

[Abbott Laboratories: Rule 14a-8 Proposal, November 12, 2021]

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ITEM 4\*: Report on public health costs of antimicrobial resistance

**RESOLVED**, shareholders ask that the Board of Directors commission and publish a report on (1) the public health costs created by Company decisions not to invest additional resources in slowing the growth of antimicrobial resistance (AMR), (2) market barriers to such additional investment, and (3) the manner in which increasing AMR may affect financial market returns available to its diversified shareholders.

#### **Supporting Statement:**

AMR is the phenomenon of pathogens becoming resistant to antibiotics, antifungals, and other antimicrobial drugs over time. Resistance can be accelerated by the overuse, misuse, or unavailability of antimicrobials and by manufacturing processes that do not protect the surrounding environment from contamination. AMR is a serious and growing problem: at least 700,000 people die annually from drug-resistant illnesses and AMR is on track to kill up to 10 million people a year by 2050, with a cumulative cost to the global economy of more than US\$80 trillion.<sup>1</sup>

The Antimicrobial Resistance Benchmark (“ARB”), a respected program that rates major pharmaceutical companies on measures taken to slow AMR, recently scored our Company as having achieved 21 of 40 possible points, leaving room for considerable additional investment in prevention.<sup>2</sup> The ARB lists numerous opportunities for the Company to do more, including ensuring supply in countries where access to medicine is limited, expanding its environmental risk strategy, decoupling sales incentives for antimicrobials, and improving its brochures and packaging.<sup>3</sup>

However, in its most recent earnings call, the Company did not discuss AMR at all, focusing instead on reducing manufacturing costs and increasing sales, in contrast to the ARB’s recommendations to preserve antimicrobial efficacy by spending more on mitigating environmental contamination and reducing antimicrobial sales incentives.<sup>4</sup>

This narrow focus on improving Company financial metrics in the face of the AMR crisis does a disservice to our shareholders: the effect of Company practices on public health is more important to its mostly diversified investors than are its profit margins. (More than 20 percent of the Company’s shares are held by Vanguard, BlackRock, and State Street—investment managers with indexed or otherwise broadly diversified investors.) Such shareholders and beneficial owners lose financially when companies in their portfolios boost internal returns with practices that lower broad economic performance, because equity market values rise and fall in proportion to GDP.<sup>5</sup>

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<sup>1</sup> <https://www.globalpointofcare.abbott/en/knowledge-insights/viewpoints/antimicrobial-resistance.html>

<sup>2</sup> <https://accesstomedicinefoundation.org/amr-benchmark/report-cards/abbott-laboratories>

<sup>3</sup> <https://accesstomedicinefoundation.org/amr-benchmark/report-cards/abbott-laboratories#opportunities>

<sup>4</sup> <https://www.marketbeat.com/earnings/transcripts/65172/>

<sup>5</sup> [https://www.unepfi.org/fileadmin/documents/universal\\_ownership\\_full.pdf](https://www.unepfi.org/fileadmin/documents/universal_ownership_full.pdf)

**While the Company may profit by ignoring externalized costs such as AMR, diversified shareholders ultimately pay these costs, and they have a right to ask what they are.** A study would help shareholders determine whether to seek a change in corporate direction, structure, or form to better serve their interests.

Please vote for: Report on public health costs of antimicrobial resistance – Proposal 4\*

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[\*Number to be assigned by the Company]