

Improving Lives Around the World





Table of Contents

NOTE:

Click on a title to link directly to a section and to return to the Table of Contents from a section.

A Message From Management	1
Abbott Overview	2
Abbott Manufacturing Facilities	4
EHS Policy	5
EHS Executive Council	6
EHS Leadership Team	6
EHS Management Systems	7
Compliance With Regulations	10
Environmental Expenditures	10
Abbott's Toxic Release Inventory (TRI) Data	11
Energy Conservation	12
Employee Health and Safety	13
Fleet Safety	14
Donegal, Ireland, Responds Immediately to Oil Leak	15
Product Performance	17
Packaging Performance	18
World Highlights	20
EHS Team Supports New Plant Opening in Costa Rica	22
Environmental, Health, Safety and Energy Excellence Awards	23
Stakeholder Partnerships	26
Final Thoughts	28



A Message From Management



Miles White, CEO and Chairman of the Board (right), and Bob Parkinson, COO and President

Abbott Laboratories' mission to be the world's premier health care company carries with it a responsibility to operate in a manner that protects and improves human health, safety and the environment. As we enter the 21st century, we are committing the same caliber of talent and resources that drive our business success to address this important goal. In this report, we outline the broad scope of our efforts in this area and highlight the progress we made last year toward achieving measurable results.

In 1999, we issued an aggressive Environmental, Health and Safety (EHS) Challenge to our operations worldwide: to determine how to improve our EHS record during the next five years, when we expect to set record-breaking production levels. Our first analysis has encouraged us to initiate actions in 2000 that are all designed to accelerate accident prevention efforts and waste minimization efforts.

As a result of the Challenge, we will strengthen our commitment to EHS performance excellence by implementing improved management systems and establishing demanding new corporate-wide EHS standards. These will strengthen and focus our ongoing commitment to allocate the appropriate resources, exercise business best practices and use the latest technologies to improve our EHS performance.

Also, applying the axiom that "what gets measured, gets done," we are developing

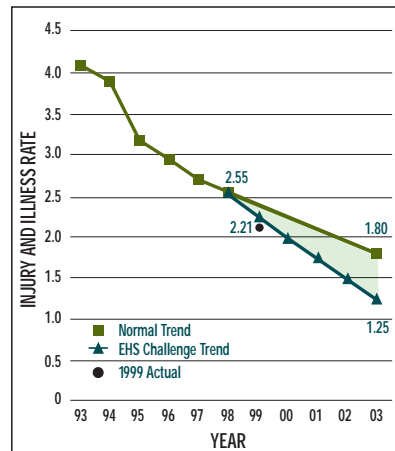
uniform performance measurements. These measurements provide a basis to objectively evaluate the EHS performance of our business units, and hold management accountable for progress toward our goals.

It is the day-to-day actions of Abbott people worldwide—as individuals and as teams—that ultimately determine our ability to go beyond basic compliance with official regulations and corporate policies to attain superior EHS performance. We have taken a number of steps to educate and empower our employees. Working under the strategic direction of our EHS Executive Council, our company EHS directors formed a new EHS Leadership Team in 1999 to develop goals and action plans for the Company, aided by the valuable input of employees from all levels of our organization around the world. Through the use of new databases and intranet communications, our people are sharing information worldwide.

In our Leadership Development programs, we are updating our future leaders on the latest environmental trends and issues and making the most effective use of environmental data in decision-making. This ongoing training assures they are knowledgeable as well as accountable for the external impact of our operations.

Examples of EHS initiatives this year demonstrate the diversity of our efforts to address both external and internal environmental, health and safety concerns. In 1999, we began to put a process in place that will allow us to standardize data on waste generation from Abbott sites worldwide. Once completed, the data collected will enable us to establish accurate baselines, set measurable goals and track improvements—all to assure continuous improvement toward the safety of the environment of local communities in which we operate worldwide.

Our commitment to employee health and safety extends outside the workplace to benefit employees at home as well as on the job. As one example of this, our Pharmaceutical Products Division last year



CURRENT PERFORMANCE

implemented a new "Behind the Wheel" defensive driving class for all new sales representatives. Early results show a nearly 50 percent reduction in vehicle accident rates—improving the safety of our employees.

Also last year, we announced the winners of our first annual Environmental, Health, Safety and Energy Excellence Awards to recognize employee initiatives that further our goals. We received an impressive 80 nominations for EHS programs created by employees across Abbott. Examples of the winning entries are summarized in this report.

We are proud of the resolve, efforts and accomplishments of all Abbott people to care for the health of people worldwide—by developing and manufacturing premier health care products, creating safe and healthy workplaces, and continuously protecting the global environment.

Miles D. White
Chairman of the Board
Chief Executive Officer

Robert L. Parkinson, Jr.
President
Chief Operating Officer

Abbott Overview

As one of the world's leading health care companies, Abbott is dedicated to improving people's lives through the discovery, development, manufacture and marketing of innovative health care products. Abbott has a unique combination of strengths—in research, geographic and product diversity, marketing, financial management, employee dedication and continuous productivity improvement.

Abbott Laboratories was organized in 1888 when Dr. Wallace C. Abbott began producing a new form of medicine called "dosimetric granules" in the kitchen of his home for his own patients. Demand for the tiny pills, which provided a precisely measured amount of drug, soon exceeded the needs of Dr. Abbott's practice, and in 1901, the business was incorporated as the Abbott Alkaloidal Company.

Incorporated as Abbott Laboratories in 1914, the company evolved through the 20th century, and currently has more than 57,000 employees, a presence in approximately 130 countries and worldwide sales in excess of \$13 billion. Abbott is involved in six broad business arenas.

U . S . N u t r i t i o n a l s

Abbott's Ross Products Division is a leader in pediatric and adult nutritionals, where products such as Similac® and Ensure® remain among the most-recognized brands of consumer products. The Ross Products Division is expanding and diversifying into new markets including pediatric pharmaceuticals, diagnostics and specialty nutritional-based health care areas.



U . S . P h a r m a c e u t i c a l s

Abbott's Pharmaceutical Products Division continues to enhance its leadership in anti-infectives, AIDS/antivirals, urology and neuroscience, while building its presence in diabetes and oncology. The Pharmaceutical Products Division is also building on its strong relationships with critical decision-makers to develop its key therapeutic areas into franchises by linking research and development priorities to commercial opportunities.



U . S . H o s p i t a l P r o d u c t s

Abbott's Hospital Products Division offers a fast-growing business with a diversified portfolio of hospital-based pharmaceuticals and highly innovative medical devices. The Hospital Products Division focuses on five areas: perioperative/intensive care, renal care, vascular medicine, oncology and drug-delivery systems/injectable pharmaceuticals.

Diagnostics

Abbott's Diagnostics Division is working to become the world's primary source for diagnostics and offers a range of products across key segments in the diagnostic market, including blood glucose monitoring, blood screening, clinical chemistry, hematology, immunodiagnostics, probes, rapid tests and point-of-care testing.



Abbott International

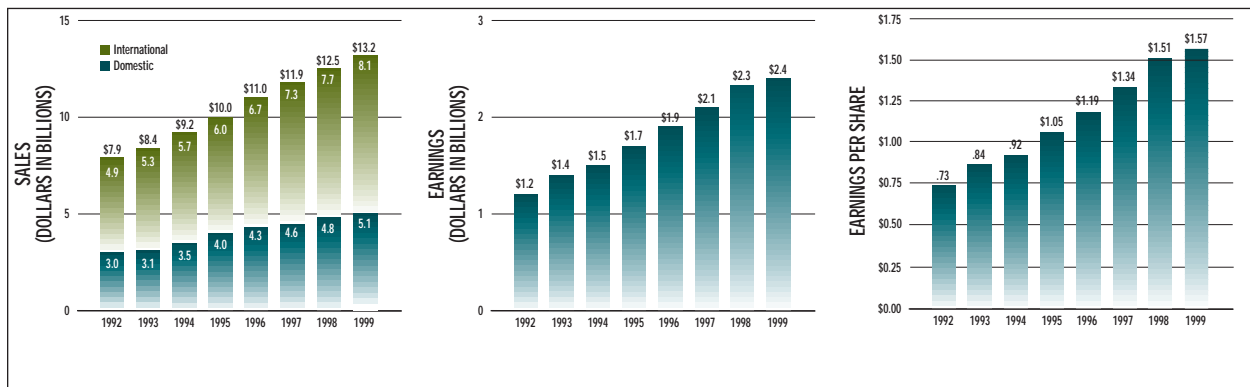
Abbott International is the company's largest operating division, marketing and manufacturing products outside the United States for Abbott's pharmaceuticals, hospital products and nutritional businesses.

Abbott International continues to execute a strategy that focuses business and alliance activities around key therapeutic areas.



Specialty Products

Abbott's Specialty Products Division is Abbott's primary resource for bulk drug development and manufacturing. The Specialty Products Division is one of the world's largest suppliers of bulk drug for generic injectables. The Animal Health business unit is a leader in perioperative and diagnostic health care for the veterinary market.



ANNUAL SALES, EARNINGS AND EARNINGS PER SHARE



Abbott Manufacturing Facilities

Abbott's manufacturing facilities, whose performance is reflected in this 1999 EHS Report, are located in:

C a n a d a

Brockville, Ontario
Montreal, Quebec
Toronto, Ontario
Wolseley, Saskatchewan

E u r o p e

Abingdon, United Kingdom
Campoverde, Italy
Dartford, United Kingdom
Delkenheim, Germany
Granada, Spain
Queenborough, United Kingdom
Sligo/Donegal/Cootehill/Finisklin, Ireland
St. Remy, France
Zwolle, The Netherlands



U n i t e d S t a t e s a n d C a r i b b e a n

Abbott Park, Illinois
Altavista, Virginia
Ashland, Ohio
Austin, Texas
Barceloneta, Puerto Rico
Bedford, Massachusetts
Buffalo, New York
Casa Grande, Arizona
Columbus, Ohio
Grenada, West Indies
Irving, Texas
Laurinburg, North Carolina
McPherson, Kansas
Morgan Hill, California
Norcross, Georgia
North Chicago, Illinois
Ponce, Puerto Rico
Rocky Mount, North Carolina
Salt Lake City, Utah
San Diego, California
Santa Clara, California
Santo Domingo, Dominican Republic
South Pasadena, California
Sturgis, Michigan

P a c i f i c , A s i a a n d A f r i c a

Ankleshwar, India
Cimanggis, Indonesia
Johannesburg, South Africa
Karachi, Pakistan
Kurnell, Australia
Shanghai, China
Tokyo, Japan

C e n t r a l a n d S o u t h A m e r i c a

Bogota, Colombia
Buenos Aires, Argentina
Mexico City, Mexico
San Jose, Costa Rica
Sao Paulo, Brazil

EHS Policy

EHS Policy

Abbott has had individual environmental, health and safety policies in place for many years. As part of Abbott's ongoing strategy to integrate environmental, health and safety performance management, we developed one environmental, health and safety (EHS) policy in 1999. The new policy restates our intention to operate in a manner that is protective of human health and the environment. The policy also provides a definition of EHS performance that clearly means more than regulatory compliance. It also stresses that this performance will be achieved through the implementation of management systems. These systems will provide the mechanisms by which performance will be achieved, measured and continuously improved.

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 environment 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 this EHS policy and to report to management any practices or conditions which are inconsistent with this policy or which pose recognized or unacceptable risks to human health, safety or the environment.



EHS Executive Council

Members of the EHS Executive Council include: (standing left to right) Tim Eades, Director, Operations, Ross Products Division; Mark Naidicz, Director, Human Resources, Corporate Engineering Division; Charles McGinn, Vice President, Customer Segment, Abbott Diagnostics Division; John Landgraf, Vice President, Manufacturing, Abbott International; Robert Morrison, Vice President, Operations, Pharmaceutical Products Division; (seated left to right) Lawrence Kraus, Vice President and General Manager, Specialty Products Division; Lance Wyatt, Vice President, Corporate Engineering Division; Corlis Murray, Vice President, Operations, Ross Products Division; and Jack Aten, Vice President and General Manager, Hospital Products Division.



The Environmental, Health and Safety Executive Council provides the corporate leadership and senior-level support necessary to achieve EHS excellence worldwide.

The vice presidents of operations, who are responsible for their respective division's EHS performance, along with other senior executives comprise the

nine-member Executive Council. The Executive Council provides direction and support for company-wide EHS strategy, champions division performance improvement and integrates EHS into business planning and decision-making. The Council is chaired by Lance Wyatt, the vice president of the Corporate Engineering Division and an officer of the Company.

In 1999, the council outlined a framework that consists of organizational positioning, learning and communication, and executive involvement to achieve its mission.

The EHS Executive Council establishes Abbott's EHS strategy and policy by setting clear guidelines for EHS excellence.

EHS Leadership Team

Members of the EHS Leadership Team include: (left to right) Sanford White, EHS Director, Abbott Diagnostics Division; William Lechner, EHS Director, Ross Products Division; Harry Patel, EHS Director, Abbott International; James Murphy, Director, Corporate Loss Prevention; Joseph Simon, Lake County EHS Director, Corporate Engineering Division; Frank Miller, EHS Director, Hospital Products Division; Natalie Garrett, EHS Director, Pharmaceutical Products Division; Robert Accarino, Director, Corporate Environmental Services; Thomas Cappelle, Director, Chemical Operations, Specialty Products Division; and Henry Sprague, Corporate Legal – Domestic. Members of the team not pictured are Michael Johannesen, Corporate Legal – Domestic, and Luis Rivera Figueroa, Manager, Site Environmental Engineering, Barceloneta, Puerto Rico.



Last year marked a significant step toward elevating EHS issues into a coordinated, cross-divisional effort. Separate environmental, health and safety management teams were combined to form the EHS Leadership Team. The team is comprised of EHS directors from all Abbott business units. The team meets monthly to share knowledge and discuss issues of company-wide importance.

The EHS Leadership Team identified several key areas in which to develop action plans to achieve its mission. Those key areas include leadership and organization, education and communication, and continuous improvement.

In its first full year, the EHS Leadership Team has accomplished several immediate goals and identified additional long-term goals.

The team played a significant role in launching and executing the Environmental, Health, Safety and Energy Excellence Awards program, initiated a process to improve EHS standards and established a system for internally communicating significant incidents.

In addition, the team began collecting standardized waste data from every Abbott site worldwide, creating a new baseline to set long-term environmental goals for individual sites and the Company.

EHS Management Systems

Management systems, or formal methods and procedures aimed at achieving and improving EHS performance, have been in use by Abbott facilities for more than a decade.

To increase the overall effectiveness of our management approach and to better communicate the connection between EHS areas, we are developing a consolidated EHS management system.

The elements of the EHS Management System are described below along with associated programs and initiatives.

EHS Policy

Programs are developed and implemented that endorse Abbott's EHS Policy. Programs clearly outline the goals, priorities, resources and accountabilities necessary to comply with the spirit of the policy.

Strategic Planning

EHS strategic plans annually evaluate EHS programs and include long- and short-term goals for performance improvement.

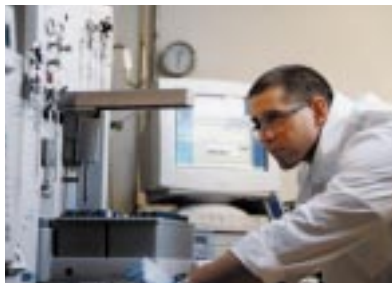
EHS long-range plans are currently implemented at the division and corporate levels and are reviewed annually with senior management.



Risk Management

Risk management programs identify and appropriately address hazards in the workplace, environmental impacts related to operations, and applicable legal and regulatory requirements.

- The Corporate EHS Lab analyzes samples to assess potential employee exposures to chemical hazards in the workplace and in the environment. In 1999, the lab analyzed over 2,800 environmental, health and safety samples. The lab, which has been accredited by the American Industrial Hygiene Association since 1981, ranks among industry's best ultratrace analytical laboratories.
- The Abbott Loss Prevention Working Group established a global communication infrastructure to address critical risk management and loss prevention issues. The group developed guidelines to help planners draft disaster recovery plans and post-disaster restoration plans for Abbott facilities worldwide.
- Community safety is as important to us as worker safety. For this reason, we have established emergency response teams consisting of highly trained and dedicated professionals at Abbott manufacturing locations worldwide to respond to emergencies and incidents. Many response team members cross-train with their municipal counterparts, become members of the local community response teams and provide urgently needed assistance to the community during natural or other disasters.



The Abbott EHS Lab, accredited by the American Industrial Hygiene Association since 1981, assesses potential employee exposures to chemical hazards in the workplace and ranks among the industry's best ultratrace analytical laboratories.



Abbott Laboratories Emergency Response Teams (ALERT) are highly trained professionals who respond to emergencies and incidents at Abbott manufacturing facilities worldwide. ALERT teams also assist their local communities during natural disasters or other emergencies.



T r a i n i n g a n d A w a r e n e s s

Training is provided to assure that all employees are aware of significant hazards, environmental impacts and applicable EHS requirements.

In addition to extensive training programs at the facility level, we also have training and awareness programs available at the corporate and division level.

The annual EHS Conference gives employees from around the world a chance to network, share ideas and listen to a broad range of EHS perspectives from respected internal and external speakers. The 1999 conference drew more than 250 professionals from 26 different countries and was followed by division meetings where EHS professionals participated in additional roundtable discussions and strategic planning.

Facility, division and corporate EHS personnel conducted training throughout the year on a variety of topics that included hazardous waste and stormwater management, auditing, and radiation and process safety.

C o m m u n i c a t i o n a n d I n f o r m a t i o n

Pertinent EHS communication is delivered to internal and external stakeholders in a timely, intelligible and easily accessible manner. Communication with external entities is proactive and responsive. Program development encourages employee involvement.

Initiatives that improve internal and external communication are ongoing and progress has been rapid. Interactive EHS intranet Web sites, newsletters and training programs have been introduced and continue to develop at the corporate, division and facility levels. This 1999 Abbott EHS Report has expanded in content and quality and will continue to evolve with our programs.

B u s i n e s s I n t e g r a t i o n

EHS issues are considered in business and operations planning and decision-making. Initiatives exist at all levels of the Company to assure effective energy and resource conservation and workplace safety. All acquisitions and divestitures go through formal liability and compliance evaluations.

An internal executive training course, the Leadership Development Program, is designed to develop the future leaders of the corporation. Topics range from global economics and trade, to the future direction of technology and learning how to cooperate to compete. In 1999, one of the main topics was "Environmental Strategy." Participants completed an intense environmental module that studied two outside companies as benchmarks, identified environmental forces, trends, impacts and responses, and applied an environmental model to Abbott businesses. Participants were challenged to ask key environmental questions along with typical market, operations and product questions. They studied the potential impacts of environmental trends and developed appropriate responses that addressed both environmental and business aspects.

Through the Leadership Development Program, Abbott has taken great strides to elevate environmental planning to the forefront of strategic planning.

Performance Measures

EHS performance is measured, monitored and communicated to pertinent internal and external stakeholders. In 1999, new EHS performance measures were developed that are globally applicable and relevant. A set of global environmental metrics was also developed and will be used to create a baseline for future performance initiatives.

Assurance Review

An effective, independent EHS performance review process assesses our facilities' compliance with all applicable requirements and assures that findings are addressed in a timely manner.

The Company formalized the integration of health and safety into the business in 1987 with the introduction of a comprehensive and consistent assurance review process that has evolved over the years to focus on management systems.

During the same time frame, worldwide environmental reviews were completed independently. The Company plans to move towards integrated EHS reviews to capitalize on related skill sets and expand the knowledge of our EHS organization. Thirty-five environmental, health and safety audits were conducted on a worldwide basis during 1999. Each site is typically audited every two to five years based on risk.



In 1999, 35 environmental, health and safety audits were conducted around the world including Dainabot in Matsudo, Japan.



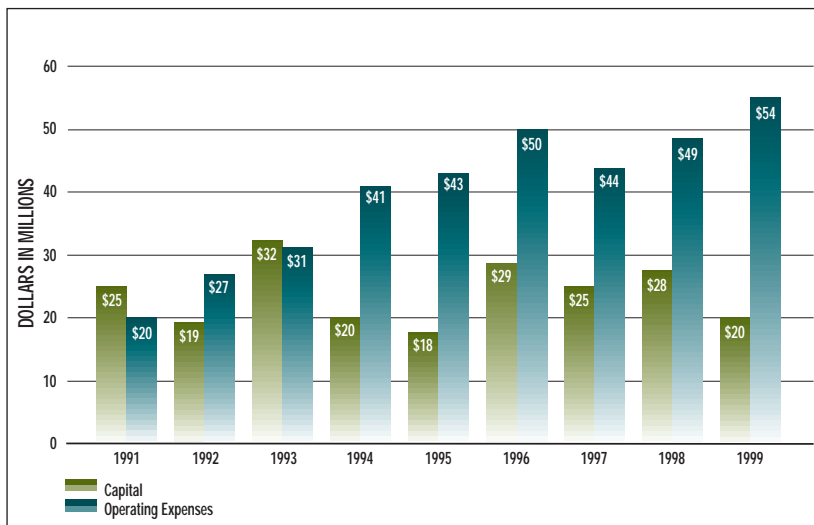


Compliance With Regulations

Our EHS policy requires all operations worldwide to comply with applicable laws and company policies and standards. When compliance issues are identified, through outside agency inspections or internal assurance review processes, they are

expeditiously addressed. In 1999, Abbott received 17 written notices of non-compliance from environmental, health or safety authorities, and paid a \$600 penalty.

Environmental Expenditures



ABBOTT'S ENVIRONMENTAL CAPITAL AND OPERATING EXPENSES

Capital and Operating Costs

Environmental expenditures, as illustrated in the chart to the left, include the capital and operating costs of emission control, waste disposal, wastewater pretreatment and other environmental control and management systems.

Superfund Remediation

Under the Comprehensive Environmental Response, Compensation and Liability Act—commonly known as Superfund—during 1999, Abbott was identified as a potentially responsible party (RPR) at a number of locations in the United States and Puerto Rico. While it's not feasible to predict the outcome of such pending matters with certainty, we believe their ultimate disposition will not have a material adverse effect on Abbott's financial position or operations.

On-Site Remediation Projects

In 1999, we managed ongoing environmental remediation projects at two former manufacturing facilities and two current manufacturing facilities in:

- Spartanburg, South Carolina,
- Wichita, Kansas,
- Laurinburg, North Carolina, and
- Rocky Mount, North Carolina.

The North Chicago remediation project was completed in 1999.

Abbott's Toxic Release Inventory (TRI) Data

Abbott U.S. facilities report listed toxic chemical transfers to off-site locations and releases to the air, water and land. These collective releases and transfers are reported annually to the U.S. Environmental Protection Agency (USEPA) as required under Section 313 of the Superfund Amendments and Reauthorization Act (SARA).

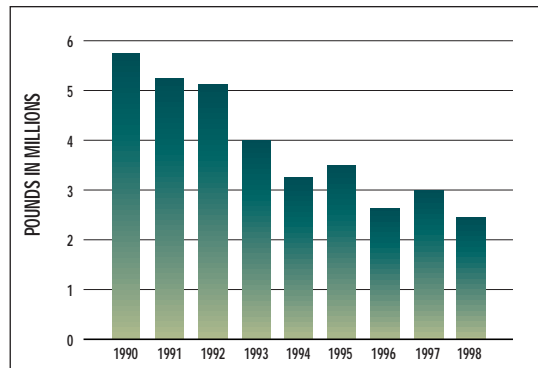
As indicated by the chart, Abbott's total amount of Toxic Release Inventory (TRI) chemical releases in 1998 dropped to 2.5 million pounds—a 19 percent decrease compared to 1997. A 58 percent reduction in releases from U.S. manufacturing facilities since 1990 coincided with a net sales growth of over 90 percent. In 1998, 63 percent of Abbott Laboratories' TRI chemicals were treated or recycled on site. Energy recovery accounted for 26 percent of total off-site releases. The 1999 data will be submitted to USEPA in the third quarter of 2000. Abbott continues to seek and implement ways to reduce its release of targeted chemicals.

In addition, four domestic operating facilities that previously submitted TRI reports have eliminated the need to report since 1995 as a result of successful pollution prevention programs.

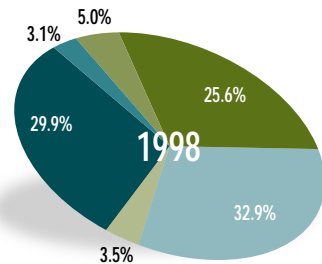
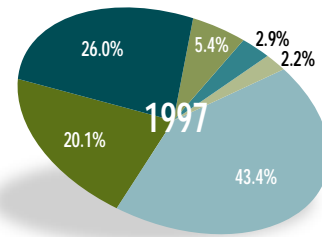
Furthermore, Abbott's two largest manufacturing sites—North Chicago, Illinois, and Barceloneta, Puerto Rico—were able to reduce their dichloromethane and methanol emissions significantly.

In 1999, Abbott began developing global environmental performance metrics that will include standardized waste generation data. This will include data on the following waste streams:

- Hazardous,
- Nonhazardous,
- Process air emissions,
- Combustion gases and
- Process wastewater.



TOXIC RELEASE INVENTORY



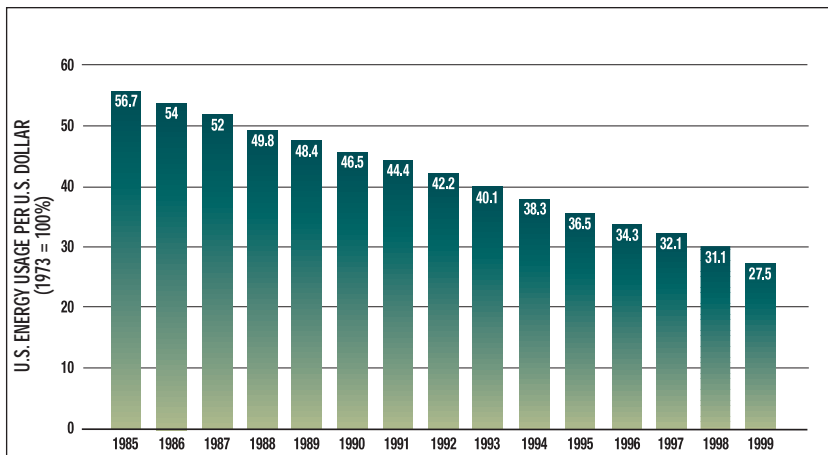
- Quantity Released
- Quantity Used for Energy Recovery Off-Site
- Quantity Recycled On-Site
- Quantity Recycled Off-Site
- Quantity Treated On-Site
- Quantity Treated Off-Site

1997 AND 1998 TOTAL TRI

Energy Conservation

Abbott started its formal energy conservation programs in the United States in 1973. Since that time, the energy required to produce product in the U.S., measured on a per-dollar-of-throughput basis, has dropped to less than one-third of the 1973 consumption rate. These energy reductions resulted in a savings of 590 billion BTUs of energy in 1999 compared to 1998's energy consumption. That means that 24,000 tons of coal did

not need to be burned and 73,000 tons of pollutants were avoided in 1999. Abbott has also installed energy cogeneration processes at several manufacturing facilities. Through the cogeneration process, waste heat from the generation of electricity is used to heat buildings and operate manufacturing equipment, thus further reducing total energy requirements.



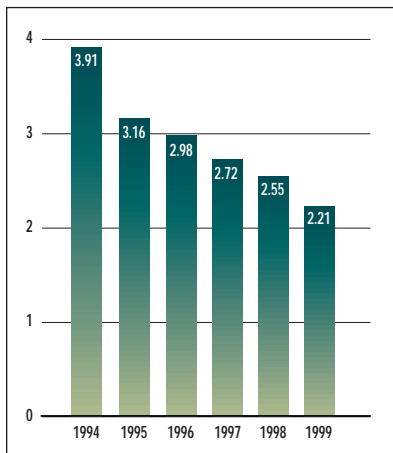
ENERGY CONSERVATION

Employee Health and Safety

Our health and safety performance has shown continuous improvement since 1991. The following health and safety data are based on criteria established by the U.S. Occupational Safety and Health Administration (OSHA).

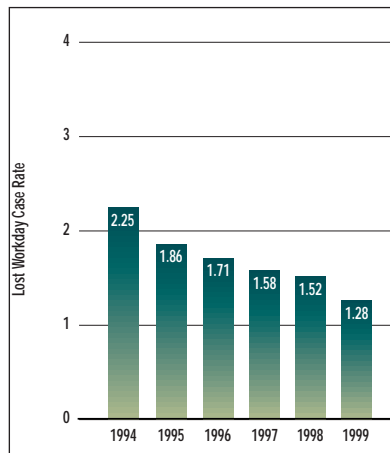
Our OSHA recordable rate, a measure of the number of domestic workplace injuries and illnesses that occur each year, has decreased by 43 percent since 1994. The lost workday case rate, a measure of the number of injuries or illnesses resulting in lost or restricted workdays, also decreased by 43 percent during the same period. Because of improved performance during this timeframe, more than 2,000 work-related injuries and illnesses were prevented at Abbott domestic locations. During this period, there were 18,000 fewer lost workdays worldwide.

While these results are encouraging, we remain committed to safety excellence and to the prevention of all workplace injuries and illnesses. The Abbott-wide EHS Challenge aims to accelerate the rate at which our safety performance improves. To accomplish this ambitious objective, we are focusing more closely on the types of injuries and illnesses occurring in the workplace, and are improving programs and training in those areas. Abbott employees are encouraged to actively participate in our health and safety programs and their input is considered critical to our success.



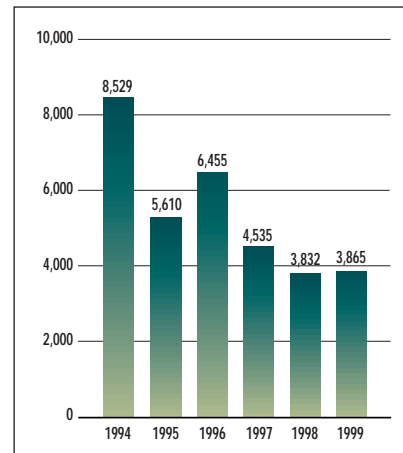
OSHA RECORDABLE RATE

The OSHA recordable rate is the number of work-related injuries and illnesses per 100 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 employees.



LOST WORKDAYS - WORLDWIDE

Values shown indicate the total number of days that employees could not work due to work-related injuries or illnesses.

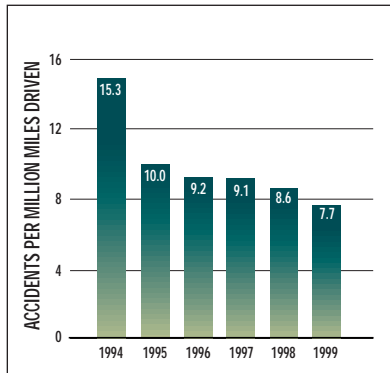
Fleet Safety

To reduce vehicle accident rates, the Pharmaceutical Products Division implemented "Behind the Wheel" training in 1999 for all new sales representatives. The initial results show a significant accident rate reduction among sales reps taking the course. Other Abbott divisions plan to implement similar programs.



Around the world, more than 10,000 Abbott employees make extensive use of company vehicles every day to meet with our customers and deliver our products. Since 1994, Abbott has instituted a number of fleet safety programs to help employees avoid automobile-related accidents and injuries. These programs have resulted in reducing the vehicle accident rate and accident-related injuries in our sales organizations.

In 1999, the Pharmaceutical Products Division (PPD) implemented a new program to further reduce vehicle accident rates. PPD's fleet safety program was expanded to include "Behind the Wheel" training for all new sales representatives. PPD's one-day "Behind the Wheel" classes are held on Saturdays throughout the year and allow employees hands-on practice in a wide variety of critical defensive driving maneuvers. The training is conducted by a third-party company comprised of law enforcement personnel who specialize in the field of traffic safety.



PPD SALES FLEET PERFORMANCE

More than 600 pharmaceutical division sales employees successfully completed "Behind the Wheel" training in 1999, with an overwhelmingly positive response from the employees. The vehicle accident rate is nearly 50 percent lower among sales reps who have completed the training compared to those who have not. Other Abbott divisions, including Ross Products Division and Abbott International, plan to expand existing and implement new programs.

Donegal, Ireland, Responds Immediately to Oil Leak

The importance of developing an environmental management system for emergency response and communication was put to the test in Donegal, Ireland.

On July 13, 1999, approximately 35,000 liters of light fuel oil leaked from a damaged underground supply pipe that feeds the plant's boilers. The oil seeped into an adjacent land drain and a farmer's field before entering an inlet that leads to Donegal Bay. This bay, used as a source of shellfish farming and other forms of commercial fishing, contains a variety of wildlife including seals and otters.

Upon discovering the leak at 2 p.m. on July 13, the plant activated its emergency plan.

- The underground supply was immediately cut off.
- The Donegal County Council was informed of the accident.
- Environmental clean-up contractors were identified and dispatched to the site.
- The plant reported the incident to division management.
- Local environmental authorities, as well as local landowners and marine businesses, were informed of the spill.

By 6 p.m., spill specialists were on site. Two oil spill booms were immediately installed across the neck of the inlet to cut off oil leakage from the inlet to the greater bay. During the same evening, more than 10,000 liters of oil were pumped from the shoreline. "Had we not had the full cooperation of Abbott, there would have been serious implications for shellfish farmers, seals and tourism in the area," said Donal Casey, the executive chemist for the Donegal County Council (Source: *Irish Independent*, July 15, 1999).

Over the course of the next week, clean-up efforts continued.

- Pumps and oil skimmers collected and transferred free oil to tankers on site.
- Oil-absorbent material helped absorb oil.
- Oil-soaked plant life was manually removed.
- Mechanical equipment removed the top layer of contaminated soil along the drain between the plant and the inlet.
- Reusable oil was given to an oil-recycling firm.
- Oil-eating organisms were dispersed to remove residual oil.

An equally extensive emergency plan was activated at the plant as well. Soil sampling in the vicinity of the pipeline ensued for the next two months. By September 20, the last round of soil samples revealed no adverse effects.

"They (Abbott) have cooperated 100 percent with the county council by providing all the facilities we need. They have employed a special team of consultants who specifically deal in oil spillages to work with us on the scene," Casey said (Source: *Irish Independent Newspaper Online*, July 15, 1999).

Thanks to Abbott Ireland's immediate response, and having an effective environmental management system in place to deal with crisis situations, the plant was able to contain this situation quickly with minimal environmental damage.





Underground Tank Strategy

Currently, Abbott prohibits the installation of underground storage tanks anywhere in the world unless absolutely necessary. In cases where they are necessary, designs must pass reviews at the division and corporate levels and comply with stringent requirements. The oil leak in Donegal prompted Abbott International to establish a policy to remove or take out of service underground tanks and piping systems wherever possible, making it a top environmental priority.

In 1998, the international affiliates identified 32 underground tanks and piping systems in use and 36 unused underground tanks and underground piping systems. In response to that survey, Abbott International outlined a twofold strategy to prohibit the installation of new underground tanks and to remove or take out of service all underground tanks from service within five years.

The division has since put its underground tank strategy on an accelerated schedule by implementing the following tactics:

- Prohibit the operational use of underground tanks and piping systems by the end of 2000.
- Establish procedures to test and deactivate underground tanks and piping systems by the end of 2000.

By amending and implementing our underground tank and piping system policy, we are confident that we have the proper strategy in place to eliminate the risks of future accidents like the one in Donegal.



On July 13, 1999, plant personnel in Donegal, Ireland, learned that an underground pipe leaked approximately 35,000 liters of light fuel oil onto a surrounding field and into an inlet that leads to Donegal Bay. By having an effective environmental management system in place, Abbott Ireland was able to contain the leak immediately.





Product Performance

Abbott is always seeking ways to improve processes and our operational performance while keeping EHS issues in the forefront. Environmental initiatives range from less resource-intensive tasks, such as inventory control, to complex product reformulations.

Value Chain Analysis

In the area of product performance, Abbott developed a Value Chain Analysis (VCA) training program and piloted it for employees of the Hospital Products Division. VCA is a systematic evaluation of the environmental challenges and opportunities associated with a product, process or activity throughout the product life cycle. Attention is focused on reducing energy consumption, raw materials usage, waste generation, and environmental emissions as well as adding value to the customer.

VCA is aimed at EHS, research and development, technical operations and business personnel. The approach incorporates the skills and innovative thinking of the marketing, product development, production, packaging, distribution and sales areas.

Compound Reformulation

Recently, Abbott reformulated manufacturing processes for Biaxin (500 mg tablet), Ery-Tab, and Ery-Base in order to decrease volatile organic material (VOM) emissions. Based on 1996 – 1997 emission data, the Biaxin reformulation alone would result in a 23-ton-per-year decrease. In addition to the VOM air emission reduction, hazardous waste volumes are expected to drop as less alcohol is used in the manufacturing process.

Chemical Reuse

The pharmaceutical research and development organization maintains a chemical ordering system that allows scientists to obtain unused or partially used chemicals at no cost. This decreases the need to dispose of unwanted materials, and saves time and money in obtaining new chemicals.

R & D Initiatives

The following examples demonstrate the Pharmaceutical Products Division's continued commitment to pollution prevention:

- Management EHS Councils were established to share EHS issues and strategies. These councils help educate and encourage scientists to avoid, reduce or eliminate environmentally detrimental chemicals in the drug discovery, development and manufacturing stages.
- An effort has been undertaken in R&D to reduce or eliminate the need for mercury thermometers. This decreases off-site mercury disposal, the potential for mercury discharges to the sewer and the risk of spills.
- A method to recover certain types of R&D radioactive material for reuse in future biomedical research has been developed, preventing the release of this material to the environment and reducing disposal costs.

Packaging Performance

Packaging reduction strategies remain an ongoing priority. Abbott engineers continue to reduce materials used in product packaging while being consistent with safety, function and regulatory compliance requirements.

Committed to reduce wasteful packaging, various Abbott business units and manufacturing operations completed several package reduction projects in 1999.

Flexible Pouches

One of 1999's more successful projects involved converting the packaging of a majority of hospital product sets into single, flexible pouches. The new design eliminates the use of a carton tray and a polyester overwrap.

As a result, more than 2 million pounds of paperboard and overwrap waste have been eliminated from the waste stream. Furthermore, a 35 percent reduction in package size equates to 10,000 fewer pallets or 205 trailers and the associated fuel use and corresponding emissions to transport the bulkier packaging.

Three different plants rolled out the conversion with significant increases in line efficiencies. Full conversion is anticipated in 2000. The projected cost benefits are estimated to be \$2.9 million over five years.

Other notable source and package reduction accomplishments include:

External Packaging

- Bulk containers were downsized, reducing corrugate packaging and eliminating pallet overhang. This effort eliminated 45,000 pounds of corrugate from the waste stream annually.
- A vendor agreement reuses the TestPack® and TestPack Plus shipping package 10 times before discarding. It is projected that 210,000 pounds of corrugate can be eliminated from the waste stream annually.
- Paperboard cartons for retail Ensure® products (four and six count) were modified. By cutting the paperboard weight from a 20-point board to an 18-point board, 320,000 pounds of paperboard will be spared from landfills annually.



By re-engineering the packaging of a majority of hospital product sets into single, flexible pouches, more than 2 million pounds of paperboard and overwrap waste have been eliminated from the waste stream.



Internal Packing

- The AxSYM® base was modified to remove the thermoformed High Impact Polystyrene (HIPS) support pad. As a result, more than 40,000 pounds of HIPS will be removed from the waste stream annually.
- Shorter-height trays for 8-ounce nutritional products reduced corrugate usage by 14 percent per tray. Annualized material reduction from this project is more than 950,000 pounds.
- Recycled paper was used for a line of product enclosures. The project converted 1 million pounds of virgin paper to recycled paper. In addition to promoting recycling, \$200,000 in cost savings were realized.
- Corrugate case pack styles were converted to double layers of product, resulting in a more efficient use of corrugate. Calculations show a corrugate board reduction of between 15 and 30 percent annually.

Containers

- The weight of steel can ends for powdered products such as Similac®, Similac® With Iron, Isomil®, NeoSure®, Similac® Lactose Free and Alimentum® was reduced by 13.3 percent. This project reduces annual steel usage for powder products by about 112,800 pounds.
- The steel weight of EZO ends for PediaSure®, most varieties of Ensure®, Jevity®, Pulmocare®, Glucerna®, Two-Cal®, Osmolite®, Nepro® and other adult nutritionals was decreased by nearly 3 percent. This part reduction for 8-ounce steel cans reduces steel usage by 230,000 pounds annually.
- Steel can ends for 32-ounce containers for Similac® (with or without iron), Isomil®, Ensure® and Alimentum® were reduced by 5.9 percent, saving about 156,500 pounds of material annually.
- Introducing 32-ounce aseptic plastic bottles for Similac® resulted in several positive effects. Compared to traditional uses of steel, lighter plastic bottles reduce the weight of primary packaging by 54 percent. Approximately 2.9 million fewer pounds of packaging are used to deliver Similac in aseptic plastic bottles. The aseptic bottles are also recyclable.
- New equipment converted some agricultural product containers into light weight, flexible pouches—saving more than 46,000 pounds of material weight annually.
- A new nutritionals product packaging database tracks the weight of packaging materials, enabling personnel to identify and share packaging reduction opportunities. The source reduction efforts have reduced packaging weight from 3.8 million pounds in 1997 to 3.0 million pounds in 1998.





World Highlights

Abbott employees around the world are engaged in many EHS activities. Listed below are some of our highlights:

Queenborough, UK – A new Isoflurane process unit recovers 70 tons of acetone for reuse in the process and enables a byproduct stream to be converted into isoflurane. The new technology reduces waste and site effluent.

By converting to aqueous-based tablet coatings, volatile organic compounds (VOC) emissions have been significantly reduced. Queenborough is currently on track to meet ISO 14001 standards by the end of 2000.

A bird and flora study identified 15 bird species along the river boundary of the site, prompting the site to be designated as an International Site of Specific Scientific Interest for wading birds. These studies will assist in future development plans and possible conservation initiatives.

Dartford, UK – The Murex plant opened its doors to the community by working with Leigh City College students in studying plant recycling efforts and Langley Park School students in studying energy conservation. The Murex site is also involved with the Kent Environmental Management System Demonstrator Project, which assists Kent businesses with ISO 14001 accreditation.

Cootehill, Sligo and Donegal, Ireland – These manufacturing facilities successfully completed a three-year renewal certification to ISO 14001 standards. The National Health and Safety Authority presented the Cootehill plant with the “Irish Good Neighbour” award for improving the quality of safety in its plant and for extending the safety message outside the plant into the local community. Cootehill also took second place in Ireland as part of the National Irish Safety Organization Safety Quiz.

Sydney, Australia – For every two weeks Abbott employees work without a lost-time incident, a star is placed on the “Starlight Board.” When 36 stars are placed on the board, the site makes a donation to the Starlight Foundation, a nonprofit organization that assists seriously ill children.

Abbott Australia became the first pharmaceutical company in Australia to achieve ISO 14001 certification.

Campoverde, Italy – This major manufacturing facility inaugurated its solvent recovery plant. This project will realize a 60 percent reduction in hazardous waste generation by recovering and recycling solvents. More than 1,150 tons of solvent are expected to be recycled annually. Expected solvents to be recycled include dimethoxyethane (DME), methyl ter-butyl ether (MTBE), isopropyl alcohol (IPA), ethyl acetate (EtOAc) and isopropyl acetate (IPAC).



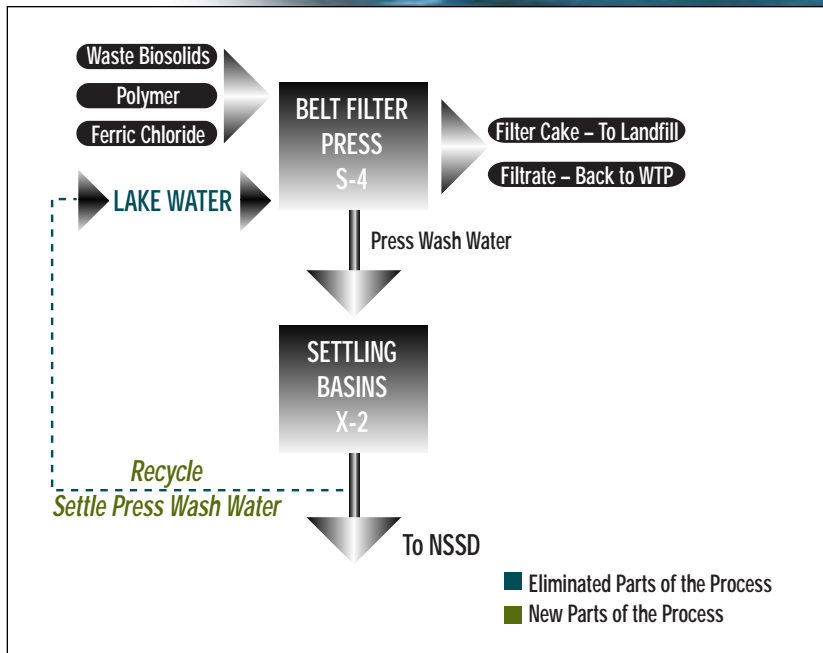
Ankleshwar, India – The Ankleshwar Industries Association presented the Abbott India plant with first-place honors in the Housekeeping Contest. After inspecting 30 companies in Ankleshwar, the association deemed Abbott India as the leader in maintaining best practices to minimize accidents.

North Chicago, USA – In 1999, Lake County Environmental Operations defined, designed and implemented a project to recycle belt wash water from the filter press operation at the wastewater treatment plant in North Chicago, Illinois.

Under the old process, water was used to clean the filter press belts of biologically treated residue, which is eventually collected and transported to a landfill. After washing the filter press, the water and effluent were immediately discharged to the North Shore Sanitary District (NSSD) for further treatment.

Following design modifications and the installation of new pumps and equipment, the wash water from the filter press now flows to a basin where biological residue settles. The wash water is recycled and circulated to the filter press numerous times before it is sent to the NSSD.

This project has eliminated the use of approximately 400,000 gallons of water per week. It also reduces the discharge of 400,000 gallons/week to the NSSD. Financial savings from the new process will recover the initial capital costs within two years and create capacity for other production opportunities.



NEW BELT FILTER PRESS OPERATION

EHS Team Supports New Plant Opening in Costa Rica

A comprehensive EHS program was developed and implemented in conjunction with construction of the Hospital Products Division's new manufacturing plant in San Jose, Costa Rica.

Located on a 40-acre site, the 260,000 square-foot facility will house nine production lines and provide 800 to 900 jobs to the local community when fully operational.

Construction began in November 1998 and the first production line started operation in December 1999. Crucial to the success of meeting this aggressive construction timetable was the ability of the EHS team to complete and submit the Environmental Impact Statement (EIS) to SETENA (Costa Rica's equivalent to the U.S. EPA). SETENA's approval of the EIS was mandatory before construction could begin.

The document detailed the EHS impacts of the facility and how Abbott planned to minimize those impacts. By making EHS staff equal members of the project team, EHS issues were raised and addressed throughout the project's life cycle. This process ensured appropriate EHS control measures were in place.

The plant achieved a milestone in safety performance during the construction phase of the project. Through strong project leadership, the several hundred contractors who worked over 1.25 million man-hours to construct this facility in record time capped this achievement by completing their work without a single lost workday.



Thanks to the efforts of the EHS team, the Hospital Products Division completed its newest manufacturing facility in San Jose, Costa Rica, in record time without a single lost workday. As equal partners of the project team, the EHS team was instrumental in addressing EHS issues throughout the project's life cycle.



Environmental, Health, Safety and Energy Excellence Awards

Outstanding EHS performance by Abbott employees is recognized and rewarded at Abbott. In 1999, Abbott celebrated the first global, multidisciplinary Environmental, Health, Safety and Energy (EHS&E) Excellence Awards program.

In the first year, more than 80 nominations were submitted from around the world. Winners received a commemorative plaque and monetary awards. Winning teams also designated local charities to receive a total of \$50,000 in contributions on their behalf. Three individuals and 10 teams were named winners.

1999 Award Winners

The 1999 award winners are listed below:

- On his own initiative, an employee in the Hospital Products Division established a recycling program within an R&D building complex. In 1998, the facility experienced a 66 percent decrease in waste volume, greatly reducing waste to local landfills. This individual's effort saved the facility \$4,000 in landfill costs and generated an additional \$4,500 in revenue.
- An employee in the Pharmaceutical Products Division led efforts to incorporate EHS issues into management assessment processes, including impact goals, performance appraisals and strategic plans. As a result, the pharmaceutical operations organization developed and implemented EHS best practices at all levels of the organization, which reduced emissions beyond permit compliance and decreased injury and illness rates 75 percent over the past six years.
- An employee from the Diagnostics Division helped create and coordinate a Quality Assurance Safety Committee that communicates EHS awareness and safety issues to more than 1,500 Diagnostics Division employees in Lake County, Illinois. With greater awareness, employees look for ways to reduce injuries and minimize waste within their own areas of influence.

Dallas, Texas — Printed Circuit Board Team

A team of engineers and operations personnel from the Diagnostics Division tackled numerous environmental and operational safety issues at its Printed Circuit Board shop. The team decreased the use of solder, flux and associated chemicals by 50 to 70 percent. By reducing the number of heavy lifts associated with these materials, the team's efforts also favorably impacted the site's safety program by minimizing exposure to potential back injuries. On the energy side, the team identified a new washer system that reduced electricity needs by 70 percent. The state of Texas recognized the team as one of the five finalists in the state's Environmental Excellence Award program.

North Chicago, Illinois — Chemical Pilot Plant Team

This team from the Specialty Products Division evaluated a new technology to reduce employee exposure to active pharmaceutical products. A surrogate material was required to act as the "pharmaceutical agent" during the evaluation process. Utilizing Abbott's state-of-the-art EHS Lab, the team worked with the new technology and modified the existing air-monitoring method to improve low-level detection of a particular pharmaceutical compound. The surrogate compound, which tests new equipment and reduces exposure risks to employees, is being shared across divisions.



Bob Parkinson (second from right), Abbott COO and President, showed his support for environmental, health, safety and energy initiatives as he recognized winners during the first EHS&E Excellence Awards program in 1999.



North Chicago, Illinois — Packaging Engineering Team

An enterprising team from the Pharmaceutical Products Division implemented the use of recycled paper for a line of product enclosures. The project converted 1 million pounds of virgin paper to recycled paper. In addition to promoting reuse methods, the team realized \$200,000 in cost savings due to the conversion.

Abbott Canada — Facilities Recycling Teams

Abbott International and Diagnostics Division employees throughout Canada took to heart the Canadian 3R Program. This cross-divisional team implemented a sweeping 3R (Reduce, Reuse and Recycle) program across numerous manufacturing, distribution and administration facilities. The team recycled 95 percent of the waste in distribution facilities and 70 percent in manufacturing facilities, saving 1,800 metric tons of recycled waste from being sent to landfills.



North Chicago, Illinois — Safety Team

Through a “Safe Tasks Are Rewarded” (STAR) awareness program, Hospital Products Division employees at one plant focused on identifying and correcting unsafe conditions before an incident occurred. Through this preventive measure, more than 400 unsafe conditions were identified and corrected between 1997 and 1998. As a result, lost day cases decreased 80 percent in 1998 compared to 1997 and worker’s compensation claims dropped 56 percent.

Kurnell, Australia — EHS Team

Using systems installed to achieve ISO 14001 certification, this Abbott International team identified several manufacturing areas to prevent pollution and reduce energy consumption. In 1998, the team reduced BOD and COD levels in the sewer discharge by 95 percent, largely by changing the equipment cleaning method for a particular product. The team also found ways to reduce electricity costs by 48 percent over a two-year period and has identified other energy-use reductions to be implemented over the next two years, yielding \$65,000 in savings. The Australian Environmental Protection Agency considers Abbott Australia a model of industry compliance and commitment.

North Chicago, Illinois — Utilities Team

This Corporate Engineering Division team identified and installed clarification equipment that uses reverse osmosis units to produce higher quality water for boiler makeup at its North Chicago, Illinois, manufacturing and facilities operations. In particular, the reverse osmosis technology removes approximately 98 percent of the dissolved solids from the Lake Michigan water supply, decreasing the chemical treatment costs previously needed. Other annual waste volume and toxicity reductions include:

- Eliminating 15 million gallons of boiler blowdown volume that was previously sent to the storm sewer drain,
- Reducing 21 million gallons of softener and filter discharges,
- Reducing 8 million gallons of lime slurry discharge to the waste treatment plant and
- Avoiding the annual use of 85,000 pounds of lime by eliminating hot lime systems.

The team received a 1998 State of Illinois Governor’s Pollution Prevention Award for their efforts.



Donegal, Ireland —
Community
Recycling Team

This Abbott International team not only demonstrated its resourcefulness to protect the environment, but it reached out to the community to serve a group of mentally and physically challenged individuals by providing meaningful employment. Abbott Donegal manufactures hospital sets and devices, which produce large quantities of plastic waste. In order to segregate recyclable plastic, the team trained individuals from a community service organization to sort plastic from the plant for recycling. Currently, 25 people are involved in this effort and 14 tons of plastic waste are being recycled per year.



Barceloneta, Puerto
Rico — Hurricane
Task Force

Years of training and preparation came to fruition for the specialized Emergency Response Team, known as the Hurricane Task Force, in Barceloneta, Puerto Rico. Abbott was the first plant to resume operations after Hurricane Georges wreaked havoc on the island in 1998. Nearly all of the 1,200 employees reported to work the next day. Due to the timely actions of the Task Force before, during and after the storm, there were no accidents, spills or leaks to the environment. Furthermore, the Task Force supplied water in trucks to hospitals, schools and local municipalities. The Puerto Rico Manufacturing Association applauded Abbott's Hurricane Task Force and considers it a model of preparedness for all industries on the island.

The Emergency Response Team stationed in Barceloneta, Puerto Rico, also includes many members of the Hurricane Task Force, which maintains the facility and assists the local community during hurricanes. The Puerto Rico Manufacturing Association uses the Hurricane Task Force as a model of preparedness for all industries on the island.

Barceloneta, Puerto
Rico — Site
Environmental
Engineering Team

This team, which oversees a multidivisional plant, achieved a flawless inspection record from local and federal environmental protection agencies. The team's environmental initiatives accounted for \$136,000 in domestic waste disposal savings, increased recycling revenues by \$16,000 and reduced 6,554 cubic yards of waste to a local landfill.



Stakeholder Partnerships



Abbott Laboratories pledged \$500,000 toward the Greenbelt Cultural Center in North Chicago, Illinois. The Cultural Center, part of the Lake County Forest Preserves, opened in 2000 and provides a space for the community to gather, explore and learn about the local environment.

Abbott understands that responsible corporate citizenship includes reaching out to the communities in which we operate. We have ongoing partnerships with community and other stakeholder organizations to provide education, opportunities for collaboration and resources for environmental initiatives. Donations to U.S. environmental and ecological initiatives totaled \$130,250 in 1999. Some of these and other initiatives are highlighted in this section.

Wildlife Habitat Council

In 1999, Abbott Laboratories joined the Wildlife Habitat Council (WHC), a nonprofit organization that assists corporations with wildlife habitat management on corporate land and with on-site environmental programs. We also officially became certified by the WHC largely due to our existing Abbott Eastern Prairie Fringed Orchid Habitat.

WHC accreditation and membership will help Abbott further develop wildlife protection programs on Abbott property. WHC also provides technical resources to help us engage employees in voluntary environmental activities. Since joining WHC, several committees were formed to identify and implement new environmental awareness programs. More than 100 employees have joined the committees to help us uphold our WHC accreditation. Initial committee activities include building programs with community organizations, introducing wildflower gardens, controlling buckthorn and stocking on-site ponds with a variety of wildlife.



Greenbelt Cultural Center

Abbott Laboratories, the Lake County Forest Preserves and the surrounding communities celebrated the 2000 opening of the Greenbelt Cultural Center in North Chicago, Illinois. In 1996, Abbott became the major private-sector partner with the Lake County Forest Preserve District in the development of the Cultural Center by pledging \$500,000 toward the construction of the center over the course of five years.

The Cultural Center offers an outdoor amphitheater for musical and theatrical performances, a multi-purpose community room for business and community meetings and year-round educational programs for people of all ages. Program activities include history, culture, the arts and the environment. Other amenities include a view of the forest preserve, a children's garden and nature trails.

The Cultural Center is the crown jewel of the 559-acre Greenbelt Forest Preserve, located midway between Abbott's corporate headquarters and the company's North Chicago manufacturing facilities in northeastern Illinois.

Abbott is proud to be a community partner with the Forest Preserves, working together to make the Greenbelt Cultural Center a reality. The Center provides a place for the community to gather, explore and learn about our environment and our culture for generations to come.

Ryerson Woods

Abbott Laboratories continued its decade-long relationship with Ryerson Woods Forest Preserve in Lake County, Illinois. In the spirit of fostering preservation, environmental education and community partnership, Abbott has served as underwriter of the Smith Nature Weekend and Symposium at the forest preserve.

The three-day event attracts noted speakers from around the country to speak on nature and the environment. Open to the local community, the symposium includes lectures, walks and presentations. Abbott helped fund the 1999 Smith Nature Weekend and Symposium, which is dedicated to environmental and conservation education.

Abbott employees also volunteer their time throughout the year at the 550-acre Ryerson Conservation Area, an Illinois Nature Preserve and part of the Lake County Forest Preserves.

Keystone Science School

As a research-based health care company, Abbott has a special interest in advancing the sciences and in preserving nature. Abbott helps further these causes through the Keystone Science School program.

Each year, Abbott funds two teachers to attend hands-on science and ecology training in Keystone, Colorado. This teacher enhancement program is designed to build science-teaching skills with additional emphasis on ecology. Through this program, teachers are better equipped to enlighten younger generations about the importance of science and ecology. Abbott encourages its site locations from around the country to recommend prospective teachers for the two-week program. In 1998, Abbott gave \$10,000 to support two teachers.



Youth Conservation Corps

By supporting the Youth Conservation Corps (YCC) of Lake County, Illinois, Abbott enables local youth to gain summer employment in the Lake County Forest Preserves. Abbott's annual contribution to YCC has ranged between \$15,000 and \$17,000. The program features an environmental education and outdoor recreation component. Work projects have included developing nature trails; planting and maintaining native flora; clearing land; learning basic outdoor maintenance; and constructing trail bridges, soil retaining walls and canoe launches. This program enables Abbott to build environmental awareness and appreciation among the county's youth.

State of Illinois Governor's Environmental Corps

Each year, Abbott funds five environmental interns to serve in the Governor's Environmental Corps. These student interns work on various environmental projects throughout the state of Illinois.



Final Thoughts

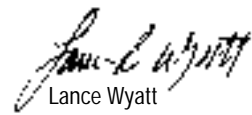
We are proud to present the information in this report to you. We have tried to provide examples of past accomplishments and describe a path for future EHS success for Abbott Laboratories. We hope that this report is recognized as a demonstration of our commitment to embrace our responsibilities to protect the health and safety of our employees and the environment. At Abbott, we understand that we cannot take for granted that our employees and society will implicitly trust our good intentions. We must demonstrate our commitment to EHS performance on a day-to-day basis by our actions.

Our task to continuously improve our EHS performance becomes increasingly complex as Abbott's business grows and as the expectations of the communities in which we operate increase. In the mid-1990s, the concept of the "triple bottom line" approach to sustainable development was introduced. Sustainable development is generally recognized as "meeting the needs of the present without compromising the ability of future generations to meet their own needs" (Source: United Nations Commission on Environment and Development). The triple bottom line concept focuses an organization not only on environmental performance but also on its economic and social impacts.

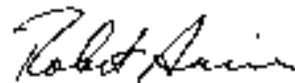
At Abbott, we are studying what sustainable development means for us, and more importantly, what practices are important to integrate into our business. We engage in this study carefully, because we believe that it would be a mistake to simply apply the sustainability label to existing practices. Sustainable business practices must provide business value and value to society.

As in any organization, our actions are guided by our values. We are confident in continued EHS success because we know that Abbott employees embrace our values of employee and environmental protection. Therefore, all Abbott employees are to be congratulated for working safely, performing their work in a way that protects the environment and being concerned that we all do what is right.

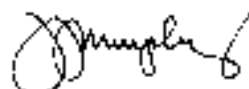
Sincerely,



Lance Wyatt
Vice President,
Corporate Engineering Division



Robert Accarino
Director,
Corporate Environmental Services



James Murphy
Director,
Corporate Safety and Loss Prevention