elementary schools, community centers and museums. The programs often use items from daily life – such as cups, coins and newspapers –

in their experiments. By the end of 2013, the program had attracted more than 800 science teachers and more than 13,500 urban and rural schoolchildren and their parents in 32 cities across China.

Innovation Forum of Abbott Family Science Partners

In November 2012, Abbott organized “Interesting Science Education – Abbott Family Science Partners Innovation Forum 2012,” together with more than 30 scientific and environmental experts from the Youth Science Center of China Association for Science and Technology, the *China Philanthropy Times*, the Adream Foundation, the Yiyou Youth Service Center and other nonprofit organizations. We hosted a series of diversified outdoor science education activities. Abbott volunteers and experts visited a rural primary school and organized science classes for students; rebuilt the school’s nature library with gifts of books on popular science; made tools out of office waste; and led educational exercises with students about lowering carbon emissions. Volunteers also guided students in exploring and learning about nature, raising their awareness of environmental education by incorporating learning into play.

PROVIDING CHARITABLE HEALTHCARE SERVICE

Joint Efforts with Vision Recovery Action

Due to imbalances in economic development and healthcare delivery, many cataract patients in remote areas do not have access to effective care. To address this problem, Abbott in



30,000+

children and parents have enjoyed Family Science events in seven countries around the world.

China works with leading national ophthalmic hospitals, NGOs and government institutions to treat cataract patients through free medical facilities and volunteer technicians.

Abbott Medical Optics actively participates in China's Charity Surgery program, which provides free surgical treatment for impoverished cataract patients. In 2012 and 2013, this program served 634,000 patients. Abbott Medical Optics supported it with professional experts and devices. Since early 2011, Abbott Medical Optics has teamed with Vision Recovery Action on an initiative called the Hanhong Warm Heart Fund. This program aims at providing cataract patients in rural areas with free surgical treatments. In 2012 and 2013, this program was expanded to HulunBuir, Inner Mongolia and Xinjiang, helping an additional 600 cataract patients in those cities.

In addition, Abbott cooperated with the Civil Affairs Bureau's Senior Citizens' Work Committee in Zhejiang Province to carry out the "Mobile Auto Hospital" Vision Recovery Action, providing free treatment to patients in Quzhou, Kaihua and Qingyuan. Abbott also worked with Tianjin ophthalmic hospital and with nonprofit organizations to provide cataract screening and treatment for such vulnerable groups as the elderly, the disabled, orphans and children suffering from congenital cataract defects.

Cross-Field Cooperation with NGOs

Abbott partnered with the Women's Network Against AIDS-China to host the China Women's Leadership Workshop in October 2012. At the workshop, Abbott reviewed our achievements in the areas of women's

leadership and the fight against AIDS.

We also hosted discussions with a number of NGOs on how to promote women's leadership at the corporate-NGO-community level to help HIV-positive women become community leaders. We announced our commitment to sponsor the Women's Network against AIDS-China in publishing *AIDS, Women and Rights*, and we support relevant research and advocacy efforts.

Building a Culture of Corporate Volunteerism

In 2011, Abbott established nationwide and regional corporate volunteer associations aimed at supporting Abbott's community service, encouraging employee participation and promoting various charity initiatives.

We initiated the "Warm Heart Idea" program to gather employee suggestions and ideas about community engagement activities. More than 200 employees proposed over 500 ideas, covering topics like environmental protection, patient care, employee benefits and community charity. Ten ideas were selected as Abbott's nationwide charity initiatives for the coming year, using the criteria of sustainability, measurability, feasibility, reproducibility and integrity with corporate expertise.



10,000

More than 1,200 Abbott volunteers in China have provided 10,000 hours of service.

Promoting Ethics and Integrity

Abbott is committed to responsible behavior in all aspects of our operations, particularly in sales and marketing. We obey the law, meet industry standards and make positive contributions to the development of public policy.



ORGANIZATIONAL STRUCTURE OF ABBOTT CHINA COMPLIANCE COMMITTEE

The major responsibilities of the Abbott China Compliance Committee include:

1. Compliance policy formulation and revision
2. Compliance programs implementation
3. Violations investigation and treatment

We are committed to meeting the highest standards of ethical behavior, and building trust among stakeholders; maintaining our reputation; and enhancing consumer confidence through our code of conduct and rigorous governance procedures. We manage business compliance from the top down and work hard at training our employees and partners on public policy, laws and regulations and corporate values.

To promote and enhance ethics and integrity in China, we set up the Abbott China Affiliate Compliance Committee, which consists of leaders from different business divisions, Human Resources, Finance and Legal departments, as well as the Office of Ethics and Compliance. The committee aims to establish compliance leadership and to foster an effective and healthy compliance culture among all Chinese employees.

DEVELOPING COMPLIANCE POLICIES

The *Abbott Code of Business Conduct* sets forth our commitment to ethics and compliance. It covers a wide range of principles and requirements that touch upon all aspects of our business activities and operations.

To manage our business operations ethically and compliantly in China, we have put in place a comprehensive range of corporate policies. The policies include topics such as anti-corruption, anti-commercial bribery, product promotion, sponsorships, donations,

professional services, free of charge products, clinical trials, marketing of infant formula products, marketing privacy and interactions with competitors.

Abbott strictly complies with applicable Chinese laws and regulations as well as other international laws, including the U.S. Foreign Corrupt Practices Act. We pay close attention to practices and activities involving third parties, and with respect to government institutions/officials and healthcare professionals.

All alleged violations are subject to investigation and, if substantiated, disciplinary action up to and including employment termination. Abbott encourages employees to report any compliance concerns or potential violations. Employees can report these issues to the General Manager, the HR department, the Legal department, the Affiliate Compliance Committee, or to the Office of Ethics and Compliance directly or through our 24-hour helpline. Abbott prohibits retaliation against any employee who reports a concern in good faith.

To customize Abbott's compliance policies for China, we have adopted the principles stipulated by relevant industry associations, e.g., the policy on product promotion made by the China Research and Development-Based Pharmaceutical Association Committee (RDPAC).



**ABBOTT'S
ETHICS AND
COMPLIANCE
HELPLINE**

is available 24 hours
a day, seven days a
week.

BUILDING A COMPLIANCE CULTURE

To implement Abbott's compliance policies, we have produced ethics and compliance training for all employees, including senior executives and new employees. The training topics cover anti-corruption and anti-commercial bribery laws, corporate policies and the Abbott Code of Business Conduct. Training programs are delivered face-to-face, or through our online training platform. The training results are documented. In addition, Abbott's Office of Ethics and Compliance issues a quarterly newsletter to introduce the most up-to-date ethics and compliance policies. In China, our bimonthly magazine also incorporated a special column on ethics and compliance to drive a broader level of compliance awareness among employees.

**QUICK REFERENCE CARD
OF COMPANY POLICY**

In order to help our employees comply with our compliance policies in their daily work, we have developed a wallet-sized quick reference card summarizing key Abbott policies on activities such as sponsorships, business meals and entertainment, promotions and gifts.

**MONITORING FOR
EXTERNAL COMPLIANCE**

In addition to our strict policies to enforce compliance practices internally, Abbott also monitors the compliance performance of our partners.

THIRD-PARTY CONTRACTOR EMPLOYEES

Abbott's compliance policies are applicable to all third-party contract employees. All of our third-party contractors are required to participate in our ethics and compliance training and sign agreements to comply with Abbott's policies.

**SUPPLIER COMPLIANCE
TRAINING AND MONITORING**

Abbott views supplier compliance training as essential to establishing an ethical culture, not merely as a checklist of items to review. Our training covers the importance of compliance, Abbott's policies and requirements, case studies, and actual problem discussion and solution – all aimed at helping our suppliers to understand Abbott's ethical values and to integrate them into their own daily business practices.

**COMPLIANCE TRAINING FOR AUTHORIZED
MEETING/EVENT SUPPLIERS**

Abbott organizes compliance training for authorized meeting/event service suppliers, emphasizing our rules about sponsorships, meal arrangements and gifts. Suppliers are required to confirm plans with Abbott before events to ensure their activities comply with Abbott policies. In case of any change, suppliers are required to re-confirm in advance that they remain compliant with our requirements.

**CITIZENSHIP
GOALS AND
RECOGNITION**



Citizenship Goals

In the future, Abbott in China will continue to advance our citizenship goals and initiatives, integrating them into all aspects of our business activities and using them to create shared value with our stakeholders.

- In 2014, we will reset our citizenship strategy to better reflect the new Abbott.
- By the end of 2014, we will further enhance nutrition education for consumers and patient families through such programs as the Abbott Fund Institute of Nutrition Science, Nutrition Program for Perinatal Period, Professional Support to Premie Care Program and Intelligence Training Program. In addition, we will continue investing in the China Crossroads Institute to cultivate healthcare professionals and promote exchanges among industry peers.
- We will strengthen collaboration and dialogue with NGO partners, e.g., the Institute of Public and Environmental Affairs, to raise the environmental awareness of Abbott and our suppliers. We will also work with external consultancies on sustainability development to improve our social responsibility performance.
- We will continue our efforts in communities. The Abbott Family Science program will be expanded to more than 50 cities and will benefit 15,000 children and parents.

Awards and Recognition

Industry Group Leader, Dow Jones Sustainability Index, 2013 and 2014; 10th year on the Index	S&P Dow Jones Indices, RobecoSAM
2013 <i>Working Mother</i> 100 Best Companies (for the 13th time)	<i>Working Mother</i>
Named one of <i>DiversityInc.</i> magazine's top 50 companies for diversity for 11 consecutive years	<i>DiversityInc.</i>
World's Top 500 Company's Contribution in China (for the fourth time)	<i>Southern Weekend</i>
Best Places to Work in Industry (included on the list for the ninth time)	<i>The Scientist Magazine</i>
2013 China Best Corporate Citizen (for the third time)	Corporate Citizenship Committee of CASW
2013 Top 100 Good Enterprise Fulfilling CSR Awards (for the third time)	China Association of Enterprises with Foreign Investment (CAEFI); China Foundation of Consumer Protection (CFCP)
2012 Top 10 MNC CSR Case Awards	China Philanthropy Times
CYSCC Recognition Awards for Abbott Family Science Contribution to Chinese Teenage ScienceEd Development	Children & Youth Science Center of CAST (China Association for Science and Technology)
Caring Corporate Supporter Recognition of the Year	Women's Network against AIDS – China (WNAC)
China's Top Employers 2014 (for the third time)	Top Employers Institute China
Most Reliable Food Brand by Netizens	Launched by Xinhua Net
People Helping People	China Foundation for Poverty Alleviation
2012 Volunteer Program Supporting Institution in Shanghai	United Nations
Best CSR Case in Corporate-NGO Partnership for Sustainability Guideline by EU, CANGO & Internews	Boll Foundation
2012 China Great Wall Advertising Awards	State Administration for Industry and Commerce; China Advertising Association

ENVIRONMENT, HEALTH, AND SAFETY DATA

RECORDABLE INCIDENT RATE TOTAL

Cases per 100 Employees

	2010	2011	2012	2013
Shanghai Plant	0	0	0	0
Guangzhou Plant*	0	0	0	0
Hangzhou Plant	0.29	0.96	0.51	0.27
Jiaxing Plant	N/A	N/A	N/A	0.32
Total	0.20	0.74	0.38	0.25

LOST WORKING HOURS

Cases per 100 Employees

	2010	2011	2012	2013
Shanghai Plant	0	0	0	0
Guangzhou Plant*	0	0	0	0
Hangzhou Plant	0	0	0.25	0
Jiaxing Plant	N/A	N/A	N/A	0
Total	0	0	0.19	0

TOTAL ENERGY CONSUMPTION

Gigajoules

	2010	2011	2012	2013
Shanghai Plant	15,818	12,793	12,694	11,696
Guangzhou Plant*	11,511	10,739	11,572	10,270
Hangzhou Plant	63,162	63,075	66,421	65,061
Jiaxing Plant	N/A	N/A	N/A	21,152
Total	90,491	86,607	90,688	108,179

TOTAL WATER USE

Gallons (U.S.)

	2010	2011	2012	2013
Shanghai Plant	6,893,953	6,419,909	5,046,215	5,401,526
Guangzhou Plant*	1,148,354	1,311,614	1,856,337	2,093,299
Hangzhou Plant	28,860,404	31,689,551	31,440,516	29,558,475
Jiaxing Plant	N/A	N/A	N/A	NO DATA
Total	36,902,712	39,421,074	38,343,068	37,053,300

*The Guangzhou plant was closed in 2014.

TOTAL WASTE

Tons

	2010	2011	2012	2013
Shanghai Plant	43	37	44	22
Guangzhou Plant*	164	195	207	99
Hangzhou Plant	239	207	168	259
Jiaxing Plant	N/A	N/A	N/A	NO DATA
Total	446	438	419	380

TOTAL SCOPE 1 AND 2 CO₂E EMISSIONS

1,000 Metric Tons

	2010	2011	2012	2013
Shanghai Plant	2,204	1,863	1,761	1,899
Guangzhou Plant*	2,566	2,394	2,451	2,298
Hangzhou Plant	10,189	10,456	10,726	10,351
Jiaxing Plant	N/A	N/A	N/A	2,650
Total	14,959	14,712	14,937	17,199

CO₂E EMISSIONS - DIRECT EMISSIONS

1,000 Metric Tons

	2010	2011	2012	2013
Shanghai Plant	0.653	0.485	0.503	0.496
Guangzhou Plant*	0.000	0.024	0.002	0.104
Hangzhou Plant	0.024	0.158	0.198	0.027
Jiaxing Plant	N/A	N/A	N/A	0.667
Total	0.677	0.667	0.703	1.293

CO₂E EMISSIONS - PURCHASED ENERGY

1,000 Metric Tons

	2010	2011	2012	2013
Shanghai Plant	1.551	1.378	1.258	1.403
Guangzhou Plant*	2.566	2.370	2.449	2.194
Hangzhou Plant	10.164	10.298	10.528	10.325
Jiaxing Plant	N/A	N/A	N/A	1.983
Total	14.281	14.045	14.234	15.905

Please contact us with your questions and comments:

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