

Independent Assurance Statement for Abbott's Greenhouse Gas, Water, and Waste Data



Abbott Laboratories (Abbott) retained Environmental Resources Management (ERM) to provide an independent review of selected environmental performance data and adherence to the AA1000 Assurance Standard (2008) principles as they apply to safeguarding the environment. The intended users of this assurance statement are the management and stakeholders of Abbott.

Scope of Review

Abbott directed ERM to conduct an assessment of its Scope 1 and Scope 2 greenhouse (GHG) emissions, water use, and waste generation data (subject matter) for the calendar year ending December 31, 2011 as published in Abbott's 2011 Global Citizenship Report (Report). According to Abbott's assessment for materiality both GHG emissions and water use ranked as key environmental aspects to the business and stakeholders. ERM conducted this assurance review in accordance with ERM Assurance Protocols that have been developed to align with assurance and reporting standards such as the Global Reporting Initiative (GRI) 3.1 and AA1000AS (2008).

ERM provided AA1000AS Moderate Level, Type 2 assurance covering the following topics:

- An assessment of adherence to the AA1000AS (2008) principles of inclusivity, materiality, and responsiveness as these principles apply to safeguarding the environment; and
- A review of operating records, measurement techniques, and aggregation methods for the subject matter.

As part of this assurance project, ERM reviewed specific quantitative references and descriptions of the subject matter in Abbott's Report and evaluated the corporate data collection and management system for the subject matter, including Abbott data definitions and reporting requirements and supporting training and guidance materials. ERM also compared the subject matter with 2010 data to confirm completeness and consistency, as well as to check for discrepancies among similar sites across reporting years. For GHG data, the review specifically assessed consistency with WRI/WBCSD GHG Protocol, the Global Reporting Initiative (GRI) G3 guidelines and protocols, and the U.S. Environmental Protection Agency's GHG Reporting Rule calculation methodologies.

ERM conducted detailed data reviews at four sites and telephone reviews at two sites to assess the overall data collection processes in place at Abbott facilities. ERM selected sites that contributed significantly to Abbott's 2011 corporate-wide GHG, water use, and waste generation performance data. These sites when aggregated represented more than fifteen percent of the total footprint for each metric. In addition, these sites were located in different geographic regions and represent a range of operations.

Responsibility

Abbott's responsibility was to collect and collate the 2011 corporate-wide GHG emissions, water use, and waste generation performance data. ERM's responsibility was to express our assurance conclusions within the agreed Scope of Review. ERM performed the assessment in accordance with its assurance methodology and the AA1000 AS (2008). We planned and performed our work to obtain all the information that we believe was necessary to provide a basis for our assurance conclusions as to whether the reported information and data set out in the Scope of Review was appropriately reported (moderate assurance). The accuracy and completeness of this information is subject to inherent limitations given its nature and the methods used for determining, calculating, and estimating such data.

Methodology

ERM's assurance process included the following work:

- Evaluation of the subject matter collection and calculation processes;
- Interviews with key Abbott personnel to understand the governance mechanisms and processes in place for managing the AA1000AS (2008) principles of inclusivity, materiality, and responsiveness as they relate to the subject matter;
- Site visits to four manufacturing locations (Altavista, Virginia; Singapore; Tlalpan, Mexico; and Delkenheim, Germany) and telephone reviews at two additional manufacturing locations (Abbott Park and North Chicago, Illinois) to review the data collection, verification, and reporting processes at the site level.
- Interviews with Abbott personnel responsible for internal data collection and reporting at the sites visited and at the division and corporate levels.

Assurance Conclusions

The following summarizes the results of the AA1000AS (2008) Principles analysis:

- Inclusivity – Abbott annually engages a Global Citizenship Advisory Council to gain external perspective on sustainability issues. Abbott engages with many different stakeholders ranging from customers to supply chain partners. Abbott engages with relevant governmental bodies through regulatory processes and voluntary initiatives. Abbott also gains employee feedback through dedicated teams at manufacturing sites. Together, these mechanisms provide Abbott with integrated, regular channels for engagement as it pertains to safeguarding the environment.
- Materiality – Abbott went through a formal, robust stakeholder engagement process in 2008 arriving at four broad material issues, including safeguarding the environment, which is within the scope of this assurance engagement. In particular, GHG emissions and water use scored as having high material impacts. That assessment was conducted by an external firm and included a series of internal and external workshops, as well as interviews with management, customers, non-government organizations, government agencies, and key persons of interest. Abbott annually updates this materiality analysis.
- Responsiveness – Abbott focuses the majority of its attention in the Report and associated programs on its most material issues and addresses emerging issues where relevant. Abbott has set performance goals and developed management processes around GHG emissions, water use, and waste generation. In addition, Abbott has a system for responding to and addressing external requests for information, providing some form of response to every inquiry within 48 hours. Abbott also provides significant information on the company website.

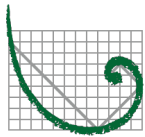
Based on our work undertaken as described above, ERM has concluded that Abbott has appropriately reported the subject matter and addressed the AA1000AS principles of inclusivity, materiality, and responsiveness as they apply to safeguarding the environment. In terms of data accuracy, nothing came to our attention to suggest that data has not been properly compiled with regard to the information reported from operational sites. We are not aware of any errors that would materially affect the data reported. In addition, data collection and management systems associated with the subject matter have improved since our evaluation of the 2010 data.

ERM identified non-material issues, which were discussed and are being addressed by Abbott. These issues and the associated recommendations are discussed in detail in a separate report to management.

ERM Competence

During 2011, ERM worked with Abbott on unrelated consulting engagements. ERM performed strict conflict of interest checks, and the personnel involved in providing assurance had no involvement in data collection or the development or implementation of data systems, allowing ERM to provide an independent evaluation and assurance statement.

ERM's assurance team includes assurance and corporate reporting specialists who have performed similar work for several multinational companies. Our team possesses the professional and technical competencies to conduct this assurance engagement.



ERM

A handwritten signature in black ink, appearing to read 'Robert Costello', with a stylized flourish at the end.

Robert Costello
ERM
Exton, Pennsylvania, USA
April 2012