PROTECT A **HEALTHY ENVIRONMENT**

We are champions for health. This means developing products and technologies that change people's lives. It also means protecting the planet that supports every living thing.

INITIATIVE SPOTLIGHT

As global temperatures increase, one of the most pressing issues is the growing scarcity of clean, safe water. In Spain, we completed the installation of a second reverse osmosis (RO) system to minimize water use, safeguarding potable sources for the people whose quality of life relies on them.

8M GALLONS
of water saved annually

12,800 kWh
less energy needed to run water wells

3.7 METRIC TONS
CO_2e associated emission savings

Our Approach to Environmental Protection

Safeguarding the environment must be a priority for Abbott if we are to help people around the world live healthier, fuller lives. Evolving our operations to reduce our environmental footprint will also help us build a more resilient business for the long term.

Environmental Impact Projects

Every year, our sites establish and advance projects tailored to address the unique requirements of each region to reduce environmental impacts. By developing our facilities for environmental efficiency, we can also achieve significant financial savings.

71 projects completed

38 sites across 15 countries

~$990,000 annual savings

6.6 million kWh annual energy savings and 1,700 metric tons CO_2e emissions reduced annually

18.7 million gallons of water saved annually

457 U.S. tons of waste eliminated annually

OUR 2030 GOALS PROGRESS

88.5% WASTE
diversion rate

Committed to a **science-based target** for Scope 1, 2 and 3 carbon emissions

556 SUPPLIERS
engaged to evaluate climate, water and waste risk management

5% REDUCTION
in Scope 1 and 2 emissions (vs. 2018)

Laid groundwork for future **water stewardship** certification and management practice accreditation

530,200 POUNDS
of packaging impacted through sustainable design since 2020

For specific information on our 2030 goals around Environmental Protection, see page 13.

Environmental Governance

Abbott operations are present around the world. A clearly defined, robust governance structure ensures the environmental impact of these facilities is as positive as possible.

OUR MANAGEMENT APPROACH

Environmental governance and management fall under our Environment, Health and Safety (EHS) approach, led by our Board of Directors and senior management. Our EHS organization reports to the Senior Vice President, Quality Assurance, Regulatory and Engineering Services who, in turn, reports to our Chief Executive Officer (CEO). The Senior Vice President is also the executive sponsor for the development of our climate and water strategy.

Policies and Management Systems

Our policies and standards are updated regularly to reflect best practices, regulatory trends and requirements. A comprehensive audit program monitors compliance and identifies potential risks to our business and employees.

We evaluate EHS risk factors for each site annually, using insights to determine audit frequency. Following audits, corrective action plans are developed, implemented and monitored where needed.

Environmental and Ecosystem Protection

Protecting biodiversity and ecosystems is key to environmental management. Abbott maintains technical standards for preventing unpermitted environmental releases that facilities must comply with alongside relevant external regulations. Many sites have implemented protective measures, including processes to safeguard soil and groundwater, protect and restore wetlands and prairies, and remove invasive species.

Mergers and Acquisitions

Our EHS policy requires that EHS liability and compliance evaluations are conducted prior to all property and business acquisitions and divestitures. Compliance with our EHS policy is also incorporated into all new acquisitions. The type of due diligence we undertake depends on the nature of the transaction:

- **Real property transactions:** Environmental due diligence is conducted to evaluate potential environmental risks and liabilities associated with real property acquisitions and divestitures.
- **Business acquisitions:** In conjunction with environmental due diligence, a company's EHS resources and programs are assessed, gaps identified and resources estimated to align with regulatory requirements and Abbott standards.

Abbott develops multi-year integration plans to ensure acquisitions align with our EHS management practices and standards. This includes providing training and resources to enable implementation of our EHS policy. Progress against integration plans is monitored to help ensure their ongoing efficacy. The final step in integration plans is often an internal EHS compliance audit to ensure acquired businesses are fully aligned.

Engaging Employees in Our Efforts

All EHS employees receive training on our standards and changing regulatory requirements. We maintain several employee engagement initiatives, including:

- Evaluating EHS leaders against performance goals in annual reviews
- Raising awareness of priority EHS issues through dedicated discussion forums
- Recognizing exceptional performance through our annual EHS Awards Program

All EHS policies and standards are available online. Read more about our strategy on page 38.

FOUR LEADERSHIP COUNCILS SUPPORT IMPLEMENTATION OF OUR EHS PROGRAMS

Global Operations Council (GOC)

- Oversees operations strategy across manufacturing, supply chain, engineering and EHS

Commercial EHS Executive Council

- Sets EHS priorities, goals and objectives for commercial operations

EHS Leadership Council

- Sets EHS strategy and ensures execution of programs
- Builds company awareness and sharing of EHS best practices

Supply Chain Council (SCC)

- Identifies suppliers to engage with on shared sustainability responsibilities and initiatives

Energy and Emissions

We are committed to safeguarding a healthier planet for everyone. One way we do this is by reducing our emissions, finding more efficient ways to use energy and limiting reliance on fossil fuels.

OUR IMPACT

We realize our emissions contribute to global climate change. Our operational activities produce Scope 1 (direct) and 2 (indirect)[11] emissions. Emissions from activities like business travel, waste disposal, raw material sourcing and processing, and product distribution, packaging and disposal — collectively known as Scope 3 emissions — also contribute to our footprint.

We're working to reduce the negative impacts of our emissions by investing in renewable energy, reducing fleet fuel consumption, increasing manufacturing efficiency and partnering with suppliers.

OUR MANAGEMENT APPROACH

We maintain a robust program for recording and reducing energy and air emissions, outlined in both our Climate Responsible Energy Policy and Internal Energy Guidelines. Along with these documents, our Global EHS Governance team provides guidance on:

- Energy efficiency in manufacturing operations
- Low-carbon energy investments
- Transportation fleet efficiency
- Supply chain carbon footprint
- Public reporting of our performance

We align with international frameworks — including CDP and the Greenhouse Gas (GHG) Protocol — to measure, track, reduce and report emissions.

11 Scope 1 emissions result from owned and controlled sources. Scope 2 emissions are produced during generation of purchased electricity and energy.

A Holistic Plan for Reductions

We are committed to supporting the Science Based Targets initiative (SBTi) objective. By 2030, we plan to reduce Scope 1 and 2 emissions by 30%[12] (vs. 2018).

We have established a comprehensive program for reducing these emissions, including measures to advance:

- Operational energy efficiency, driving reductions in energy demands
- Purchase of renewable energy
- Electrification of industrial processes, spaces and fleets
- Conversion to cleaner fuel options
- Integration of sustainable engineering technologies and concepts into projects

Each Abbott business sets individual annual energy efficiency targets. Manufacturing sites that produce over 25,000 metric tons of CO_2e annually are required to set additional carbon reduction goals.

Our Scope 3 emissions constitute around 93% of total emissions. We calculate them annually using the GHG Protocol Corporate Value Chain (Scope 3) Standard, referring to the 10 Scope 3 categories* that apply to Abbott (see Our Carbon Footprint infographic).

We're currently developing a quantitative target for Scope 3 emissions. This will include working with key carbon-intensive suppliers on emission reduction solutions. Read more about supply chain efforts on page 62.

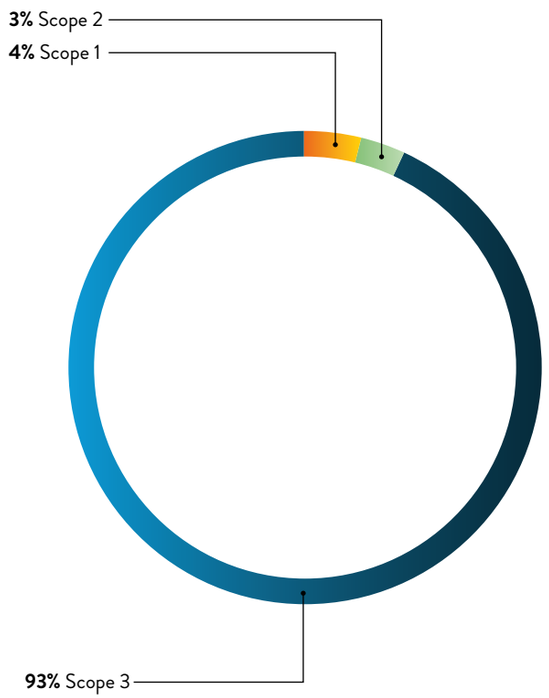
We have our data assured every year. All Scope 1 and 2 emissions, as well as Scope 3 emissions related to business travel and operational waste production, are verified through a third-party assurance process. Our latest assurance statement is available on our Environmental Policy page.

Regulated Air Emissions

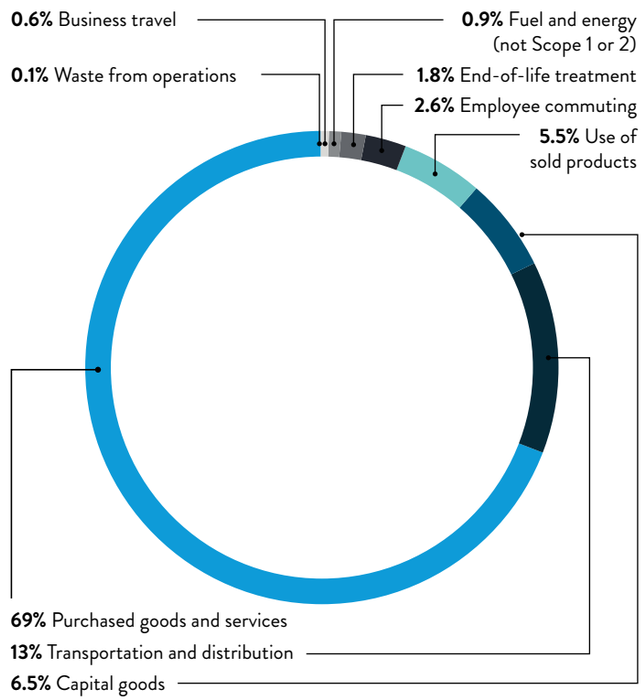
The production of some Abbott products involves substances that are ozone-depleting or classified as hazardous or toxic air pollutants (HAPs) by local environmental protection agencies. We require all Abbott facilities using these substances to take all necessary steps to ensure the protection of human health and the environment. This includes adhering to all applicable regulations, as well as to Abbott technical standards.

Our Supplier Guidelines establish that the same standards are expected of all Abbott suppliers.

Our Carbon Footprint



Scope 3 Breakdown



12 Target expected to be validated by SBTi in 2022. 2030 targets will be measured in terms of CO_2e emissions. They will include all GHG emissions covered by the World Resources Institute/World Business Council for Sustainable Development (WRI/WBCSD) Greenhouse Gas Protocol (GHGP) methodology for GHG reporting.

* Transportation and Distribution includes Upstream and Downstream.

OUR 2021 PERFORMANCE

Throughout 2021, absolute Scope 1 and 2 emissions production increased by 3.3% compared to 2020. When adjusted for sales, Scope 1 and 2 emissions decreased 17% over this same time period. In 2021, as our products — including COVID-19 testing and diagnostics — became increasingly important for patients and healthcare workers globally, we expanded production, which has come with a rise in emissions. As we move forward, we continue to identify ways to reduce our carbon footprint year-on-year to achieve our 2030 goal.

A More Energy-Efficient Global Operation

To reduce energy demand, we have made several operational energy-efficient improvements as retrofits to existing equipment or through active and efficient in-house energy management. Several sites use energy data and innovative methods to identify and quantify energy inefficiencies in manufacturing processes, often employing external experts. These insights then inform a list of priority energy demand reduction projects across the global business.

For example, in Indonesia, many of our motors have been upgraded with variable speed drives, reducing energy requirements while retaining performance.

Our manufacturing site in Singapore achieved an 8% CO_2 emissions intensity reduction in 2021 even with an 11% increase in volume, through initiatives pioneered by our Utilities Excellence team. More than 200 metric tons CO_2e annual reduction were realized by installing a boiler oxygen management system in our three steam boilers. This increased boiler efficiency by 3%, by controlling excess oxygen and fuel ratio to increase percentage of complete combustion. Another project to upgrade cooling-tower fins, louvres and in-fills resulted in an annual reduction of about 250 metric tons CO_2e.

To reduce safety and supply chain risk, one of our facilities in Peru switched from using liquefied petroleum gas (LPG) to feed the boilers, kitchen and laboratory workstations to instead supply with natural gas. This switch also resulted in a financial saving, plus an environmental benefit of an annual GHG emission reduction of about 20 metric tons.

Powering Our Facilities Renewably

We are committed to purchasing a greater proportion of electricity from renewable sources and are developing a Renewable Energy Procurement initiative to drive continuous improvement in this area. In 2021, we purchased 190 million kWh of low-carbon and renewable energy, resulting in savings of 80,000 metric tons of CO_2e. In addition, we also generated 1.8 million kWh from solar installations at eight of our sites.

Increasingly Green Transport

We have established a range of initiatives to manage fuel consumption in our commercial fleet as well as the fuel consumption during employee commuting. These include establishing increasingly robust requirements for vehicle fuel efficiency, providing on-site electric vehicle charging stations, promoting car-sharing and, where possible, public transportation use.

Bringing Greater Clarity to Scope 3 Emissions

To expand understanding of Scope 3 emissions, we partnered with an external consultant to update our calculation methodology. This included assessing our supplier-affiliated Scope 3 categories to identify priority sourcing categories for transitioning to an average-data calculation method.[13] Through the exercise, we have updated the emission calculation methodology for 47% of our carbon-intensive categories, resulting in a more accurate, representative 2020 Scope 3 baseline recalculation.

See page 93 for a detailed breakdown of our emissions and energy metrics.

Lighting Our Facilities Sustainably

Upgrading sites to LED lighting is one of the ways we are mitigating CO_2e emissions. In 2021, several facilities made the switch to LEDs throughout the year, most notably our site in South Carolina, where approximately 240 light fixtures were upgraded across the various production areas. Taken together, this switch will result in annual financial savings of over $16,500 and energy savings of over 187,100 kWh.

5%
ABSOLUTE REDUCTION
in Scope 1 and 2 emissions (vs. 2018)

17%
REDUCTION
in Scope 1 and 2 emissions (vs. 2020, normalized to sales)

Disclosing Climate-Related Risks and Strategies

The Task Force on Climate-related Financial Disclosures (TCFD) outlines how companies should report on climate-related risks and mitigation strategies and covers four core elements:

- Governance
- Strategy
- Risk management
- Metrics and targets

It includes recommended disclosures that companies should make for each area. Our EHS Governance team monitors emerging climate-related trends and regulations to analyze potential business impacts, understand risk exposure and develop appropriate mitigation strategies.

Our TCFD index at the back of this report details our disclosures in full; we also share information in our latest CDP Climate Change Disclosure Response and the Energy and Emissions section of this report. The environmental metrics we track and report against are available from page 93.

13 A method that estimates emissions for goods and services based on the mass or other relevant units of goods and services purchased multiplied by relevant secondary emission factors.

Protecting Water Resources

We recognize the importance of water in sustaining life, human health, economic growth and ecosystems. Water also plays a critical role in our business continuity, manufacturing operations and product use. As such, we are committed to managing our water use efficiently and responsibly, contributing toward the goal of facilitating access to good quality water in the communities where we operate.

OUR IMPACT

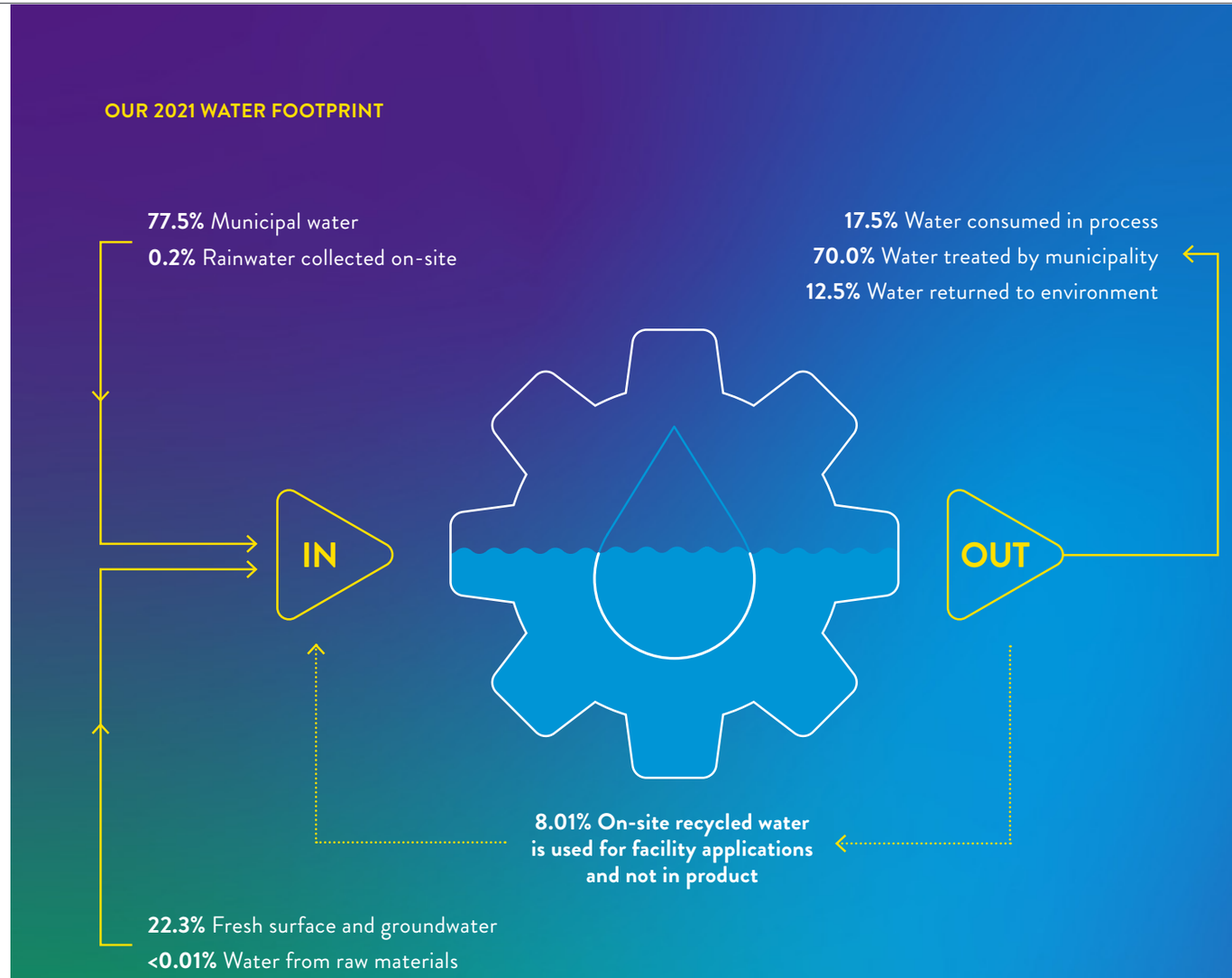
Wherever we use and discharge water we work to minimize the impact we have on the quality and quantity of local sources. We establish initiatives that address the most pressing local needs — whether that's quality, quantity or other concerns for those who rely on this precious natural resource.

OUR MANAGEMENT APPROACH

Our Water Footprint

We perform an annual mapping process to understand where the water we use comes from, how it is treated and discharged, and the impacts our operations have on local basins. Most of our sites discharge water to municipal treatment plants before release to the environment. Those that treat water on-site and discharge it directly to the environment are required to meet relevant local regulations.

Where possible, we reduce withdrawals by recycling and reusing water. Since 2017, we have measured how much water is recycled on-site[14] and how it is recycled or reused.



14 We define water recycling as the act of processing used water and wastewater through an additional operating cycle(s) before treatment and discharge.

Tailoring Our Management Approach

As a member of the Alliance for Water Stewardship (AWS) and with the support of World Resources Institute (WRI) resources, we have developed a comprehensive approach to water management, tailoring how we mitigate risks and ensure business continuity to local circumstances.

Our process centers around four principles:

- **Reduce:** continuously work to improve water use efficiency in our operations
- **Prevent:** manage water discharges that could adversely impact human health or the environment
- **Engage:** develop and apply key water management principles and best practices across our company
- **Educate:** emphasize to our employees and suppliers the importance of protecting groundwater and other water resources vulnerable to overuse or contamination, and the role they play in doing so

These principles are communicated through our Position Statement on Access to Clean Water and internal Water Use Guidelines.

Managing Water Risks

Our water management technical standard helps monitor Abbott's impact on resources in communities where we operate. Any manufacturing or research and development (R&D) site with high water-use requirements[15] — as well as those in water-stressed areas — must implement management plans and targets for mitigating risks. Significant water users must also engage key local stakeholders to fully understand water-related risks.

Abbott sites are evaluated annually for resilience, using WRI Aqueduct™ — a global water-risk mapping tool — to analyze local water stress and evaluate against our internal water use intensity. The assessment also highlights our company-wide level of risk and, today, shows our overall exposure to chronic physical risks is limited.

Read more about how we manage water risks in our CDP Water Disclosure Response.

15 Water use of over 50 million gallons per year.

OUR FRAMEWORK FOR CONTEXT-BASED WATER-RISK ASSESSMENTS

Evaluating water stress and use intensity to determine site water-risk profiles

Baseline Water Stress		Annual Water Use Intensity
High Water Impact Sites = water-stressed + medium-high and above water-depletion	+	High water use = Level 1 + water stewardship certification
Water-stressed	+	High water use = Level 1 Medium-low water use = Level 2 Minimal water use = Level 3
Not water-stressed	+	High water use = Level 1 Medium, low, minimal water use = Level 3

Level of water mitigation description

LEVEL 1

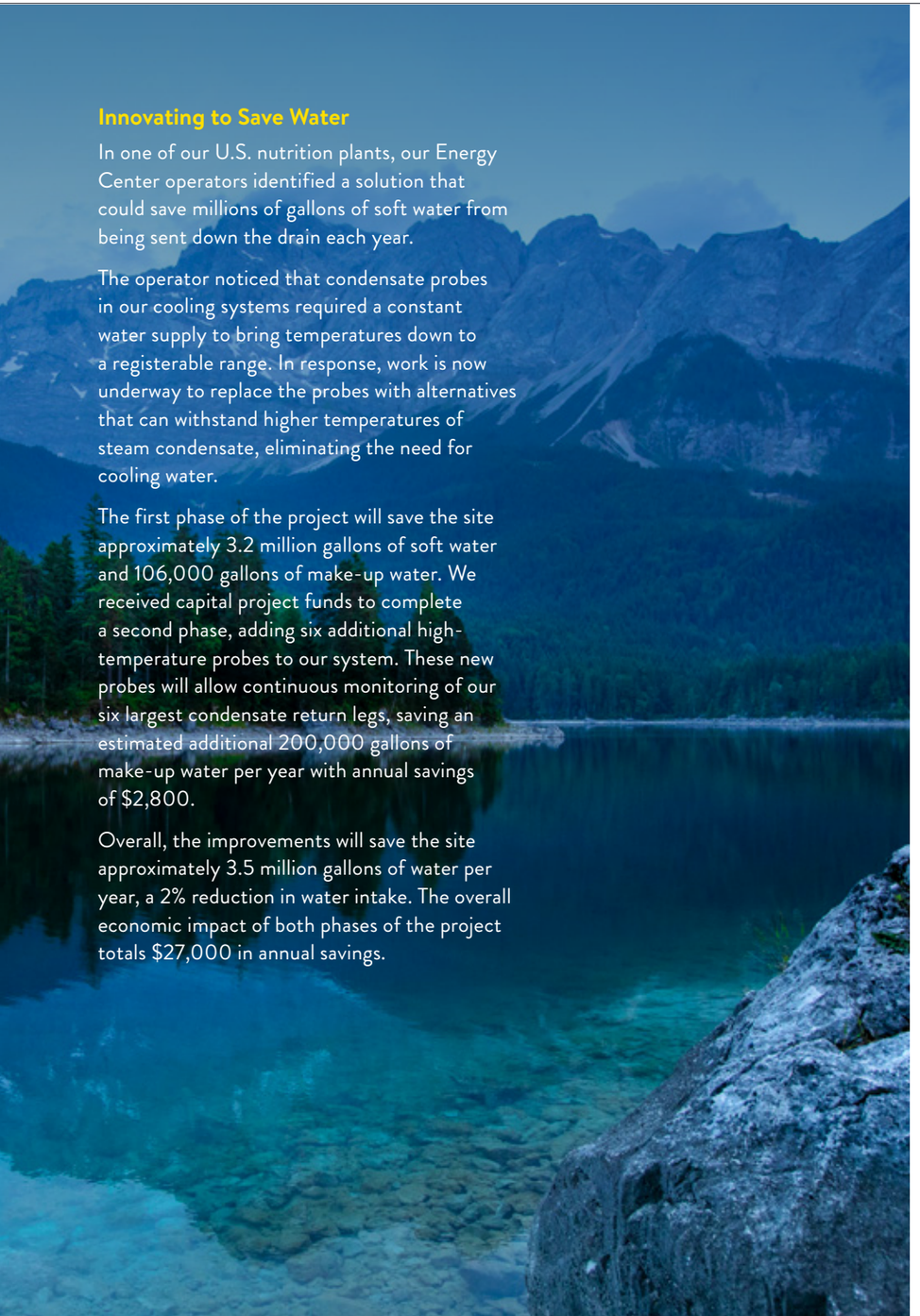
- Evaluate local water risks
- Identify opportunities to mitigate water-related risk
- Engage local stakeholders
- Set and track water targets

LEVEL 2

- Evaluate local water risks
- Identify opportunities to mitigate water-related risk
- Set and track water targets

LEVEL 3

- No additional water mitigation measures beyond complying with internal and external water management standards



Innovating to Save Water

In one of our U.S. nutrition plants, our Energy Center operators identified a solution that could save millions of gallons of soft water from being sent down the drain each year.

The operator noticed that condensate probes in our cooling systems required a constant water supply to bring temperatures down to a registerable range. In response, work is now underway to replace the probes with alternatives that can withstand higher temperatures of steam condensate, eliminating the need for cooling water.

The first phase of the project will save the site approximately 3.2 million gallons of soft water and 106,000 gallons of make-up water. We received capital project funds to complete a second phase, adding six additional high-temperature probes to our system. These new probes will allow continuous monitoring of our six largest condensate return legs, saving an estimated additional 200,000 gallons of make-up water per year with annual savings of $2,800.

Overall, the improvements will save the site approximately 3.5 million gallons of water per year, a 2% reduction in water intake. The overall economic impact of both phases of the project totals $27,000 in annual savings.

OUR 2021 PERFORMANCE

Foundational elements have been set to support future water stewardship certification and management practices.

Water Stewardship Certification

We aim to achieve water stewardship certification at all high water impact manufacturing sites in water-stressed regions. In 2021, 25 of our manufacturing sites were identified as operating in areas of water stress. Of those, 48% used less than 15 million gallons of water while nine sites were deemed high impact considering basin water stress, basin water depletion level and water usage. Aligned with our context-based approach and based on the potential for these sites to significantly impact local communities, we have targeted them for AWS water stewardship certification. Alignment with the standard is intended to achieve five main outcomes:

- Good water governance
- Sustainable water balance
- Good water quality status
- Important water-related areas
- Safe water, sanitation and hygiene (WASH)

We have established a Community of Practice for our nine High Water Impact Sites to support progress toward AWS water stewardship certification. Strategic roadmaps highlight key steps for achieving certification.

Water Stewardship Management Practices

We will implement accredited water stewardship management practices in more than 75% of all manufacturing sites operating in water-stressed regions by 2030. In 2021, we set this in motion for 16 sites identified as being in water-stressed areas not classified as being high water impact. While these sites have less impact than our high water impact facilities, it is also important for them to adopt water stewardship practices that support achievement of the outcomes described above.

Draft accredited water stewardship practices are currently under expert review. They will be finalized in 2022 alongside a supporting guidance document. The new Community of Practice will help sites stay on track through quarterly reporting and act as a resource for shared learning between facilities.

Water-Saving Solutions

Total water intake in 2021 rose by approximately 4% versus the previous year — a result of increased production in 2021. When adjusted for sales, water intake decreased 16% compared to 2020. Nonetheless, we continually look for ways to reduce absolute withdrawals — with a particular focus on those facilities in water-stressed areas. In Minnesota, low-flow faucets and fixtures have been installed, saving the site 73,000 gallons in a single year. In Costa Rica, we are reducing reliance on groundwater by harvesting rainwater and reusing water from our cooling towers in the site toilets and irrigation system.

Our efforts in Spain — where we operate in a water-stressed area — are even more substantial. We have achieved significant reductions in both water use and wastewater production by installing a second RO water purification system. By increasing capacity to recover and treat 70% of water rejected by the first RO system, across 2020 and 2021 we saved over 8 million gallons of water. Additionally, by reducing well water consumption by 11%, the site has also achieved notable energy savings of 12,800 kWh every year — and avoided approximately 3.7 metric tons of CO_2e.

Read more about our emission reductions on page 43.

Identifying Supply Chain Focus Points

In addition to addressing direct water impacts, by 2030 we aim to work with 50 key suppliers in high water-stressed areas to reduce quality and quantity risks in our supply chain. In 2021, we performed an assessment to identify key suppliers to further engage on efforts. Read more about this on page 72.

Additional details of 2021 water stewardship efforts are available in our latest CDP Water response.

See page 104 for a detailed breakdown of our water metrics.

Waste Management

Each stage of a product's life cycle has potential impacts on human health and the environment — from how materials are harvested to how final products and services are consumed. We believe waste management responsibility extends beyond the manufacturing phase and we are committed to staying accountable for impacts at each point of a product's journey.

OUR IMPACT

If not carefully managed, raw material extraction depletes natural resources, while waste production and use of potentially hazardous chemicals present contamination risks. We maintain a robust approach to managing and reducing our waste footprint. At the same time, we ensure everyone at Abbott responsible for working with waste in manufacturing is trained in handling materials safely and mitigating negative impacts.

OUR MANAGEMENT APPROACH

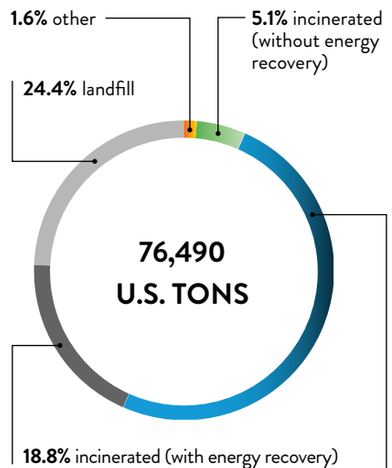
Our responsibility for the impact of our products and services extends throughout the entire life cycle.

- **Procurement**
  We ensure operational inputs — e.g., raw materials, processed goods and services — are procured ethically and sustainably.
- **Design, Production and Distribution**
  We consider the environmental and social impacts of how we produce and deliver our products.
- **Consumption**
  We ensure products can be consumed and disposed of in environmentally responsible ways.

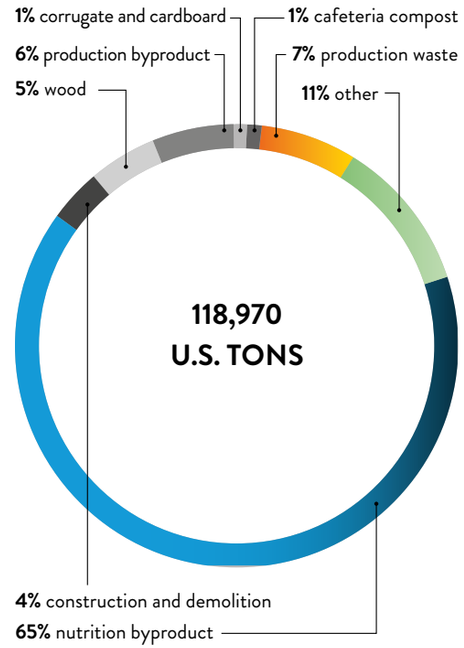
Our Operational Waste Footprint

Responsibly handling the waste we create is a central tenet of Abbott's commitment to extended waste management responsibility. Our ultimate aim is to "design out" waste and minimize consumption of raw materials. We are working to extract additional value from waste and materials through processes such as incineration for energy, recycling and beneficial use.[16] Mapping our operational waste footprint brings greater clarity to what we have achieved to date and where we need to improve.

Waste Generated in 2021



Waste to Beneficial Use in 2021



16 Abbott defines beneficial-use activities as sending material that otherwise would have been waste off-site to be used as an effective substitute for a commercial product or commodity. Beneficial-use material is used as is or in substantially the same form as it was generated.

Closing the Loop on Operational Waste

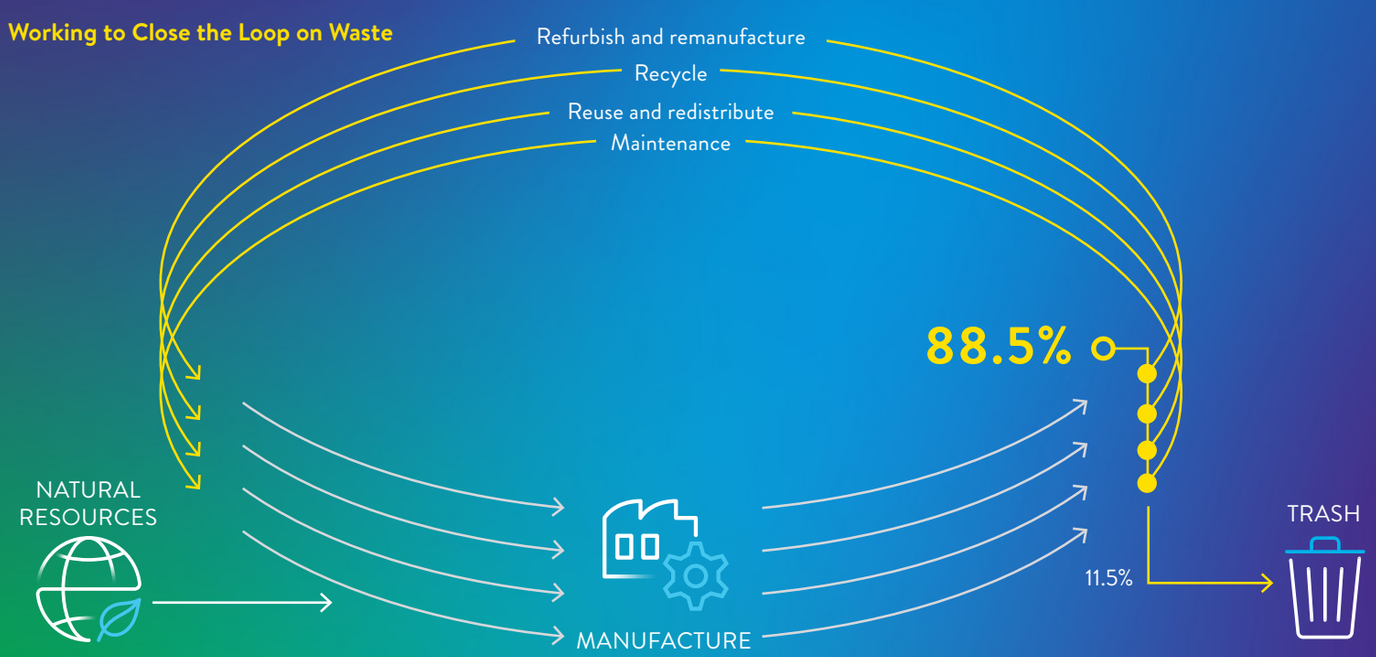
By 2030, we plan to implement a circular economy approach to reduce waste, aiming to achieve and maintain at least a 90% waste diversion rate.[17] In 2021, we reached an 88.5% rate by diverting 61% of materials to beneficial use, and a further 27.6% away from incineration without energy recovery and landfill.

To keep resources in use for as long as possible, we are designing for sustainability, eliminating material use and reducing how much we send to landfill every year. We are committed to finding responsible and economical ways to reduce the volume of waste we produce and ensure effective disposal practices. At the same time, we are innovating our processes to maximize resource recovery.

The standard governing of our practices applies to both hazardous and nonhazardous waste, as well as our beneficial-use activities. It specifies a range of waste management strategies, including:

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

Working to Close the Loop on Waste



Managing Hazardous and Chemical Waste

We are prioritizing reducing the proportion of waste classified as hazardous (around 11.2% of our 2021 waste footprint). The waste management standard we follow details requirements for storing, segregating, labeling and documenting hazardous and chemical waste, and for decontaminating biohazardous waste prior to final disposal. It also requires that all Abbott employees and contract workers who work with waste complete annual training before undertaking responsibility for hazardous waste management. Manufacturing sites that produce over 1,200 kilograms of hazardous waste annually require audits of waste management firms at least every five years. This is guided by our Waste Vendor Assessment program.

We are committed to developing and tracking waste diversion initiatives for key suppliers too. Read more about this on page 73.

17 Abbott diversion rate is calculated as follows: (Total Waste + Beneficial Use - Landfilled and Incineration Without Energy Recovery)/Total Waste and Beneficial Use

OUR 2021 PERFORMANCE

Waste production did increase in 2021 due to increased production, as well as a rise in construction waste from expansion projects to allow for production growth. When adjusted for sales, waste production decreased 8.6% versus 2020. We continue to identify opportunities to divert materials from landfill, and advance the Zero Waste-to-Landfill initiative we launched in 2012. In 2021, seven manufacturing facilities and one non-manufacturing facility received Zero Waste-to-Landfill certification, bringing our total number of facilities certified through this program to 38 manufacturing and eight non-manufacturing facilities.

One of our facilities in Norway developed a great cross-functional Waste Management team that is very active. The site demonstrated the following key elements of a successful waste management program:

- Senior Leadership buy-in and site-level support of the program
- Clear lines of responsibility for waste management, including ongoing communications on waste management performance
- Initial and ongoing training and supporting Standard Operating Procedure for waste management
- Excellent recordkeeping and interaction with current vendor to allow for higher levels of waste management
- Ongoing site-wide communications on waste management performance
- Proactive program that continues to focus on capturing more value from waste
- At the time of audit, the site was maintaining a diversion rate of 100% (no waste sent to landfill or incineration without energy) thus effectively capturing value from waste

Each facility tailors waste management initiatives to address its most pressing issues, following the principles of reduce, reuse and recycle.

Reduce

At both the Abbott Park corporate headquarters and Core Diagnostics operations in Illinois, we started an initiative in March 2021 to reduce waste generation from these sites by sending baled corrugated cardboard to a third party for beneficial use. The cardboard is used as cellulose insulation for homes and commercial buildings. While pushing the management of this material further up the waste hierarchy increased our overall costs rather than providing cost savings, it resulted in a waste reduction of nearly 200 U.S. tons (193.5 U.S. tons) for these locations in 2021. We are continuing this initiative after 2021 and project over 200 U.S. tons of baled corrugated cardboard will be sent to the third party for beneficial use every year going forward.

Reuse

In Costa Rica, our team is finding ways to reuse Gaylord shipping containers, cutting both waste production and costs associated with product distribution. For health and safety purposes, containers have historically been used once. However, our studies found that, with proper sterilization methods, each container could be used twice before being disposed of. The team is now in the process of transitioning to multi-use, updating procedures for handling the shipping containers and assessing their condition prior to reuse.

Recycle

In one of our U.S. nutrition plants, prior to COVID-19, fiber drums were sent to an external partner for beneficial reuse (resale). During the pandemic, these vendor activities slowed, resulting in the accumulation of fiber drums at our on-site Recycle Center. In response, we invested in a dechimer machine to break drums down into their cardboard and metal components so each can be recycled. In 2021, about 13.7 U.S. tons of fiber drums were processed by the dechimer, and this investment prevented surplus drums from being sent for incineration. In addition, now that fiber drums are back to being sent to an external partner for beneficial use, we are still using the dechimer to break down lower-quality drums that the vendor cannot take, which will result in an estimated 4.8 U.S. tons per year increase in recycling, and corresponding decrease in incineration, of fiber drums.

See page 107 for a detailed breakdown of our waste metrics.

Packaging

Packaging is key to ensuring our life-saving solutions are delivered safely to those who need them. To achieve our 2030 goals, we continually assess our design and manufacturing processes, identifying novel ways to develop packaging solutions that protect both their contents and the planet.

OUR IMPACT

We recognize the impact our packaging has on the environment in the form of resource use, related emissions and waste production. We are rethinking how we design packaging to optimize material use and keep materials in circulation for as long as possible. To reduce our raw material burden, we are optimizing efficiency by minimizing the volume and weight of our packaging. We are also employing circularity principles to incorporate increased quantities of recycled content and designing for recyclability, reusability and increasingly positive impact.

OUR MANAGEMENT APPROACH

We want to design our packaging with sustainability in mind. Many Abbott functions collaborate to help ensure sustainability considerations are prioritized during product and packaging design and manufacture.

Each division has provided projections for the next decade of packaging projects. Our Sustainable Packaging Council has designed a database for reporting progress against these projections, supporting more efficient tracking of our target.

Guiding Principles of Sustainable Packaging

To address 50 million pounds of packaging through high-impact sustainable design programs, we need a plan of action. Our Sustainable Packaging Guiding Principles — recently created by the Sustainable Packaging Council — inform changes to existing packaging and target new designs that integrate sustainability from the very beginning.

The Sustainable Packaging Guiding Principles are:

Optimize Material Efficiency

- Eliminate unnecessary components
- Reduce packaging materials

Employ Circularity Principles

- Replace problematic materials
- Design for disassembly
- Design for recyclability
- Design for reuse
- Utilize renewable materials
- Integrate recycled content

Balance All Aspects of Packaging Systems Holistically

- Optimize cube efficiency
- Provide consumer direction
- Improve carbon footprint

Working With Suppliers

We're working with suppliers to create lower impact packaging that supports our circular economy approach. Together, we identify solutions that either eliminate packaging materials supplied to us or ensure those we do receive can be reused in manufacturing processes. This includes optimizing design to reduce material use — particularly plastics — improving shipping efficiencies, increasing fiber-based packaging sustainability and introducing reusable options. We are also working to develop packaging take-back initiatives. Read more about supplier partnerships on page 73.

OUR 2021 PERFORMANCE

Through adoption and socialization of the 2030 packaging goal, a list of high-impact packaging projects was developed and prioritized, and the projected benefits quantified. Implementation of these projects will contribute to achieving our goal on time.

Same Packaging, Fewer Materials

One way we're reducing our packaging footprint is by finding solutions to do more with less. We recently launched the first phase of a project to reduce plastic use in blister packaging for our acetaminophen product.

Through the project, we are reducing packaging specifications from a starting thickness of 250 micron of plastic to 220 micron. The result is a 16.2 metric ton reduction in material use with associated savings of $93,000 annually.

NEARLY
300,000
pounds of packaging reduced in 2021 through optimizing material efficiency

NEARLY
15,000
pounds impacted in 2021 through employing circularity principles

Optimizing Materials Use

In 2021, several projects were implemented to reduce packaging size while retaining the same level of protection.

To increase the efficiency of our Core Diagnostics *Alinity* platform, engineers identified an opportunity to improve packaging design through carton size reductions for *Alinity I* and *Alinity C* products. Based on the portfolio conversion, these changes are predicted to have a 2022 sustainability impact of:

- 170 fewer truckloads from Abbott manufacturing sites to the distribution center
- 240,000 pound reduction in total carton weight
- 56,000 pound reduction in total shipper weight
- 270 loaded shipping containers removed from the global distribution network

A similar initiative was identified for our Sigma Strong *ARCHITECT* Clinical Chemistry product line. By implementing more appropriately sized packaging options for assays, we have significantly increased efficiency for material use, and product transportation and storage. In 2021 alone, 3,000 pounds of packaging materials were eliminated while transport requirements were cut by 30%.

Responsible Sourcing and Product Stewardship

For Abbott to be truly sustainable, we must consider the wider effects of our products. This is why we work with key value chain partners to address product stewardship at every step of the product life cycle.

OUR IMPACT

Some of our products and packaging may contain hazardous chemicals and/or conflict minerals. We continuously monitor these materials in our supply chain and operations to ensure we are complying with relevant regulations and minimizing negative outcomes. Other supply chain activities — including how raw materials are produced and transported — contribute to global emissions, waste production and animal welfare issues. We partner closely with key suppliers to identify alternative, more responsible approaches.

OUR MANAGEMENT APPROACH

To identify and mitigate the environmental impacts of our packaging and products throughout their life cycles — and at every stage of the value chain — relevant teams must work together. Our Product Stewardship, Supply Chain, R&D, Engineering and EHS groups partner closely to analyze how and what we source.

Strategic sourcing initiatives are described in the Supply Chain section of this report on page 70.

Product Stewardship

Product stewardship focuses on minimizing use of hazardous chemicals and substances of concern, and carefully managing critical materials in products, packaging and manufacturing processes to ensure compliance with applicable regulations. It stretches from design through end of life, promoting a circular economy approach to our products.

Each business conducts assessments of new and changed products for substances of concern, or restricted and critical materials. Risk assessments are prepared whenever these substances are identified. We then evaluate:

- Whether continued use can be justified
- The value of use versus reformulation
- Any potential compliance issues

The evaluation also serves as an opportunity to research suitable alternatives and how they could impact product performance and cost. Recommendations for next steps contain justification for substance use, product support strategies and a business risk monitoring plan. These are all reviewed by business management.

We continuously monitor the regulatory landscape and any change to hazardous chemical requirements. Our Corporate Product Stewardship organization holds regular forums for informing all areas of our company about the potential business impacts these changes could have. Our enhanced regulatory intelligence process helps ensure potential impacts are identified in a timely manner. It also follows actions taken at the business level to confirm we remain compliant.

Our product stewardship program tracks and addresses hazardous chemical legislation and supports the implementation of due diligence on conflict minerals. We offer product stewardship training on hazardous chemical legislation and conflict minerals to all relevant teams, including R&D, Supply Chain, Procurement and EHS.

Hazardous Chemicals and Conflict Minerals

Hazardous chemicals are those that pose a risk to human health and the environment. Responding to regulations on them is key to our product stewardship program and impacts how our products can be used, recycled and disposed of. We ensure the marketing and sale of our products comply with current regulations, not just those in place at the time of product development.

Conflict minerals include tantalum, tin, tungsten and gold — also known as 3TG minerals. We have a robust due diligence process for understanding sourcing and use of them in our products and supply chain. We file an annual Form SD[18] and Conflict Minerals report each year with the U.S. Securities and Exchange Commission (available on our website). We are a member of the Responsible Minerals Initiative and use its Reporting Template to survey suppliers on conflict materials. This is supported by an automated analysis tool that assesses risk in our supply chain.

18 A Form SD is an Exchange Act Form used to satisfy special disclosure requirements implemented under the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Environmental Investment and Compliance

Our right to operate relies on compliance with relevant laws and regulations. This includes those related to environmental impacts. We work diligently to ensure we operate in accordance with requirements.

ALIGNING WITH REGULATIONS

Regulations under federal and state environmental laws impose strict limitations on emissions and discharges to the environment from various manufacturing operations. We believe our operations comply in all material respects with applicable laws and regulations covering areas of environmental protection. All relevant employees receive training in our standards and changing regulatory requirements while a comprehensive audit program monitors compliance and helps identify potential risks to our business and employees.

Established external standards are a useful tool in guiding our efforts and we pursue certification where relevant. We consider Leadership in Energy and Environmental Design (LEED) certification when building new facilities, and have certified 19 projects under the LEED standards, including one platinum, six gold and six silver certifications. We also consider external certification — like International Organization for Standardization (ISO) — where it adds business value. By the end of 2021, 52% of manufacturing sites under Abbott's operational control have been certified under ISO 14001 – Environmental Management and/or ISO 50001 – Energy Management standards. These sites represent 68% of our manufacturing site square footage.

ENVIRONMENTAL EXPENDITURES

Abbott believes that its operations comply in all material respects with applicable laws and regulations concerning environmental protection. Regulations under federal, state and various other countries' environmental laws impose stringent limitations on emissions and discharges to the environment from various manufacturing operations.

Abbott's capital and operating expenditures for pollution control in 2021 were not material and are not expected to be material in 2022.

We compile data on capital and operating expenditures related to environmental matters from all sites where this spending is over $1 million. In 2021, these sites reported operating expenditures for pollution control of approximately $40 million and capital expenditures for the same purpose of approximately $10 million.

Abbott has been identified as one of many potentially responsible parties in investigations and/or remediations at several locations in the U.S., including Puerto Rico, under the Comprehensive Environmental Response, Compensation, and Liability Act, commonly known as Superfund. Abbott is also engaged in remediation at several other sites, some of which are owned by Abbott, in cooperation with the Environmental Protection Agency or similar agencies.

While it is not feasible to predict with certainty the final costs related to those investigations and remediation activities, Abbott believes that such costs, together with other expenditures to maintain compliance with applicable laws and regulations concerning environmental protection, should not have a material adverse effect on Abbott's financial position, cash flows or results of operations.

2021 Environmental Certifications

Total ISO 50001: 2018 AND/OR 14001:2015 Sites Certified	**66**
Total ISO 14001: 2015 Certifications	**49**
Total ISO 14001: 2015 Manufacturing Sites Certified	41
Total ISO 14001: 2015 Nonmanufacturing Sites Certified	8
Total ISO 50001: 2018 Certifications	**29**
Total ISO 50001: 2018 Manufacturing Sites Certified	17
Total ISO 50001: 2018 Nonmanufacturing Sites Certified	12