



Access to Water - Position Statement

Abbott understands that water is a critical finite natural resource that is essential to sustain human health, economic growth and the environment. Many governments and non-governmental organizations have recognized access to water as one of the world's key environmental and human health issues. The World Health Organization has reported that 1.1 billion people do not have access to safe water and 2.4 billion people do not have adequate sanitation. It has been estimated that more than 2.2 million deaths occurred in 2000 due to water, sanitation, or hygiene attributed ill health. The United Nations (UN) has set ambitious targets through the Millennium Development Goals hoping to halve the proportion of people without access to safe drinking water and sanitation by 2015.

Abbott also recognizes that access to clean water is critical to maintaining its' manufacturing operations at any given location. Clean water is also a necessary resource for many customers who use our products. Unfortunately, access to clean water may become more difficult as demand increases due to factors such as growing populations, industrial expansion, and intensive agriculture. According to a 2004 study commissioned by Abbott, the percentage of Abbott plants in above average water stressed countries is expected to increase from 20% in 1995 to 66% by 2025. These countries include the U.S., Germany, Italy, Spain, France, Switzerland, Japan, Pakistan, India, South Africa, Mexico, and China. Additionally, at many Abbott operating locations, government-issued licenses or permits place enforceable restrictions on both the amount of water the location may use and the quality of water discharged.

It is within this global context that Abbott is committed to managing its own water resources in compliance with legal requirements and in an efficient and sustainable manner, and also to improving access to clean water for communities in which we are part. To do this, we must:

- ❑ Be guided by our values, policies, and management systems.
- ❑ Continuously improve our water usage efficiency and reduce the amount of water used by 15 percent by 2010.
- ❑ Prevent, whenever possible, water discharges that could have an adverse effect on human health or the environment.
- ❑ Engage with other water users and providers to promote appropriate water management principles and address challenges.
- ❑ Educate community members about the importance of protecting groundwater and other water resources that are vulnerable to overuse or contamination.

Abbott Actions

We will focus our actions on three core elements.



- ❑ **Continuous Improvement** - Improving our water usage efficiency and water discharge quality within our worldwide manufacturing operations and designing our products so less water is consumed during their use.
- ❑ **Facilitating Access** – Working in partnership within the communities where we operate to improve access to clean water resources and reduce the burdens of water borne diseases.
- ❑ **Stakeholder Outreach** – Educating communities and working with others to share our approach and successes and learn from their actions.

Continuous Improvement - During 2004, Abbott worldwide operations used 14.3 billion gallons, a reduction of 16 percent from 2003. Seventy four percent of the water used was discharged back into the environment as unimpaired water. By 2010, we have set a goal to further reduce the amount of water used by 15 percent normalized to sales. We will achieve our goal by strengthening our capability in the area of industrial water management, investing in facilities and equipment and implementing best management practices in order to improve our efficiency and reduce contaminant discharges.

The presence of trace levels of pharmaceuticals in the environment is a topic of increasing interest. Increasingly sensitive and accurate analytical methods are now able to detect materials in the parts-per-trillion range. The origins of these trace amounts are believed to be predominantly related to human consumption activities. Abbott's review of available studies and data leads us to believe that currently there is no clear corresponding threat to human health posed by these trace levels. We recognize, however, that a broader body of knowledge must be developed to determine the scope of the issue and to verify actual impacts. We support this research, and we are working with our peer companies through the Pharmaceutical Research and Manufacturers of America (PhRMA) to address these concerns.

Facilitating Access - Improving access to clean water, in communities where we can make a difference, has been an important aspect of our efforts. In most cases, these actions are best done in partnership with others, whether they are community members, local officials, or non-governmental organizations. Some of our actions include the following: we have actively participated in the Partnership for Pure Water in Puerto Rico; provided equipment for the installation of a new drinking water well in Vietnam; provided a new drinking water pump, water harvesting system and latrines for the staff and children at the Kipande school in Rungwe, Tanzania; and, installed extensive natural drainage systems at our company headquarters in Abbott Park, USA to improve the quality of storm water runoff from the property.

Stakeholder Outreach - Abbott will work with others in order to enhance mutual awareness of relevant issues, share best practices and learn from the successes of others, and invest resources in joint projects with stakeholders to address economic, environmental and social concerns when we can make a significant contribution. Organizations that we engage with include:



1. Global Environmental Management Initiative (GEMI)
2. United States Council for International Business (USCIB)
3. Pharmaceutical Research and Manufacturers of America (PhRMA)