

The Baxter logo is displayed in a bold, blue, italicized sans-serif font in the upper right corner of the image. The background of the entire image is a photograph of a lush green forest with several people in blue shirts and orange caps walking away from the camera on a path. The sky is blue with white clouds, and there are blue geometric shapes overlaid on the top left and top center of the image.

Baxter

**Making a Meaningful
Difference**

2021 CORPORATE
RESPONSIBILITY
REPORT



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ASSURANCE AND VERIFICATION

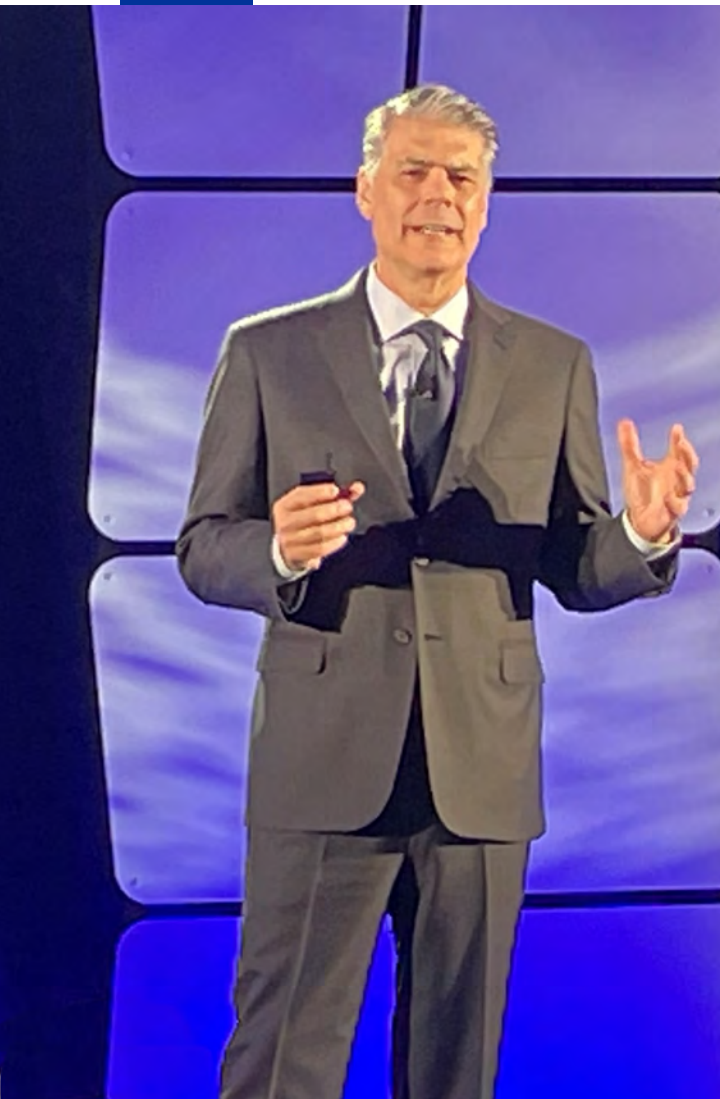


Apex Companies, LLC (Apex) verified Baxter's Scope 1, 2 and 3 greenhouse gas emissions. See [verification statement](#).

Apex also assured the following sections of the report. See the assurance statements in [English](#) and [Spanish](#).

- Achieve Carbon Neutrality for Direct Operations by 2040
- Implement Strategic Water Management Plans
- Advance Sustainable Procurement
- Implement Strategic Materials and Waste Management Plans
- Environmental, Health, Safety and Sustainability Governance and Additional Disclosures
- Achieve Top Quartile Workplace Safety Performance
- Protecting Human Rights in Our Supply Chain subsection of Human Rights
- Supplier Diversity subsection of Diversity, Equity and Inclusion
- Related material in the Appendix: [Baxter Data Summary](#); [Baxter Value Chain Energy Usage and GHG Emissions](#); and [Baxter Facilities with ISO 14001, ISO 45001, ISO 50001 and Green Building Certifications](#)

Most of the financial data included in the [Baxter Data Summary](#) are taken from the audited consolidated financial statements contained in the [Baxter International Inc. 2021 Annual Report on Form 10-K](#). These financial statements are audited by Baxter's independent registered public accounting firm, PricewaterhouseCoopers LLP.



From the Chairman, President and CEO

In December 2021, Baxter's ongoing transformation reached a new inflection point as we completed the largest acquisition in our company's 90-year history. By adding the talent and capabilities of medical technology leader Hillrom, we are creating new opportunities to expand the reach of our combined portfolio across sites of care and global geographies, as well as sparking new potential to make a difference for patients and their clinicians through our rapidly growing connected care capabilities.

The strength of the Baxter–Hillrom combination is rooted in the values that our teams bring together, starting with our shared dedication to saving and sustaining lives and emphasis on responsible corporate citizenship. These twin commitments were much in evidence across Baxter throughout 2021, as the healthcare landscape continued to be dominated by the devastating impact of COVID-19.

Baxter's medically essential products have placed us squarely on the front lines of this battle from the start. Our impact in this space was further amplified in 2021, as we partnered in the manufacture of multiple COVID-19 vaccines on a contract basis. The pandemic also remained a key focus of our philanthropic efforts, as Baxter and the Baxter International Foundation supported a range of institutions and communities in need. As ever, we honor the first responders, clinicians and others throughout the global healthcare ecosystem who give of their hearts and expertise in this continuing fight.

In July 2021, Baxter launched our 2030 Corporate Responsibility Commitment and Goals, a decade-spanning framework to create lasting social, environmental and economic value across three critical pillars: Empower Our Patients, Protect Our Planet, and Champion Our People and Communities. Each has a set of clearly stated initiatives, financial support and governance measures to ensure progress and accountability.


You can find many noteworthy highlights of our 2021 efforts in the pages that follow. To spotlight just a few, Baxter:

- Invested approximately \$9 million to implement nearly 200 energy conservation projects across our manufacturing sites globally. We estimate that these projects will save 33,800 megawatt hours of energy and avoid 8,800 metric tons carbon dioxide equivalent of greenhouse gas emissions annually.
- Reduced our water use by 7.7% in water-stressed areas and reduced waste generation by 9%, compared with 2020 and indexed to revenue.
- Continued to advance ACT: Activating Change Today, our multidimensional effort to promote racial justice, by investing in scholarship, community engagement and healthcare equity programs, and the attraction and development of diverse talent.
- Assessed our ability to report using the Task Force on Climate-related Financial Disclosures (TCFD) framework.
- Heightened our philanthropic investments in underserved communities to \$52 million in total charitable giving by Baxter and the Baxter International Foundation.

Thanks to the focus and determination of our colleagues globally, we continue to be cited routinely as a corporate responsibility leader. Among recent recognition, Baxter ranked in the Top 10 of *Newsweek's* 2021 list of America's Most Responsible Companies. We are also proud to be included on the S&P Global's Dow Jones Sustainability Indices (DJSI), including both DJSI World and DJSI North America, each year since their inception (1999 and 2005, respectively).

As of this writing, the devastating war in Ukraine is having a tragic human cost; yet the compassion of Baxter employees is again evident in our unrelenting drive to make a difference when crisis strikes. Baxter is now engaged in a multitiered humanitarian response, including, to date, more than \$3.5 million in product donations as well as nearly \$1 million in direct financial aid—a cash total reflecting, in part, the incredible personal generosity of our employees as matched by the Baxter International Foundation.

Regardless of the challenges and uncertainties that inevitably lie ahead, the Baxter team is committed to doing business the right way and in line with our environmental, social and governance priorities. I salute our Baxter employees around the world, whose passion powers our performance as a responsible corporate citizen.



JOSÉ (JOE) E. ALMEIDA | Chairman, President and Chief Executive Officer

Company Profile

Every day, millions of patients, caregivers and health-care providers rely on Baxter’s leading portfolio of diagnostic, critical care, kidney care, nutrition, hospital and surgical products used across patient homes, hospitals, physician offices and other sites of care. For 90 years, we’ve been operating at the intersection where vital innovations that save and sustain lives meet the healthcare providers who make it happen. Our corporate responsibility commitment is fundamental to our ability to deliver on this mission as we grow our business sustainably and strive to meet the needs of all our stakeholders.

Baxter provides a broad portfolio of essential healthcare products, including acute and chronic dialysis therapies; sterile intravenous (IV) solutions; infusion systems and devices; parenteral nutrition therapies; inhaled anesthetics; generic injectable pharmaceuticals; surgical hemostat and sealant products; advanced surgical equipment; smart bed systems; patient monitoring and diagnostic technologies; and respiratory health devices.

On Dec. 13, 2021, Baxter completed its acquisition of Hillrom, a global medical technology leader. Hillrom brings a highly complementary product portfolio and innovation pipeline that will enable Baxter to provide a broader array of medical products and services to patients and clinicians across the care continuum and around the world. Together, we have the ability to transform healthcare by helping to improve patient outcomes, enhancing workflow efficiency and enabling more cost-effective healthcare solutions.

Baxter’s combination with Hillrom unlocks the next phase of our transformation journey, presenting a new wave of potential to drive greater impact for patients,

healthcare providers, employees, investors and other stakeholders we serve worldwide.

Baxter’s heritage and global reach provide a distinct perspective on the needs of patients and caregivers around the world. We have a longstanding commitment to research and development (R&D) and a rich history of medical firsts, from the first commercially manufactured IV solutions to the first portable kidney dialysis machine, and many more. Each of our approximately 60,000 employees¹ is dedicated to ensuring that Baxter is there when and where patients need care—from hospitals and clinics to physician offices and homes, in rural areas and major cities around the world.

We will continue to transform healthcare by supporting opportunities that will cultivate the next generation of innovators, investing in the pursuit of new discoveries and research, and partnering with world-renowned

COMPANY OVERVIEW, 2021



Products available in **100+** countries*



Manufacturing in **20+** countries*



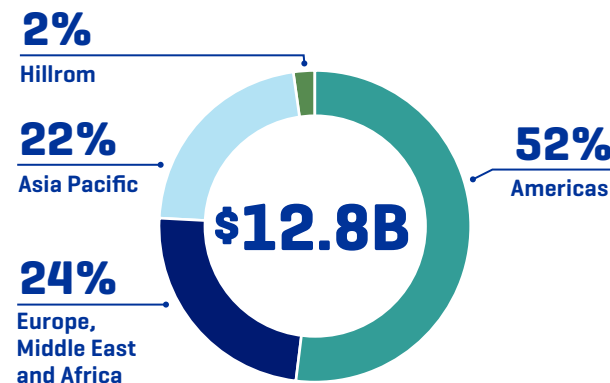
~**60,000** employees**,**



\$52 million in charitable giving***

* As of Dec. 31, 2021.
 ** Approximately 10,000 of those employees joined Baxter in December 2021 as a result of our acquisition of Hillrom.
 *** This amount does not include Hillrom charitable giving from 2021.

REVENUE BY SEGMENT, 2021*



*Sales and related figures represent fiscal year 2021. Baxter’s full year 2021 financial results include \$212 million of Hillrom sales that occurred from the Dec. 13, 2021 acquisition date through Dec. 31, 2021.

institutions to further our impact. We underpin this work with a commitment to conduct our business with integrity, attract and develop a more diverse and inclusive workforce, increase operational efficiency and innovate more sustainable products.

GLOBAL PRESENCE





Baxter (including Hillrom) touches the lives of more than 350 million people every year. As of Dec. 31, 2021, our products, technologies and therapies are available in more than 100 countries across the following geographic segments related to our legacy Baxter business: Americas; Europe, Middle East and Africa (EMEA); Asia Pacific (APAC); and a new global segment for our recently acquired Hillrom business. Our corporate headquarters is located in Deerfield, Illinois, in the United States. R&D is conducted at centers around the the world, including facilities in Belgium, China, Germany, India, Italy, Japan, Sweden and the United States. As of the end of 2021, our products are manufactured in approximately 50 facilities across more than 20 countries.

REVENUE BY PRODUCT CATEGORY, 2021*



*Sales and related figures represent fiscal year 2021. Baxter’s full year 2021 financial results include \$212 million of Hillrom sales that occurred from the Dec. 13, 2021 acquisition date through Dec. 31, 2021.

Our approach to corporate responsibility supports our company's goals to achieve top quartile results relative to industry peers and other comparators across four dimensions:

-  **Patient safety and Quality**
-  **Growth through innovation**
-  **Best place to work**
-  **Industry-leading performance**

INNOVATION

Baxter and Hillrom are uniting to meet the challenges of a rapidly-evolving healthcare landscape. Our products and services are essential building blocks of health-care. We innovate to bring smarter, more personalized care to the world with new technologies and therapies for patients and providers. These efforts are bolstered by our partnerships with clinical experts and leaders in digital health and the broader healthcare industry who diversify our discovery process.

We aspire to transform healthcare by helping providers improve care outcomes, enhance workflow efficiencies and enable more cost-effective healthcare solutions. With approximately 2 million "smart devices"² globally, we are advancing new solutions across the care continuum, including device connectivity, data visualization and analytics tools, care communications, and monitoring and sensing innovations. Our goal is for our innovations to work together in a connected system that surrounds the patient and their care team.

We are also transforming the way we operate by empowering our people to learn and innovate at scale using digital technology. Our goal is to help our people and our customers to reach their full potential by driving data, insights and deep partnerships to advance our mission of saving and sustaining lives. In 2021, our companywide digital transformation initiative led to new customer service and therapy support tools for patients and healthcare providers and new digital health solutions in clinical nutrition and home dialysis. We also deployed more than 20 new digital solutions internally to support our operations, from manufacturing planning to quality tracking and beyond.

Baxter's robust product pipeline is designed to help clinicians be more efficient and effective as they treat patients across multiple care settings, including the hospital bedside, operating room and intensive care unit; dialysis clinic; physician's office and at home. We expect to introduce several innovations to help improve care for patients around the world, including digital health solutions for the hospital and home, a new infusion pump platform, a new digital-ready ophthalmoscope and otoscope to transform physical examinations, new developments in home dialysis technology, generic injectable drug offerings and more.

The content in the remainder of this report, including progress toward all of our 2030 Corporate Responsibility Goals, refers to Baxter and does not include Hillrom, unless stated otherwise. Our Baxter 2022 Corporate Responsibility Report will reflect the combined company.



Photo: Baxter's Sharesource remote patient management platform is the most widely adopted digital health platform for home dialysis globally. The platform allows healthcare professionals to remotely monitor and manage their home patients' automated peritoneal dialysis treatments.

COVID-19: Saving and Sustaining Lives During a Global Pandemic

The ongoing COVID-19 pandemic continues to create a worldwide crisis. As a global leader in healthcare, delivering on our mission to save and sustain lives is more vital than ever. We continue to protect the health and safety of our employees; increase the supply of critically necessary products and therapies; share our industry expertise, including partnering to manufacture COVID-19 vaccines; and provide philanthropic support to communities in need. [Learn more.](#)



Our People

From our frontline employees in manufacturing to our clinical educators, service specialists and more, Baxter colleagues have played an extraordinary role in maintaining and increasing critical product supply to meet patient needs. Throughout the pandemic we have followed our staged response plan and continued to provide resources and ongoing communications to help employees understand the evolving science and provide up-to-date guidance in support of the health and safety of all Baxter team members, including the importance of getting the COVID-19 vaccine. See [Achieve Top Quartile Workplace Safety Performance and Inclusive Pay and Benefits.](#)



Our Products

We have boosted production to help address the elevated demand for our products around the world and made substantial investments to increase manufacturing capacity. We are partnering with vendors to procure additional raw materials to support increased production. To expedite shipping globally, we are leveraging distributor networks as well as shipping directly from our facilities. Additionally, we are working closely with governments globally to ensure ongoing manufacturing, and continuing our Manufacture-to-Donate program with humanitarian partners. See [Baxter 2021 Public Policy and Political Contributions Report.](#)



Our Expertise

Our medical team is working with global healthcare professionals to understand the unique clinical challenges created by COVID-19. Additionally, Baxter's BioPharma Solutions business is providing fill/finish manufacturing services for the Novavax, BioNTech and Moderna COVID-19 vaccines. Baxter's BioPharma Solutions represents one entity that is part of a group of contract manufacturing partners providing fill/finish services to the market for the COVID-19 vaccine.



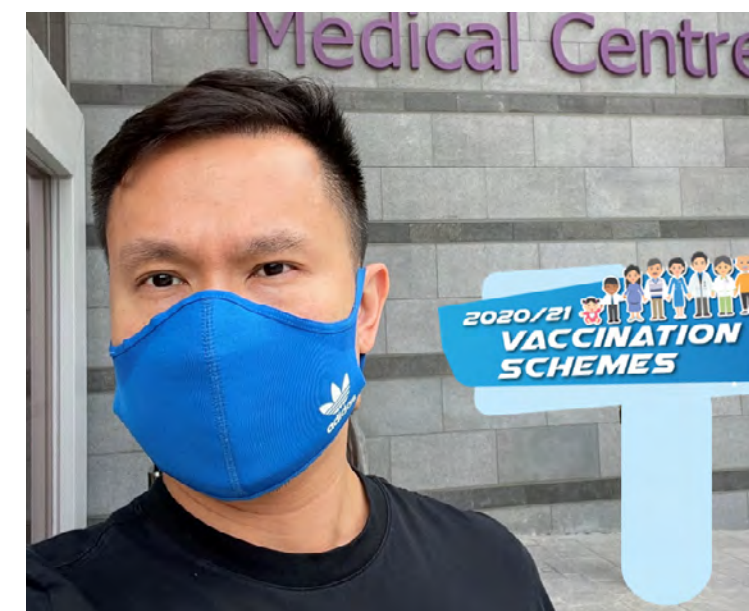
Our Communities

The Baxter International Foundation (the Foundation) is providing financial support to address the needs of patients, healthcare workers and communities. Since 2020, the Foundation has provided more than \$3 million in global COVID-19 grants, including grants to support Feeding America, Save the Children and World Vision. Our giving included a 2:1 employee gift match campaign for Save the Children, focused on COVID-19 relief. See [Invest in Underserved Communities Globally.](#)



The rollout of COVID-19 vaccines makes it possible to see light at the end of the tunnel. I'm filled with gratitude for every health professional and scientist behind this incredible global health effort. Vaccines are our best chance to protect each other and return to sharing our lives."

NEO, BUSINESS UNIT DIRECTOR FOR BAXTER RENAL CARE, ACUTE THERAPIES AND STRATEGIC INITIATIVES, HONG KONG



Advancing Racial Justice

We are united by our mission to save and sustain lives, which rests on a strong foundation and commitment to diversity, equity and inclusion (DE&I) globally. Racism, intolerance, marginalization and discrimination affect our colleagues, families, friends and communities worldwide in countless forms. In 2020, we launched ACT: Activating Change Today, a global, multidimensional and multiyear initiative to advance racial justice. While this initiative was prompted by the murder of George Floyd in the United States, ACT is intended to address other racial/ethnic minority injustices around the world as well. In the United States, the focus of our ACT effort is on the Black community. Outside of the United States, our regional and country teams are working to address injustices that affect various races and ethnicities, throughout the EMEA and APAC regions. We expect to continue expanding our efforts in other countries in 2022 and beyond.

As the name suggests, ACT is about taking action to drive results. We want to achieve meaningful, sustainable change and be part of the solution to the complex, longstanding, multifaceted societal issue of racial injustice. We are acting with a sense of urgency, prioritizing initiatives around the world that we believe will make the biggest impact.

We have aligned our ACT initiatives to our [four DE&I strategic pillars](#)—workforce, workplace, communities and marketplace—to ensure we approach this issue in a comprehensive manner. [Learn more](#) about our most recent ACT:ions.



This is a generational defining moment. I know that the conversations are tough... conversations of race, of social injustice, of systemic oppression. But we should have them anyway.”

NOSA, TERRITORY BUSINESS MANAGER, ADVANCED SURGERY

Employees heard from their colleague, Nosa, on his views and experiences with institutional and systemic racism in the United States. As part of our ACT initiative, Baxter is working to foster open, honest conversations. To hear from Nosa, [click here](#).





Corporate Responsibility Commitment

Baxter is committed to addressing the environmental, social and governance (ESG) issues touching our patients, employees and the diverse communities we serve worldwide.



Our corporate responsibility work is grounded in three pillars and bolstered by our approach to good governance and cross-cutting commitments to responsible practices across our business.

CORPORATE RESPONSIBILITY PILLARS



[Empower Our Patients](#)



[Protect Our Planet](#)



[Champion Our People and Communities](#)

CROSS-CUTTING COMMITMENTS



[Ethics and Compliance](#)



[Human Rights](#)



[Diversity, Equity and Inclusion](#)



[Privacy and Data Protection](#)

Our [2030 Corporate Responsibility Commitment](#) features 10 goals for prioritized action.

We have reported our environmental performance for 30 years and have consistently broadened and enhanced our reporting on the ESG issues that are priorities to Baxter and our stakeholders. Baxter published its first Sustainability Accounting Standards Board (SASB) Index in 2020 (based on 2019 information), in alignment with the Medical Equipment and Supplies Sustainability Accounting Standard. In addition, in early 2022, we commissioned a third party to conduct a gap analysis comparing the information in our 2020 Corporate Responsibility Report and our 2021 CDP Climate Change disclosure with the Task Force on Climate-related Financial Disclosures (TCFD) framework. We are actively evaluating our ability to report against the TCFD framework generally and in light of potential evolving regulatory disclosure requirements.

Performance Goals

Every year, we measure and evaluate our performance, communicate progress and challenges, and identify opportunities to drive even greater impact across our business and society. Setting goals across a broad range of ESG issues demonstrates our commitment, reinforces accountability and helps to drive ongoing improvement. This report states progress toward [Baxter's 2030 Corporate Responsibility Goals](#).

We developed our 2030 goals through broad engagement with Baxter executives, our Board of Directors (Board), subject matter experts across the company, investors, nongovernmental organizations and other external stakeholders. Industry and cross-industry benchmarking, as well as our most recent materiality assessment, also informed the process. Given the scale and scope of the challenges we face as a society, we chose a 10-year timeframe for most of our goals to advance meaningful progress related to these substantive issues.

ESG: Driving Business Value

Our corporate responsibility approach focuses on delivering business value by addressing the ESG issues that matter most to our company and stakeholders, while also addressing the key risk factors that may impact the long-term sustainability of our business. Following is a representative sample of how driving progress in corporate responsibility contributes to business value.

BUSINESS VALUE DRIVER	EXAMPLES
Employee Attraction and Retention	<ul style="list-style-type: none"> We follow a fair and inclusive hiring process, which includes an inclusive candidate sourcing strategy, diverse interview panels and a target to ensure that at least 30% of candidates on the interview slates for roles of manager or above are diverse. Baxter conducts Best Place to Work surveys, through which our employees rate the company's workplace across various categories. See summary data in the Baxter Data Summary as well as results related to workplace inclusion. We believe that our commitment to sustainability, environmental stewardship, and safe and healthy workplaces helps us to attract, engage and retain top talent.
Operational Efficiency	<ul style="list-style-type: none"> In 2021, we implemented 196 energy conservation projects. We estimate these projects will save 33,800 megawatt hours of energy and \$3.3 million and avoid 8,800 metric tons carbon dioxide equivalent of greenhouse gas (GHG) emissions annually.¹ See Energy Management. Recycling at Baxter generated \$2.5 million in net income during the year. See Implement Strategic Materials and Waste Management Plans.
License to Operate	<ul style="list-style-type: none"> We maintain global strategies and programs to help ensure that we meet privacy regulations such as the EU General Data Protection Regulation; human rights-related legislation such as the California Transparency in Supply Chains Act of 2010; and product materials restrictions such as the EU RoHS Directive, EU REACH Regulation and EU Medical Devices Regulation. This supports our continued access to key markets. See Materials of Concern, Protecting Human Rights in Our Supply Chain and Privacy and Data Protection. We prioritize regulatory compliance as the foundation of our environmental, health, safety and sustainability (EHS&S) program. See Environmental, Health and Safety Performance. Baxter supports communities in need where we have an operational presence through partnerships that address environmental, social and economic needs (such as water access, sanitation and hygiene or <i>WASH</i> projects). See Implement Strategic Water Management Plans.
Risk Reduction	<ul style="list-style-type: none"> We have strengthened our EHS&S governance to identify and mitigate environmental risks; implemented programs to enhance physical infrastructure at our manufacturing facilities; and made substantial capital investments at our critical sites to ensure their operational longevity. See Environmental, Health and Safety Performance. We identify and manage climate- and water-related risks as part of our global risk management activities, have implemented a GHG emissions-reduction strategy as well as water management and waste mitigation plans and continue to build resiliency across our supply chain. See Achieve Carbon Neutrality for Direct Operations by 2040, Implement Strategic Water Management Plans, and Implement Strategic Materials and Waste Management Plans. Product and process improvements are designed to enhance patient safety and product quality and decrease risk of regulatory actions. See Continually Improve Manufacturing Capabilities. Cybersecurity threats and vulnerabilities change rapidly, so we are committed to working with the security research community to verify and respond to legitimate vulnerabilities and partner to strengthen cybersecurity of medical devices. See Privacy and Data Protection.
Governance	<ul style="list-style-type: none"> ESG matters are subject to oversight at the highest levels of Baxter, including our Executive Leadership Team (whose annual incentive compensation is tied, in part, to ESG metrics) and our Board of Directors (with two committees sharing oversight for ESG matters and the Board as a whole reviewing ESG matters at least annually). See Corporate Responsibility Governance and Management. The diversity of our Board provides key insights related to corporate responsibility and strategic initiatives, operational performance and financial control. See Our Leadership. We manage environmental aspects and risks, as well as health and safety hazards and risks, in accordance with the most current International Organization for Standardization (ISO) 14001 and ISO 45001 standards, and we provide oversight and assurance for our EHS&S programs through a structured audit process. See Environmental, Health and Safety Performance.
Reputation	<ul style="list-style-type: none"> Maintaining high ethical standards, ensuring strong labor and environmental practices in our supply chain and working to support communities where we have an operational presence all contribute to our corporate responsibility goals and to our reputation as a leading corporate citizen. See Implement Strategic Water Management Plans, Advance Sustainable Procurement, Invest in Underserved Communities Globally, Ethics and Compliance, Human Rights, and Recognition.
Revenue	<ul style="list-style-type: none"> Innovation to enhance patient safety and product quality drives our ability to meet patient needs and ultimately improves health outcomes. See Continually Improve Manufacturing Capabilities. Customers increasingly consider environmental and social performance in proposal reviews and purchasing decisions. Our efforts to expand access to care, particularly in the renal space for underserved markets, unlock new opportunities for revenue growth. See Reach More Underserved Kidney Patients.

Corporate Responsibility Governance and Management

ESG matters receive strategic guidance and oversight at the highest levels of the company, including Baxter's Chairman and Chief Executive Officer, Baxter's Executive Leadership Team (formerly known as Senior Leadership Team) and the Board.

BOARD OF DIRECTORS OVERSIGHT

Baxter's [Board of Directors](#) plays a critical role in corporate responsibility oversight. The full Board is regularly updated on corporate responsibility matters (including a discussion of related goals and industry trends). The Board's [Quality, Compliance and Technology \(QCT\) Committee](#) and [Nominating, Corporate Governance & Public Policy \(NCGPP\) Committee](#) share oversight for ESG-related matters. The QCT Committee provides oversight for issues related to environmental sustainability and compliance, while the NCGPP Committee provides oversight for other aspects of corporate responsibility, including charitable contributions, public policy, access to healthcare and other social and governance issues.

GOVERNANCE AND MANAGEMENT OF CORPORATE RESPONSIBILITY AT BAXTER*

Chairman and CEO				
Board of Directors				
Quality, Compliance and Technology Committee		Nominating, Corporate Governance & Public Policy Committee		
Corporate Responsibility Steering Committee				
EVP and Chief Operating Officer	EVP and Chief Financial Officer	SVP and General Counsel	SVP and Corporate Secretary	
SVP, Chief Accounting Officer and Controller	SVP, Global Communications		SVP, Chief Supply Chain Officer	
SVP, Human Resources		SVP, Chief Quality Officer	VP, Investor Relations	
VP, Finance, Financial Planning and Analysis			VP, Global Audit	
Corporate Responsibility Council Co-Chairs				
VP, Environment, Health, Safety and Sustainability		Senior Director, Global Community Relations		
Corporate Responsibility Council Members				
Chief Procurement Officer	General Manager, Medication Delivery and Acute Therapies		President, Renal Care	Deputy General Counsel and Chief Compliance Officer
VP, Global Engineering and Manufacturing Strategy	VP, Global Patient Safety	VP, HR—Americas, GBUs, and Global Functions	Senior Director, Product Quality	VP, National and Strategic Accounts
Corporate Responsibility Working Group				

*As of March, 2022.

CORPORATE RESPONSIBILITY STEERING COMMITTEE

With the inauguration of the company's 2030 Corporate Responsibility Commitment and Goals, we launched an executive cross-functional Corporate Responsibility Steering Committee to provide direction and oversight to our ESG initiatives and set and advance our corporate responsibility strategy and culture. The Committee meets quarterly to monitor policies, action plans and strategies as well as other matters of significance to the company's reputation as a socially responsible organization. It provides guidance to Baxter's Corporate Responsibility Council.

CORPORATE RESPONSIBILITY COUNCIL

Baxter's Corporate Responsibility Council is composed of executives and subject matter experts from across the company. The Council meets quarterly and provides oversight to ensure high standards of accountability. The Council's role is to:

- Track progress toward our 2030 Corporate Responsibility Commitment and Goals and deliver regular progress updates to the Corporate Responsibility Steering Committee, select members of Baxter's Executive Leadership Team and our Board of Directors
- Solicit and review stakeholder input on Baxter's corporate responsibility programs, priorities, goals and disclosure, as well as broader industry trends
- Oversee and assign day-to-day ESG matters to a combination of personnel and work groups from our corporate responsibility, EHS&S, human resources, finance, investor relations, legal, communications, procurement, engineering and other teams, depending on the nature of the matter

SENIOR LEADER ACCOUNTABILITY

To drive further accountability, beginning in 2021, the individual performance assessment for our Senior Leadership Team (now our Executive Leadership Team) under our Annual Incentive Plan is determined in connection with an assessment of our performance against pre-established measures for strategic priorities, including those related to ESG. For example, these measures include:

- Patient safety and quality, including product safety and quality systems
- Best place to work, including diversity in the workforce, culture, talent, [Baxter's ACT: Activating Change Today initiative](#) to fight racial injustice, and environmental, health and safety measures
- Growth through innovation, including our ongoing digital transformation and innovative ecosystem

[Learn more.](#)

Corporate Governance Resources

Visit Baxter's [Our Governance](#) webpage for information and links related to:

- ▶ [Corporate Governance Guidelines](#)
- ▶ [Board of Directors, Committees and Committee Charters](#)
- ▶ [Code of Conduct](#)
- ▶ [Securities Trading Policy](#)
- ▶ [Ethics and Compliance Helpline](#)

Our [Ethics and Compliance](#) webpage includes links to additional standards and policies for our employees and suppliers that help us drive a culture of integrity and ethical behavior.

Stakeholder Engagement

Baxter collaborates with a broad range of stakeholders to inform our 2030 Corporate Responsibility Commitment and Goals. We routinely engage with our primary stakeholder groups to assess the ESG issues that are most relevant to our business. We also periodically conduct in-depth materiality assessments to better understand the relative importance of a broad range of ESG issues to our business and stakeholders.

BAXTER'S PRIMARY STAKEHOLDER GROUPS



Communities



Customers



Employees



**Healthcare
providers**



Investors



NGOs



Patients



Payers



**Regulators/
policymakers**



Suppliers

Stockholder Outreach

As part of the company's corporate governance outreach program, members of Baxter's management team and members of the Board, including the company's Lead Independent Director, engage with investors on a range of topics. In the fall of 2021, the company engaged in discussions with stockholders representing approximately 30% of the company's outstanding shares [calculated as of Dec. 31, 2021].

Topics discussed with stockholders in 2021 included company strategy and performance [including the company's response to the ongoing COVID-19 pandemic], the proposed Hillrom acquisition [which was completed on Dec. 13, 2021], corporate governance matters [including Board composition, diversity and refreshment and proposed changes to the company's Certificate of Incorporation to adopt written consent], the Board's leadership structure, executive compensation and corporate responsibility initiatives [including the company's 2030 Corporate Responsibility Goals]. Stockholder feedback was shared with the full Board and relevant committees.

Materiality

To understand and prioritize issues that are critical to the long-term sustainability of our business and most relevant to our stakeholders, we periodically conduct materiality assessments. These analyses (which may differ from those conducted for financial statement or other disclosure purposes) inform our corporate responsibility strategy, commitment and goals. See a list of our [material corporate responsibility issues](#) (as defined during our 2018 assessment) and their impacts across our value chain. For more information about the process we undertook and the key findings of that assessment, see page 6 of our [2018 Corporate Responsibility Report](#).

As a result of the Hillrom acquisition, Baxter plans to undertake a materiality assessment in 2022 to help ensure the company's corporate responsibility focus continues to align with the interests of the company and its stakeholders. We will include the results of this analysis in our next corporate responsibility report.



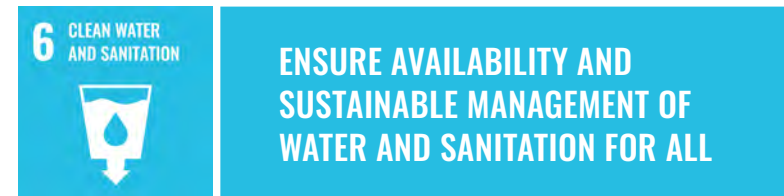
United Nations Sustainable Development Goals

We are proud to affirm our support for the United Nations Sustainable Development Goals (UN SDGs) and 2030 Agenda—a global blueprint for achieving a more sustainable future. While our business and corporate responsibility initiatives align with many of the UN SDGs, we focus especially on the goals highlighted below.



As a global healthcare company, advancing health and well-being is central to our business.

- To address the COVID-19 pandemic, we continue to protect our employees, increase the supply of critically necessary products and therapies, share our industry expertise and provide philanthropic support to communities in need. See [COVID-19: Saving and Sustaining Lives During a Global Pandemic](#).
- Through Baxter's product donations, we work to address unmet healthcare needs and improve health outcomes in underserved communities. See [Product Donations](#).
- Through our Signature Partnerships, the Baxter International Foundation supports programs that increase access to healthcare. See [Invest in Underserved Communities Globally](#).
- Through a broad range of programs and activities, we are laying the foundation to increase access to peritoneal dialysis (PD) in developing countries. See [Reach More Underserved Kidney Patients](#).
- Through our ACT Initiative, Baxter launched a kidney care program to increase awareness and education in Black communities about kidney health and managing chronic kidney disease. [Learn more](#).



We take a broad approach to addressing water-related issues in Baxter's operations and the communities where we operate.

- We work to better understand the impacts of water use across our business and implement conservation and efficiency projects at our manufacturing facilities. See [Implement Strategic Water Management Plans](#).
- Using the World Resources Institute Aqueduct Water Risk Atlas version 3.0, we map and analyze current and future risks associated with water stress at our most significant water-use locations. See [Water Management](#).
- We take a proactive approach to wastewater operations and how we identify, evaluate and manage wastewater issues. See [Wastewater](#).
- In 2021, we continued our work to provide communities in Guatemala and India with access to clean water and launched a program in Colombia. See [Supporting Access to Clean Water](#).



Materials use is a key driver of Baxter's environmental footprint and getting the most value possible from materials is central to our approach.

- Through sustainable design, we minimize our environmental impacts and capture as much value as possible from the natural resources used to manufacture, transport, use and recover our products. See [Sustainable Design](#).
- Baxter's corporate responsibility approach prioritizes compliance with product chemical and medical device regulations. See [Materials of Concern](#).
- We work to reduce materials use in products without affecting efficacy, and to avoid or minimize materials of concern. See [Materials Use in Products and Packaging](#).
- Baxter reduces the amount of materials used in packaging and substitutes with environmentally preferable alternatives when possible. See [Packaging](#).
- We work to reduce nonhazardous and regulated waste and to increase recycling at our manufacturing and office facilities. See [Implement Strategic Materials and Waste Management Plans](#).
- Baxter aims to conserve natural resources and reduce waste during product distribution. See [Product Distribution](#).
- We work with customers, industry peers and recycling and disposal vendors to facilitate the recycling and responsible treatment of medical products. See [Product End-of-Life](#).



2030 Corporate Responsibility Goals

The baseline for these goals is 2020 and the target achievement year is 2030, unless stated otherwise. Performance statements refer to Baxter and do not include Hillrom.

PILLARS	GOALS	PERFORMANCE
EMPOWER OUR PATIENTS 	Reach More Underserved Kidney Patients Double the number of patients reached in underserved markets* through our peritoneal dialysis (PD) portfolio. <small>*Countries outside of the United States, Canada, Western Europe, Japan, Korea, Australia and New Zealand. (Baseline: 198,000 patients in 2020)</small>	In 2021, we reached more than 204,000 patients in underserved markets through our PD portfolio. Given the number of barriers to care in these markets, we are taking a staged approach—beginning with awareness and education—that we intend to accelerate in future years.
	Continually Improve Manufacturing Capabilities Achieve a 10% year-over-year improvement in manufacturing process capability for prioritized products.* <small>*As measured by the year-over-year decrease in defect rate until each product's process capability goal is met. (Baseline year: 2021)</small>	In 2021, we gathered data to establish a capability baseline for our sterilized solutions and sets, and refined the infrastructure and processes necessary to enhance product quality and report progress. In future reports, we will disclose progress from this baseline toward our target.
PROTECT OUR PLANET 	Achieve Carbon Neutrality for Direct Operations by 2040 Achieve carbon neutrality for our direct operations by 2040 and reduce absolute Scope 1 and 2 greenhouse gas emissions 25% by 2030, aligned with a well-below 2° Celsius science-based target.	In 2021, we reduced absolute Scope 1 and 2 greenhouse gas emissions by 0.4% compared with 2020. We also established the necessary teams and infrastructure to help accelerate progress in the coming years.
	Implement Strategic Water Management Plans Implement strategic water management plans at prioritized manufacturing locations.* <small>*Identify prioritized locations using a risk-based approach by the end of 2023.</small>	In 2021, we collected data from all of our manufacturing sites, which we will use as we work toward our 2023 milestone of prioritizing locations for water management. We also continued upgrading our manufacturing infrastructure and modernizing our operations to improve efficiency and reduce operational risk moving forward.
	Advance Sustainable Procurement Integrate Baxter's sustainable procurement strategy across 90% of our supplier spend.* <small>*As measured by supplier commitment to Baxter's Ethics & Compliance Standards and Baxter's completion of corporate responsibility audits within our supply base.</small>	In 2021, we laid the foundation to calculate progress toward this goal in the coming years. We also committed to increase investments in staff and training and continued to enhance our internal audit capabilities.
CHAMPION OUR PEOPLE AND COMMUNITIES 	Implement Strategic Materials and Waste Management Plans Implement prioritized waste mitigation opportunities* in Baxter's integrated supply chain, from procurement to distribution. <small>*Identify prioritized waste generation sources by the end of 2024.</small>	In 2021, we continued to mitigate waste at Baxter through process efficiency, waste reduction, recovery, recycling and landfill diversion. We also further engaged stakeholders to identify additional opportunities for reduction and to inform our strategy and facilitate prioritization of waste generation sources by 2024.
	Invest in Underserved Communities Globally Invest \$275 million in underserved communities through strategic partnerships and product donations from Baxter and the Baxter International Foundation.	In 2021, Baxter and the Baxter International Foundation invested nearly \$52 million in underserved communities through strategic partnerships, grants and product donations.
	Achieve Top Quartile Workplace Safety Performance Achieve top quartile workplace safety performance annually in total recordable incident rate.* <small>*Among global companies across industries as reported by the U.S. Bureau of Labor Statistics.</small>	Baxter's total recordable incident rate in 2021 ranked in the top quartile, achieving our goal for the year.** <small>**Compared with 2019 data, which was the most recent data available from the U.S. Bureau of Labor Statistics at the time our 2030 Corporate Responsibility Goal was established.</small>
	Increase Representation of Women and Ethnic Minorities in Leadership Roles Through hiring, promotion and retention, aspire to increase representation of women in leadership roles globally to 40%.* <small>*Assuming labor market conditions continue to support the goal. Leadership role is defined as director and above.</small> Through hiring, promotion and retention, aspire to increase representation of ethnic minorities in leadership roles in the United States to 25%.* <small>*Assuming labor market conditions continue to support the goal. Leadership role is defined as director and above.</small>	As of Dec. 31, 2021, 36% of people in leadership roles at Baxter globally were women, up from 34% in 2020. As of Dec. 31, 2021, 24% of people in leadership roles at Baxter in the United States were ethnic minorities, up from 22% in 2020.

Our 2030 Corporate Responsibility Goals support Baxter's top quartile goals, which include:



Patient safety and Quality



Growth through innovation



Best place to work



Industry-leading performance



Empower Our Patients



Invest in innovative initiatives, products and therapies that tackle barriers to safe and quality healthcare

Reach More Underserved
Kidney Patients 15

Continually Improve
Manufacturing Capabilities. 17

Reach More Underserved Kidney Patients

2030 CORPORATE RESPONSIBILITY GOAL: Double the number of patients reached in underserved markets* through our peritoneal dialysis (PD) portfolio.

*Countries outside of the United States, Canada, Western Europe, Japan, Korea, Australia and New Zealand. (Baseline: 198,000 patients in 2020)

PERFORMANCE: In 2021, we reached more than 204,000 patients in underserved markets through our PD portfolio. Given the number of barriers to care in these markets, we are taking a staged approach—beginning with awareness and education—that we intend to accelerate in future years.



Sponsored hands-on PD catheter training for nearly **400** nephrologists from **19** countries



Hosted **second** International Home Dialysis Roundtable



50,000+ patients in **70** countries connected to their clinicians via **Sharesource**



APPROACH AND PROGRESS

Increasing access to Baxter’s lifesaving products for patients and caregivers globally is one of our company’s top priorities. Our 2030 goal to reach more kidney patients in developing countries emphasizes the importance of supporting this underserved population.

APPROACH TO REACHING RENAL PATIENTS IN UNDERSERVED MARKETS

We are taking a three-pronged approach to reach our 2030 goal.

-  **Driving Shared Decision Making**
-  **Advocating for Access to PD**
-  **Expanding Innovation and Services**

People in developing countries are at a higher risk of developing kidney disease and have less opportunity to access the life-sustaining therapy needed to survive the disease. Though estimations vary, it is believed that up to nearly 10 million people worldwide require renal therapy, yet fewer than 3 million people receive treatment.¹ Home-based PD offers patients the opportunity to manage their therapy at home, provides equal or better outcomes for many and is often less costly when compared with clinic-based hemodialysis. PD also provides patients, who have immune dysfunction, an opportunity to socially distance themselves to reduce the risk of viral infections, such as COVID-19.

In 2021, we focused on the following programs and activities as we began laying the foundation to increase access to PD in developing countries.

Driving Shared Decision Making

Choosing an appropriate therapy option is an important decision for people with chronic kidney disease. Patients must be aware of and informed about their options so they can advocate for the treatment choice that is best for them. Engagement between trusted and informed clinicians and patients is critical to increasing patients’ awareness of treatment options and accelerating the adoption of PD. In 2021, Baxter launched a campaign to raise clinician and patient awareness about the benefits of PD so they can have more informed discussions about therapy options.

Our global Safer at Home awareness campaign educated patients and key stakeholders about home dialysis as an important therapy option during the COVID-19 pandemic and discouraged patients from delaying or opting out of therapy for fear of contracting the virus. In 2021, we continued to use social media channels to drive awareness globally and sponsor patient societies in delivering educational campaigns to their members and the general public.

We also launched the [MyKidneyJourney](#) website, which was available in 28 countries as of the end of 2021, including many developing countries. This locally customizable website provides objective pre-dialysis education for patients and caregivers who are seeking additional disease and therapy information. Although clinicians can direct patients to the site, it does not require clinician referral, making it easy to access for patients and family members.

Awareness and Training for PD Catheters

In order to begin PD therapy, a patient must have a catheter inserted into their abdominal area. Completing this critical first step in a timely manner is a common barrier to PD therapy adoption and was especially challenging during the height of the pandemic when several countries deemed PD catheter insertion to be elective and suspended the procedure along with other elective surgeries. To support access to life-saving PD therapy, Baxter worked with healthcare professionals, medical societies and ministries of health globally to have catheter insertion procedures deemed an essential, non-deferable procedure, removing one barrier to patients beginning PD therapy.

In 2021, we launched an educational campaign directed at nephrologists interested in placing catheters. The campaign included webinars, instructional videos, e-learning modules and interactive aids to raise awareness and encourage nephrologists to add PD catheter insertion to their practices. We also sponsored hands-on PD catheter training programs that trained nearly 400 nephrologists from 19 countries, including Algeria, Bahrain, Brazil, China, Colombia, Egypt, Ireland, Japan, Korea, Mexico, Morocco, Oman, Poland, Slovenia, South Africa, Sudan, Tunisia, Turkey and UAE.

In addition, we established our PD Ambassador Program in 2021. Through this program, we invited local opinion leaders to learn more about the current clinical benefits of PD, the role they play in shared decision making and patient choice, the importance of home dialysis during the COVID-19 pandemic and beyond, and digital health with the **Sharesource** remote patient management platform as a home therapy enabler. By the end of the year, we had established a group of 50 PD Ambassadors from 30 countries² who can consistently communicate the benefits of PD and advocate for its use.

Advocating for Access to PD

We support public policies, economic analyses and collaborations that advance access to PD. In 2021, we hosted a second International Home Dialysis Roundtable to continue work that this same group began in 2020 in response to the COVID-19 pandemic.

This group continues collaborating to identify and help address the global challenges and opportunities related to access to home dialysis. These annual discussions are unique in that they represent a broad, multinational gathering of patient advocacy groups, clinical societies and industry representatives from 27 countries, including developing countries in Asia Pacific, Europe and other regions.

While the roundtable was originally created to confront access-to-care challenges presented by the COVID-19 pandemic, the forum also identified the benefit of prioritizing and addressing—either individually or in collaboration—systemic challenges to home dialysis on an ongoing basis. This group was responsible for an important [call to action](#), published in *Kidney Medicine*, and several advocacy outreach communications to policymakers throughout the year.

Expanding Innovation and Services

Innovation that meets the local needs of patients is critical to expanding access to care. With the proper awareness and education, we are working to expand access to our PD portfolio, including our digital health platform, in developing countries.

For example, **Sharesource** remote patient management, our digital health platform, allows healthcare professionals to securely view data from their patients' recently completed home dialysis treatment, which is automatically collected after each automated peritoneal dialysis (APD) session. With real-time access to treatment data through **Sharesource**, healthcare professionals can remotely adjust patients' home device settings without requiring additional trips to the clinic. **Sharesource** leads to other therapeutic benefits, including fewer dropouts, improved adherence, and improved patient-reported outcomes, as well as cost reduction. More than 50,000



Photo: The **Sharesource** remote patient management platform is available with our APD systems globally.

patients in 70 countries are connected to their clinicians via **Sharesource**. This platform and other innovations will continue to drive progress in this area. [Visit our website for patient stories.](#)

MOVING FORWARD >>

Increasing the number of patients we reach in any market is complex and multifaceted. For example, the COVID-19 pandemic continues to present significant challenges for patients with kidney disease, and we will continue to advocate for access to care in the home to reduce potential risks associated with kidney patients contracting the virus.

We expect incremental growth toward achievement of our goal during the next few years as we continue to drive shared decision making and advocate for safe, effective home-based dialysis through a focus on awareness and education. We anticipate this multifaceted approach will eliminate barriers to care and accelerate our ability to reach patients over time. We will continue to prioritize flexibility and agility as we drive progress toward our long-term plans.

Continually Improve Manufacturing Capabilities

2030 CORPORATE RESPONSIBILITY GOAL: Achieve a 10% year-over-year improvement in manufacturing process capability for prioritized products.*

*As measured by the year-over-year decrease in defect rate until each product's process capability goal is met. (Baseline year: 2021)

PERFORMANCE: In 2021, we gathered data to establish a capability baseline for our sterilized solutions and sets, and refined the infrastructure and processes necessary to enhance product quality and report progress. In future reports, we will disclose progress from this baseline toward our target.



70%+

of Baxter manufacturing sites will benefit from process improvements for sterilized solutions



Production Cycle Optimization

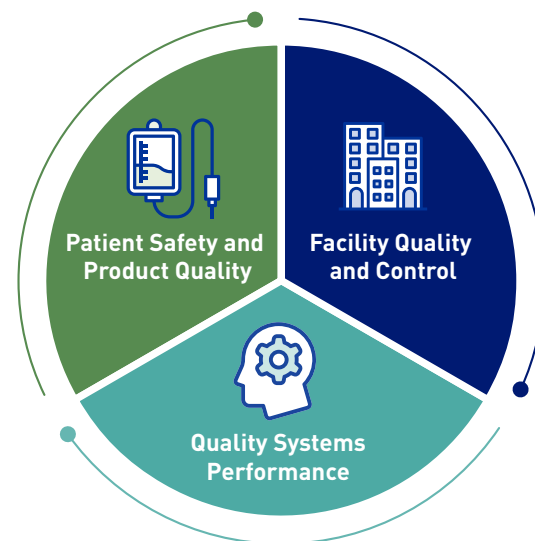
process implemented

APPROACH AND PROGRESS

Baxter develops products that save and sustain lives worldwide, delivering on our mission and representing our most important contribution to society. As we work to keep this promise to patients, caregivers and customers, we look beyond compliance and take proactive steps to enable more consistent, effective manufacturing processes. Our aim is to deliver safe, high-quality products that work reliably and are free of defects. Prioritizing quality and safety also helps to drive down customer complaints and product recalls while improving supply chain continuity and resilience.

INTEGRATED APPROACH TO QUALITY

We take a holistic, innovative approach to quality across the product life cycle, and our commitment to continuous improvement builds on decades of insight and expertise.



In 2021, we identified sterilized solutions and sets as a priority area for improvement. We are investing in manufacturing processes that help us drive down the rate of leaks in these sterile products across our plants. More than 70% of our manufacturing sites produce sterilized solutions and sets and will benefit from these process improvements. As we make progress in this priority area, we will identify additional products for process improvements to prioritize in the coming years.

Collaboration within our company and with regulators helps ensure quality across the product life cycle. Our multifaceted approach includes several key strategies.

Manufacturing standards: As we maintain and improve quality standards across our manufacturing sites, we focus on three primary areas: the physical facilities, critical systems used in product manufacturing and mechanisms to ensure a continual state of control.

By improving our process controls to address potential issues upstream, we can optimize our production lines and equipment effectiveness, minimize scrap and rework, and consistently release high-quality products into the marketplace.

Internal reviews: We employ multifunctional governing and operating mechanisms that aid us in performing in-depth technical evaluations, identifying necessary improvements to individual products and implementing those improvements worldwide. Our robust strategic reviews provide our cross-functional leadership with improved visibility and a greater understanding of product safety and quality performance across the entire portfolio. These product reviews will provide important feedback to help us identify priority products for manufacturing process improvements as we work toward our goal.



Digital transformation: Baxter is rethinking how the medical products industry approaches product release and control across the value chain. We have implemented a Production Cycle Optimization (PCO) process that leverages digital tools, robust data sets and strict controls across our manufacturing processes to help ensure we are producing safe, high-quality products. Our aim is to detect quality defects early in the manufacturing process and fix those problems at their point of origin, which then has a positive impact across our manufacturing processes.

Checking quality throughout production and using data-based decision making to improve our processes gives us confidence that we are consistently releasing high-quality products into the marketplace. In addition, because we collect evidence of quality throughout production, we were able to qualify products from two additional sites for parametric release in 2021. Parametric release allows us to release and distribute these products more efficiently by removing the need for additional testing at the end of the manufacturing process. Building on this success, we will be enrolling more sites in the future.

In 2021, we created a system that enables us to consistently capture and connect data across our manufacturing sites, replacing time-intensive manual tasks with automated workflows. This tool is configured to gather data from each site, which is then aggregated into a single, global, cloud-based solution that helps us track critical steps in our PCO processes as we work toward the parametric release of products.

Collaboration with global regulators: Through our strategic engagement with global regulatory bodies, we continue to pursue collaborative solutions to

advance patient safety and help ensure our products are of the highest quality and present the lowest possible risk to patients.

For example, using the data-backed evidence we have gathered through our manufacturing controls and quality processes, we are working with regulators so that the guidance for required inspections is relevant for our products and the broader industry. Through this collaboration we are working to positively influence regulatory standards, such as FDA Guidance for “Inspection of Injectable Products for Visible Particulates.” We will continue to work collaboratively with regulatory agencies around the world with the interest of ensuring that regulatory expectations support the manufacturing of safe, high-quality products for customers.

For more information about product safety and quality, see our [Sustainability Accounting Standards Board \(SASB\) index](#) and the [Baxter Data Summary](#).

MOVING FORWARD >>

Building on the digital system we established in 2021 to capture and connect data across our manufacturing sites, we are identifying and prioritizing opportunities to implement enhanced controls through our PCO process as we strive to improve our manufacturing process capabilities. The combination of better data and improved manufacturing capability will also help us collaborate with global regulators to implement more efficient release techniques, such as the parametric release of our solution products.



Protect Our Planet



Prioritize operational
excellence and
environmental stewardship
across our value chain

- Achieve Carbon Neutrality for Direct Operations by 2040 20
- Implement Strategic Water Management Plans..... 25
- Advance Sustainable Procurement 28
- Implement Strategic Materials and Waste Management Plans 30
- Environmental, Health, Safety and Sustainability Governance and Additional Disclosures 33

Photo: Several employees in Colombia participate in forest protection and conservation volunteering.

Achieve Carbon Neutrality for Direct Operations by 2040

2030 CORPORATE RESPONSIBILITY GOAL: Achieve carbon neutrality for our direct operations by 2040 and reduce absolute Scope 1 and 2 greenhouse gas emissions 25% by 2030, aligned with a well-below 2° Celsius science-based target. [Baseline is 2020.]

PERFORMANCE: In 2021, we reduced absolute Scope 1 and 2 greenhouse gas (GHG) emissions by 0.4% compared with 2020. We also established the necessary teams and infrastructure to help accelerate progress in the coming years.



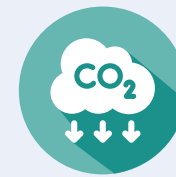
7.4%

reduction in Scope 1 and 2
GHG emissions indexed to
revenue*



3.1%

reduction in energy use
indexed to revenue*



8,800

metric tons CO₂e of GHG emissions
to be avoided annually due to
energy conservation projects**



5.3%

decrease in product
transport GHG emissions*

*Compared with 2020. **Estimated, based on 196 energy conservation projects implemented in 2021.

 Apex Companies, LLC has provided [assurance](#) on the content in this section.

APPROACH AND PROGRESS

The effects of climate change are complex and wide-ranging. Severe storms, droughts, forest fires and other climate-related impacts take a significant toll on human health, ecosystems, communities and businesses. Urgency is increasing both for collective, global action and a continued corporate response. Baxter's goal to achieve carbon neutrality for our direct operations by 2040 demonstrates our broader commitment to conserve resources and limit our impact on the environment.

As part of our global risk management activities, Baxter identifies, manages and mitigates the company's climate-related risks by building resilience across our supply chain. We have strengthened and expanded our manufacturing supply network by diversifying manufacturing, identifying secondary suppliers, enhancing business continuity planning and

implementing alternative energy projects. For more information about our governance, strategy and risk management, see [Corporate Responsibility Governance and Management](#), our response to [CDP Climate Change](#) and our [Climate Change & Energy Position Statement](#).

In 2021, we established a cross-functional team and strengthened the governance and infrastructure needed to make progress on our carbon neutrality commitment. We also continued our work to reduce energy consumption and GHG emissions across our company. Although Scope 3 emissions are currently outside the boundaries of our carbon neutrality goal, we will continue to [report on our efforts](#) to minimize these emissions.

In addition to the performance data included throughout this section, see the [Baxter Data Summary](#) and [Value Chain Energy Usage and GHG Emissions](#) for more detail. For information about environmental, health, safety and sustainability (EHS&S) governance at Baxter, see [Environmental, Health and Safety Performance](#).

Relevant Policies and Standards

- ▶ [Climate Change & Energy Position Statement](#)
- ▶ [Greenhouse Gas Protocol](#)
[Baxter contributed to the development of the initial version of the Protocol]

Baxter Climate Action Roadmap

Our History

- 1997** Began reporting GHG emissions
- 2003** Began reporting to CDP
- 2015** Achieved 19% reduction in absolute Scope 1 and 2 GHG emissions (from a 2005 baseline)
- 2020** Achieved 13.6% reduction in absolute Scope 1 and 2 GHG emissions (from a 2015 baseline)
- 2021** Announced next generation of climate goals

Baseline

2020

2025

GOAL: Reduce absolute Scope 1 and 2 GHG emissions by 25% by 2030

2030

GOAL: Achieve carbon neutrality for our direct operations (Scope 1 and 2 GHG emissions) by 2040

2040



Governance and Data

- Team and financial resources established[†]
- Project trackers, data management, dashboards and progress reporting to CEO and Corporate Responsibility Steering Committee^{††}
- Re-calculation of baseline to include legacy Hillrom^{†††}
- Enhanced risk assessment^{†††}
- Evaluation of our ability to report against the TCFD framework^{††}
- New disclosures for proposed U.S. SEC rules and EU requirements^{†††}
- Scope 3 methodology update^{†††}

- Continued reporting according to frameworks
- Climate resilience action plans
- Roadmap evolution

- Further advance climate action governance and strategy



Scope 1

Direct GHG emissions from sources we own or control including fuel combustion

- Energy efficiency program and acceleration of project pipeline (Scope 1 and 2)^{††}
- Fuel switching, including biomass^{††}
- Heat decarbonization such as heat pumps^{††}
- Refrigerant loss and substitution program^{††}
- Investigation of alternative processes for steam^{††}

- More energy efficiency projects (Scope 1 and 2)
- More fuel switching projects
- More heat decarbonization projects
- Alternative processes for steam pilots

- Continue all energy initiatives
- Offsets for residual emissions



Scope 2

Indirect GHG emissions from purchased electricity and steam

- Energy efficiency program and acceleration of project pipeline (Scope 1 and 2)^{††}
- On-site renewable energy projects^{††}
- Cogeneration projects^{††}
- Renewable energy certificates^{††}
- First power purchase agreements^{††}
- Increase in percent of renewable electricity^{††}

- More energy efficiency projects (Scope 1 and 2)
- Additional on-site renewable energy projects
- Additional cogeneration projects
- More renewable energy certificates
- Additional power purchase agreements
- Further increase percent of renewable electricity

- Continue all electricity initiatives



Scope 3

Indirect GHG emissions from our value chain

- **CONTRafluran** Anesthetic Gas Capture system pilots^{††}
- Alternative fuel/energy pilots in product transport^{††}
- Operational efficiencies and modal shift in product transport^{††}
- Partnerships with key suppliers on GHG strategy to develop KPIs and embed in supplier management processes^{†††}

- Potential expanded use of **CONTRafluran** Anesthetic Gas Capture system
- Increased scale of alternative fuel/energy in product transport

- Potential further expanded use of **CONTRafluran** Anesthetic Gas Capture system

This graphic represents Baxter's plans as of June 2022. These plans might change over time. For activities summarized in the 2020-2025 time frame, we have indicated which are completed, in progress or planned. † Complete †† In Progress ††† Planned

GHG Emissions (Scope 1 and 2) from Baxter Operations

In 2021, Baxter’s total Scope 1 and 2 emissions¹ from operations equaled 598,000 metric tons carbon dioxide equivalent. This is a 0.4% decrease in absolute emissions compared with 2020 and a 7.4% decrease indexed to revenue.

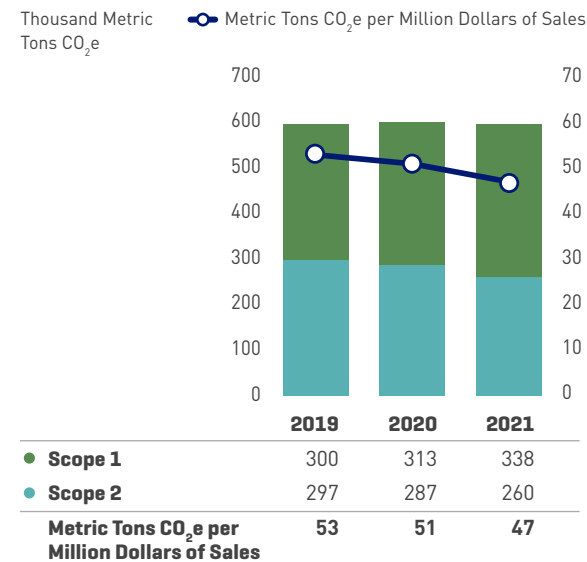
Reducing energy use is vital to our sustainability strategy, as energy use accounted for 99% of Baxter’s GHG emissions from operations in 2021. During the year, in addition to energy-efficiency initiatives, we decreased our GHG emissions through fuel switching, cogeneration, alternative energy systems, on-site renewable energy systems, renewable electricity procurement and green buildings.

For example, in 2021, we replaced a diesel boiler with a water-to-water electric heat pump at our manufacturing facility in San Vittore, Switzerland, which is expected to reduce the site’s energy use by 7% and avoid 144 metric tons CO₂e annually. We also introduced innovative technology at our manufacturing facility in Cali, Colombia, to recover heat from our sterilization process and use it to preheat the water going into the sterilization system. We expect this to reduce the site’s energy use by 2% and avoid 180 metric tons CO₂e annually.²

By the end of 2021, 30% of our energy use for operations was derived from renewable sources, equivalent to 846,000 megawatt hours (MWh) on an annual basis. Biomass fuel for boilers at two of our locations³ accounted for 9.5%, and the renewable energy component of our purchased electricity and renewable energy certificates together represented 20%. On-site geothermal, solar photovoltaic and solar hot water systems also contributed a small amount.

Baxter’s energy procurement team sources sustainable and economical energy for our manufacturing facilities. Globally in 2021, we purchased more than 430,000 MWh of electricity generated from 100% certified renewable power. This included more than 200,000 MWh for our U.S. sites and more than 201,000 MWh for our European manufacturing sites (94% of the electricity Baxter uses for manufacturing in the region). In 2021, we were recognized as the 43rd largest corporate purchaser of renewable energy in the United States.⁴

GHG EMISSIONS (SCOPE 1 AND 2) FROM BAXTER OPERATIONS*



* Some data for 2019 and 2020 are restated from data reported in the Baxter 2020 Corporate Responsibility Report to improve accuracy and to reflect updated GHG emission factors.

For a regional breakdown of GHG emissions from Baxter operations see the [Baxter Data Summary](#).

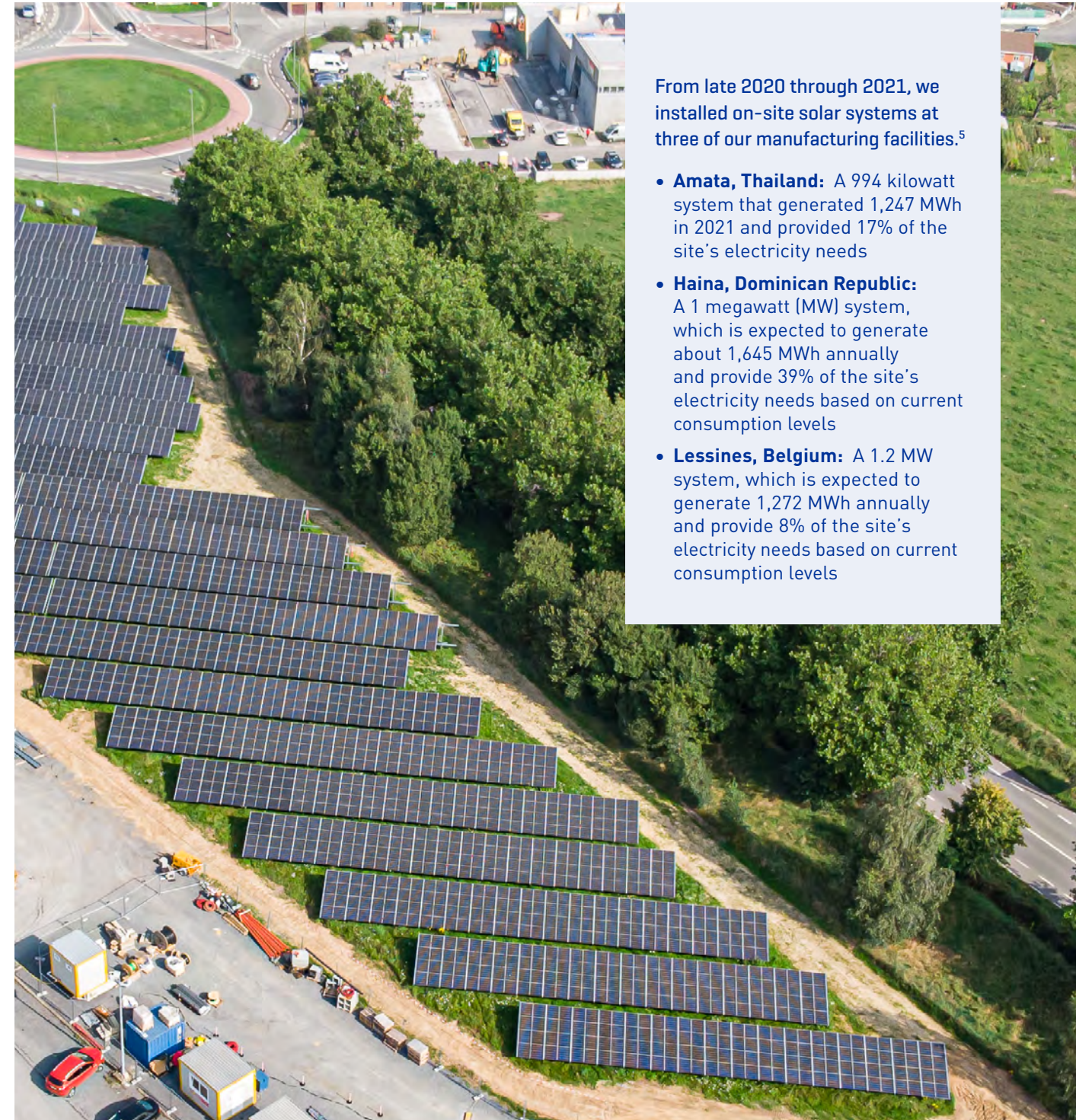


Photo: Solar panels installed at Baxter’s manufacturing facility in Lessines, Belgium. Photo credit: Eric Wery

From late 2020 through 2021, we installed on-site solar systems at three of our manufacturing facilities.⁵

- **Amata, Thailand:** A 994 kilowatt system that generated 1,247 MWh in 2021 and provided 17% of the site’s electricity needs
- **Haina, Dominican Republic:** A 1 megawatt (MW) system, which is expected to generate about 1,645 MWh annually and provide 39% of the site’s electricity needs based on current consumption levels
- **Lessines, Belgium:** A 1.2 MW system, which is expected to generate 1,272 MWh annually and provide 8% of the site’s electricity needs based on current consumption levels

Energy Management

Energy is one of our most significant manufacturing costs. Energy efficiency is integral to our climate strategy, as it saves money while reducing environmental impact.

Our global energy program applies the ISO 50001 standard to the company's facility-level energy management systems. By the end of 2021, 22 Baxter facilities (47% of participating locations⁶) met ISO 50001 requirements.

In 2021, we used 2.9 million MWh of energy,⁷ 4.4% more than in 2020 in absolute terms and 3.1% less indexed to revenue. Our energy costs increased 0.1% compared with 2020, up \$220,000.

Site-specific energy assessments help us identify opportunities to conserve energy, such as implementing new technologies or adopting best practices. In 2020 and 2021, we were unable to perform on-site energy assessments due to COVID-19-related travel restrictions. Despite this setback we continued identifying potential energy projects and driving project performance by

establishing bi-monthly meetings with global energy managers and regional engineering executives. We also conducted cross-facility benchmarking focused on energy conservation opportunities within the regions and businesses.

As a result, in 2021, we invested \$8.9 million to implement 196 energy conservation projects across our manufacturing sites globally. We estimate that these projects will save 33,800 MWh of energy and \$3.3 million and avoid 8,800 metric tons CO₂e of GHG emissions annually.⁸

We have operated a Lean Energy Program for our manufacturing facilities since 2007. It includes four levels—Prerequisite, Bronze, Silver and Gold. Facilities meet the criteria for each level as they advance in pursuit of Gold. Each level includes program requirements, standards of operational excellence and technical requirements. By year-end 2021, 43 of 47 facilities⁹ met Prerequisite criteria. Of those, 34 also met Bronze, 19 met Silver and 5 met Gold.



Photo: Solar water heater installed at Baxter's facility in Brazil.

GHG Emissions Across the Value Chain

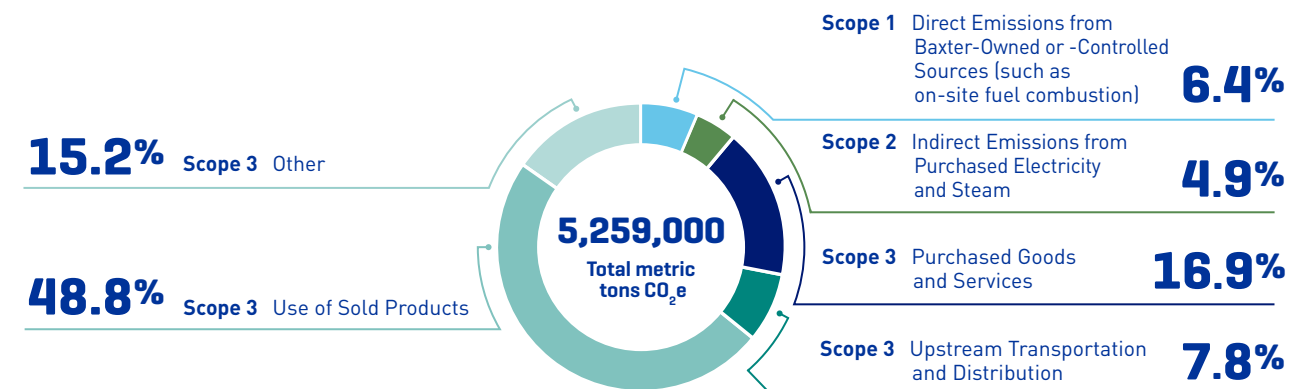
Although our carbon neutrality goal focuses on Scope 1 and 2 emissions, Baxter continues to calculate and address Scope 3 GHG emissions¹⁰ across our value chain. We estimate our 2021 GHG emissions footprint (Scope 1, 2 and 3) at 5.259 million metric tons CO₂e, up 3% from 2020. The main factors contributing to this rise were increased sales and production of certain products in 2021.

We strive to minimize waste across the product life cycle and help healthcare providers meet their GHG emissions reduction goals. In 2020, Baxter announced a partnership with ZeoSys Medical to pilot the CONTRAFuran Anesthetic Gas Capture system. This system allows hospitals to collect anesthetic gases exhaled in operating rooms, preventing their release into the atmosphere and thereby reducing

hospitals' related GHG emissions. We have piloted this capture system in nine European countries and are considering further expansion. See our 2020 Corporate Responsibility Report for more information about how the **CONTRAFuran** Anesthetic Gas Capture system works and its environmental benefits.

Since 2015, we have offset GHG emissions related to global business air travel with United Airlines through the CarbonChoice program. In 2021, this represented 14% of Baxter's air travel emissions and included 758 metric tons CO₂e offset on Baxter's behalf through Sustainable Travel International's portfolio of high-quality carbon offsets, including the Trocano Araretama Conservation Project, which is a REDD+-certified forest conservation project located in the state of Amazonas, Brazil.

BAXTER'S GLOBAL GHG EMISSIONS FOOTPRINT, 2021

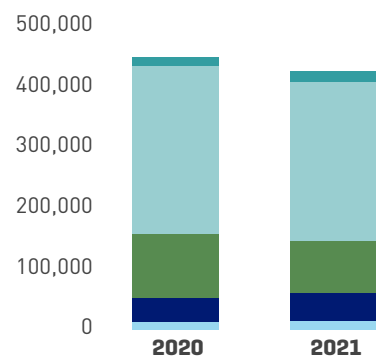


Product Distribution

Baxter transports more than 5 million metric tons of raw materials and finished goods each year, primarily in partnership with third-party vendors and carriers. Only a small portion of product transportation-related GHG emissions are Scope 1 and therefore covered by our carbon neutrality goal. However, we continue to measure and manage all emissions (including Scope 3) across our global supply chain.

Our worldwide GHG emissions from product transport totaled 425,800 metric tons CO₂e in 2021.¹¹ This is equivalent to 84 kilograms CO₂e per metric ton of products transported, a decrease of 5.6% compared with 2020. This decrease was primarily due to a reduction in air freight associated with prioritizing quick delivery of renal supplies and other Baxter products urgently needed during the COVID-19 pandemic, though these shipments did continue to keep air freight higher than pre-pandemic levels. Of these emissions, 17,100 metric tons CO₂e are Scope 1 emissions attributed to our distribution vehicles and covered by our carbon neutrality goal.

WORLDWIDE GHG EMISSIONS FROM PRODUCT TRANSPORT BY MODE (METRIC TONS)



● Road [Scope 1]	15,200	17,100
● Road [Scope 3]	277,300	263,100
● Air [Scope 3]	105,800	84,500
● Ocean [Scope 3]	38,500	46,900
● Rail [Scope 3]	12,800	14,200

Baxter's approach to improving efficiency and decreasing emissions from product transport includes:

Technology innovation: In 2021, the primary transportation service provider utilized by Baxter for our UK customers began replacing fossil fuels with biofuel. This conversion helped reduce GHG emissions associated with our UK transportation activities by more than 2,000 metric tons CO₂e in 2021 and is expected to reduce GHG emissions by about 4,000 metric tons CO₂e on an annual basis.¹² We also started using biofuel for our distribution activities in Brazil, specifically in the regions of Minas Gerais, Espirito Santo and the countryside of São Paulo. The switch to biofuel helped us reduce our GHG emissions by approximately 300 metric tons CO₂e in 2021.

In addition, for export shipments out of Europe, we implemented a project to shift 700 temperature-controlled shipping containers per year to standard, non-temperature-controlled containers. We estimate this will reduce associated GHG emissions by more than 1,000 metric tons CO₂e annually.¹²

Environmentally responsible partnerships: Baxter participates in the U.S. Environmental Protection Agency's SmartWay program as both a Carrier and Shipper Partner. We also participate in the Clean Cargo initiative, which focuses on environmentally responsible ocean shipping. Baxter uses EcoTransIT software and methodology to capture and report our emissions data in alignment with industry best practices. These partnerships help Baxter calculate our transportation emissions with greater accuracy.

Modal shift: In 2021, we changed the default mode of transport for our elastomeric infusion pumps from air to sea between the United States and Europe, decreasing costs and GHG emissions. Congestion in



some U.S. ports prevented conversion of all shipments, but we expect to expand this practice in future years. The temporary obstruction of the Suez Canal in 2021 significantly delayed ocean shipments between Europe and Asia and impacted global supply chains. As Baxter worked to mitigate supply disruptions for our customers and patients, we shipped more than 1,200 metric tons of products by rail instead of air between Europe and China. This helped us avoid an additional 8,000 metric tons CO₂e of GHG emissions that would have occurred if those products had instead been shipped by air.

Optimizing the distribution network: The majority of our EMEA export shipments pass through our ocean export consolidation center in Antwerp, Belgium, where shipments from different warehouses throughout Europe are combined to ensure optimized loads. This reduces the total number of containers shipped and saves money while increasing supply frequency.

In addition, we are moving production for some products closer to the markets those products serve. For example, we began producing hemodialysis products bound for our European market in Malta rather than in Mexico.

In 2021, we improved the pallet configuration for transportation of our renal solutions manufactured in Canlubang, Philippines, and transported to India and

Thailand. Transporting more products per pallet results in fewer containers; we expect this to reduce GHG emissions by about 60 metric tons CO₂e annually.¹²

MOVING FORWARD >>

Technology transformation across Baxter will support a more refined understanding of our GHG emissions and help us drive progress and capitalize on the growing demand for lower-carbon healthcare products.

As we work to cut our own GHG emissions over the next decade, we will continue to prioritize energy efficiency initiatives and renewable electricity use, including purchased electricity and on-site projects, such as biomass. For example, we are planning to install cogeneration to supply electricity to two of our manufacturing facilities in Puerto Rico. In addition to providing the sites with a less carbon intensive source of electricity, these projects will make the sites more resilient to disruptions in service from the local utility due to extreme weather events, such as Hurricane Maria in 2017. We will also consider other alternative fuel sources as innovation in this area advances.

We are actively evaluating our ability to report against the Task Force on Climate-related Financial Disclosures (TCFD) framework generally and in light of potential evolving regulatory disclosure requirements.

Implement Strategic Water Management Plans

2030 CORPORATE RESPONSIBILITY GOAL: Implement strategic water management plans at prioritized manufacturing locations.*

*Identify prioritized locations using a risk-based approach by the end of 2023.

PERFORMANCE: In 2021, we collected data from all of our manufacturing sites, which we will use as we work toward our 2023 milestone of prioritizing locations for water management. We also continued upgrading our manufacturing infrastructure and modernizing our operations to improve efficiency and reduce operational risk moving forward.



Score: B*
CDP Water Security



6.6%
reduction in water use**



7.7%
reduction in water use for Baxter manufacturing sites in water-stressed areas**

*Based on 2020 data. **Compared with 2020 and indexed to revenue.



 **Apex Companies, LLC has provided assurance on the content in this section.**

APPROACH AND PROGRESS

A healthy water supply is critical for the well-being of our patients, the communities where we operate and our business. Although water management is a global concern, it must be addressed at the local and regional levels. We consider the physical, regulatory and reputational risks associated with water management at our sites as we focus on opportunities to improve water efficiency in our operations, protect watersheds and provide access to clean water within local communities.

In 2021, we identified and allocated the resources we should need to achieve our goal. We also engaged internal stakeholders to uncover information and processes that will advance our work in this area

and to establish partnerships across Baxter as we developed our roadmap and began working toward our commitment to implement strategic water management plans.

We are performing a comprehensive review of our manufacturing sites to understand the local context of each. This includes the impact that our operations, including wastewater discharge, have on the current local water supply and additional opportunities to improve our water efficiency. This information will be critical as we work to prioritize our top water management opportunities by the end of 2023. We have also started making changes that will modernize our operations and reduce water use at some of our facilities with the highest usage. These changes may increase reported water use initially due to the introduction of new equipment and processes, but they will ultimately help us mitigate water-related risks.

In addition, in 2021, we continued our longstanding water management activities across the company, including efficiency and wastewater management at our manufacturing sites as well as community water projects.

Baxter transparently reports the water-related impacts of our business in this report (see the following page and the Baxter Data Summary) and in our annual response to CDP Water Security, the most recent of which received a B based on 2020 data. This CDP Water Security score is in the management band and was higher than the average scores for the North America region and the Medical Equipment & Supplies Sector, both of which were B-.

Manufacturing

Water management

Baxter's EHS&S Policy outlines our commitment to drive programs to help achieve Baxter's environmental goals and reduce our environmental impacts, including those related to water use and wastewater discharges. [Learn more](#) about EHS&S governance at Baxter.

We work to better understand the impacts of water use across our business and implement conservation and

efficiency projects at our manufacturing facilities. In 2021, we used approximately 14.7 million cubic meters of water,¹ a 0.6% increase compared with 2020 and a 6.6% decrease indexed to revenue.





Water is an important raw material for our business, and we recognize that water-related risks have the potential to negatively impact our operations and the communities where we operate. Water issues vary significantly by location, and we keep a close eye on water stress across our sites, understanding

it is a physical risk that could negatively impact our business continuity. We use the [World Resources Institute Aqueduct Water Risk Atlas version 3.0](#) to map and analyze current and future risks associated with water stress at our most significant water-use locations.²

Our 49 most significant water-use locations represented 96% of our total water use in 2021. Of the 49 sites, 23 are located in medium-high, high and extremely high water-stress areas as indicated

in the chart below. Of these facilities, 10 use less than 100,000 cubic meters of water per year, reducing the facilities' exposure to water risk and related impacts across associated watersheds. During the year, water use at these 23 sites decreased by 0.5% in absolute terms and by 7.7% indexed to revenue compared with 2020.

SELECTED WATER EFFICIENCY PROJECTS, 2021

LOCATION	PROJECT	BENEFITS*
 Tianjin, China	We implemented a project to recover condensed steam from our boiler, which was then reused to decrease overall water use at the site. This reduction is critical to maintain business continuity since this facility operates in a water-stress area and is therefore at potential risk for restrictions on water use.	<ul style="list-style-type: none"> ✓ Reduced total site water use by 22% per unit of production ✓ Reduced boiler use of soft water by 50% (boiler water use accounted for 30% of all water usage for this site in 2021)
 Valtellina (Grosotto and Sondalo), Italy	We implemented several activities to reduce water use, including optimization of HVAC systems and cleaning and sanitization processes, changes in sterilization cooling, and installation of a new glass bottle washing machine.	<ul style="list-style-type: none"> ✓ Reduced water use by more than 150,000 cubic meters
 Marion (North Cove), North Carolina	We executed a series of projects to reduce water use in our production processes.	<ul style="list-style-type: none"> ✓ Reduced water use by more than 100,000 cubic meters
 Halle, Germany	We installed decentralized, efficient chillers to help ensure a reliable cold-water supply for our manufacturing process. Integrating warehouse ceiling cooling units and compressed air generation into the cooling network resulted in well-water savings.	<ul style="list-style-type: none"> ✓ Reduced water use by more than 60,000 cubic meters

* Compared with 2020.

BAXTER MANUFACTURING SITES IN LOCATIONS WITH WATER STRESS RISK

SITE LOCATION	MEDIUM-HIGH	HIGH	EXTREMELY HIGH
Australia	1		
Belgium			1
Brazil		1	
China	1	2	
Germany	1	3	
India			1
Malta			1
Mexico			3
Saudi Arabia			1
Spain	1		
Thailand	1		
Tunisia		1	
UK		1	
United States	1	1	1



Wastewater

Wastewater discharged from Baxter operations remains an important focus of our compliance program. For details about our self-reported environmental incidents, including exceedances of permitted wastewater discharge limits, see [Compliance](#).

Our systematic wastewater risk management program identifies emerging issues. As part of our proactive commitment, we take an aggressive approach to wastewater operations and how we identify, evaluate and manage wastewater issues. In 2021, we undertook the following related activities:

- Maintained training efforts to strengthen operations
- Continued evaluating the effectiveness of facility change management processes for wastewater operations
- Continued assessing wastewater permit compliance procedures and recommended improvements
- Established one-on-one recurring meetings with sites to address specific compliance and performance issues
- Engaged a third party to review compliance measures and provide design assurance for wastewater improvement projects at high-priority facilities

Supporting Access to Clean Water

Access to clean water is a basic human right that is crucial for good health and well-being, proper sanitation and hygiene, and disease prevention. Unfortunately, this vital natural resource is limited in many areas of the world, disproportionately affecting

communities with already constrained health infrastructure. Baxter and the Baxter International Foundation (the Foundation) invest in projects that support access to clean water in water-stressed areas where we have facilities.

In 2021, we continued our work to provide communities in Guatemala and India with access to clean water. In addition, the Foundation has a [Signature Partnership with UNICEF USA](#) to increase access to clean water, sanitation and hygiene in Colombia. [Learn more](#) about our global water initiatives.

MOVING FORWARD >>

Analysis of the data we gathered from our manufacturing sites in 2021 will inform what additional assessments are needed so we can prioritize water management opportunities with the highest potential impact. This may include onsite assessments as well. In addition, we anticipate that our new EHS&S information management system will improve data collection and analysis.



Photo: A project with UNICEF USA is focused on improving access to safe water in La Guajira, Colombia, one of the country's most water-challenged regions. Photo provided by UNICEF.

Advance Sustainable Procurement

2030 CORPORATE RESPONSIBILITY GOAL: Integrate Baxter's sustainable procurement strategy across 90% of our supplier spend.*

*As measured by supplier commitment to Baxter's Ethics & Compliance Standards and Baxter's completion of corporate responsibility audits within our supply base.

PERFORMANCE: In 2021, we laid the foundation to calculate progress toward this goal in the coming years. We also committed to increase investments in staff and training and continued to enhance our internal audit capabilities.



Created Sustainable Procurement Steering Committee



81% of participating suppliers earned Advanced or Moderate scores on our Supplier Corporate Responsibility Survey

SUSTAINABLE PROCUREMENT FOCUS AREAS

We plan to focus on the following priority areas over the coming decade.



 Apex Companies, LLC has provided assurance on the content in this section.

APPROACH AND PROGRESS

Baxter is committed to driving sustainable practices in our global supply chain and partnering with high-performing, innovative suppliers to deliver quality products to our customers and value for our stakeholders. We prioritize high standards in the areas of diversity, ethics, human rights and environmental stewardship alongside factors of cost, quality and delivery.

In 2021, we created a Sustainable Procurement Steering Committee to oversee our efforts. The committee is chaired by our Chief Procurement Officer and includes leaders from our Supplier Quality, Finance and EHS&S teams.

Relevant Policies and Standards

The following standards outline expectations and requirements for our suppliers.

- ▶ [Supplier Quality Standard](#)
- ▶ [Ethics and Compliance Standards for Baxter Suppliers](#)
- ▶ [Global Human Rights Policy](#)



Managing Procurement Risks

To improve our corporate responsibility performance, we integrate supplier sustainability into our overall supplier management processes and conduct periodic assessments of key suppliers to evaluate cost, delivery, quality and risk. As part of this process, we also examine the financial risk of suppliers to help ensure we avoid disruptions in supply. We work with suppliers who receive low scores in the areas of quality and delivery to develop continuous improvement plans. Scores from our annual Supplier Corporate Responsibility Survey (see table at right) feed directly into this assessment.

In 2021, we defined the scope for more in-depth sustainability risk mapping for all our suppliers based on location, performance, and goods and services provided. This will help us prioritize suppliers with the

greatest corporate responsibility-related risk factors for additional due diligence, corrective action plans and/or on-site audits.

In addition, using a trusted third-party service, we receive near-real-time notifications when disruptions occur in areas of the world where our suppliers are located. These could include natural disasters, fires, major weather events or geopolitical activity. Using this information, we are able to respond quickly to help ensure supply continuity.

Supplier Audits

In 2021, more than 630 audits of Baxter suppliers were conducted related to management systems for product quality. Learn more about our approach to [product quality](#).

In addition, we are increasing our capacity and developing our capability to audit suppliers' sustainability management systems and performance related to environment, labor and human rights, ethics and sustainable procurement. To accomplish this, we are exploring the possibility of developing our internal sustainability auditing capabilities or collaborating with third-party auditors. Expanding the scope of our auditing will improve our understanding of our supplier base and help us identify areas for improvement. We plan to begin conducting these corporate responsibility audits in 2023.

Supplier Corporate Responsibility Survey

Baxter collaborates with business sustainability ratings firm EcoVadis to conduct an annual survey of our suppliers' corporate responsibility programs and performance. The assessment covers environment,

SUMMARY OF SUPPLIER CORPORATE RESPONSIBILITY SURVEY SCORES, 2019–2021*

	PERCENT OF PARTICIPATING SUPPLIERS											
	Advanced			Moderate			Partial			Insufficient		
	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Environment	36%	36%	40%	47%	43%	38%	17%	20%	19%	1%	2%	1%
Labor and Human Rights	23%	22%	28%	54%	54%	51%	23%	23%	20%	1%	1%	1%
Ethics	15%	19%	24%	58%	51%	55%	27%	27%	20%	1%	3%	2%
Sustainable Procurement	22%	17%	20%	43%	39%	37%	33%	36%	36%	3%	8%	7%
Overall	27%	27%	28%	55%	50%	53%	18%	23%	19%	1%	1%	0%
Cross-Industry Average	3%	4%	5%	39%	41%	42%	54%	51%	48%	4%	4%	4%

* The performance categories presented in this table align with the EcoVadis methodology. "Advanced" indicates structured and proactive corporate responsibility (CR) approach; policies and tangible actions on major topics with significant CR reporting. "Moderate" indicates structured and proactive CR approach; policies and tangible actions on major topics with basic CR reporting. "Partial" indicates no structured CR approach; few tangible actions on selected topics; certifications related to sites and/or products are only partial. "Insufficient" indicates no engagements or tangible actions regarding CR. Data from 2019 are based only on the survey for that year. Data for 2020 reflect suppliers participating in Baxter's supplier sustainability monitoring program, as of March 2, 2021. Data for 2021 reflect suppliers participating in Baxter's supplier sustainability monitoring program, as of Jan. 31, 2022. In some cases, segments do not add up to 100% due to rounding.

labor and human rights, ethics, and sustainable procurement. Results in 2021 included data from 369 Baxter suppliers, an increase from 211 suppliers in 2020. Of the 369 participating suppliers in 2021, 47% are from Europe, Middle East and Africa (EMEA); 41% from the Americas; and 11% from Asia Pacific (APAC).¹

Suppliers have access to detailed scorecards on the EcoVadis platform, including information about strengths and benchmark comparisons, as well as actionable improvement areas. We use these scorecards to drive ongoing improvement and anticipate increased participation as we expand supplier engagement in the coming years. We also include survey scores in our business reviews with strategic suppliers for ongoing discussion and monitoring. In the future, we plan to further leverage the EcoVadis

system to create corrective action plans for suppliers falling below our performance standards and determine when on-site audits are necessary.

MOVING FORWARD >>

Baxter will continue investing in our people, technology and processes to integrate our sustainable procurement strategy throughout our supply chain and put systems in place to help us more efficiently and effectively measure progress and improve performance over time. In the coming years, we will roll out a robust supplier audit program that complements our risk mapping process. We are also working to further integrate supplier sustainability considerations throughout our procurement functions.

Industry Collaboration

Baxter collaborates with other healthcare companies and organizations to improve efficiency and advance responsible procurement. For example, we are a member of the [Pharmaceutical Supply Chain Initiative](#), an organization that facilitates knowledge sharing in support of responsible supply chain practices.

In addition, to establish a secure supply chain, we participate in programs such as the [Customs Trade Partnership Against Terrorism \(CTPAT\)](#) program, which supports a secure and reliable supply of lifesaving medical products. This includes shipments of raw materials and finished products both to and from various Baxter locations, foreign suppliers, distributors and customers. As an importer and exporter, Baxter has been recognized as a Tier III Partner (the highest level possible) in the program since 2011.

Implement Strategic Materials and Waste Management Plans

2030 CORPORATE RESPONSIBILITY GOAL: Implement prioritized waste mitigation opportunities* in Baxter's integrated supply chain, from procurement to distribution.

*Identify prioritized waste generation sources by the end of 2024.

PERFORMANCE: In 2021, we continued to mitigate waste at Baxter through process efficiency, waste reduction, recovery, recycling and landfill diversion. We also further engaged stakeholders to identify additional opportunities for reduction and to inform our strategy and facilitate prioritization of waste generation sources by 2024.



9.0%

overall reduction in
waste generation*



21 manufacturing sites**
achieved or exceeded landfill
diversion rates of 95%



\$2.5 million

in net income generated through
recycling***



77.1%

overall recycling rate***

*Compared with 2020 and indexed to revenue. **Certain waste streams at two facilities in Europe have government-mandated requirements. These waste streams are excluded from the total. ***Incineration with energy recovery is considered recycling.

 Apex Companies, LLC has provided [assurance](#) on the content in this section.

APPROACH AND PROGRESS

Ineffective materials and waste management leads to natural resource depletion and increased waste generation, impacting the environment and human health. At Baxter, we strive to gain a comprehensive understanding of waste-related impacts across our value chain to reduce waste and drive a transition from a linear approach of "take, make, dispose," to a more circular approach that maximizes materials value throughout the product life cycle.

We are working to identify all waste generation sources at Baxter and prioritize our top waste mitigation opportunities. In 2021, we refined our strategy by conducting benchmarks, gathering data and engaging internal stakeholders across Baxter—including colleagues on our finance, procurement, EHS&S and operational excellence teams, among others.

We also continued our longstanding waste mitigation efforts related to sustainable design, materials use, operations, product distribution and end-of-life recovery.

Sustainable Design

Through sustainable design, we minimize our environmental impacts and capture as much value as possible from the natural resources used to manufacture, transport, use and recover our products. To support these efforts, we require an EHS&S assessment during the development process for all new products. This assessment evaluates EHS&S and regulatory considerations and requirements across our value chain, covering materials use, waste and other factors. The assessment also includes more detailed life cycle assessment (LCA)-based computer modeling of proposed products and may involve comparison with

existing products. For select new and established products, we use full LCAs to evaluate and help improve product sustainability performance.

Materials Use in Products and Packaging

Materials use is a key driver of Baxter's environmental footprint and getting the most value possible from materials is central to our transition toward a more circular approach.

Products

Baxter works to reduce materials use in products without affecting efficacy, and to avoid or minimize [materials of concern](#). See several examples in the [Baxter 2020 Corporate Responsibility Report](#).

Driving innovation to improve clinical outcomes can also decrease materials use and waste. Recent studies indicate that several Baxter products can help reduce hospitalizations and the length of hospital stays.

This in turn can decrease the associated materials use and related environmental impacts. For example:

- Our **Sharesource** remote patient management platform may improve survival rates and reduce hospitalizations. [Learn more.](#)
- Expanded hemodialysis therapy, enabled by the **Theranova** dialyzer, may reduce hospitalization rates by 18% compared with standard hemodialysis. [Learn more.](#)
- Using active hemostatic products alone was associated with lower rates of bleeding-related complications, shorter hospital stays and reduced total hospital costs compared with combined use of passive and active hemostats. [Learn more.](#)



Photo: Wool liners protect and insulate compounded products in Australia and New Zealand.

Packaging

Baxter reduces the amount of materials used in packaging and substitutes with environmentally preferable alternatives when possible. Examples from 2021 include:¹

- **Australia and New Zealand:** At all of our compounding sites in Australia and New Zealand, we replaced non-recyclable foil and polystyrene with recyclable, biodegradable package lining made from 100% sheep's wool in boxes used to distribute products to customers. The new liner provides additional cushioning for the products and protection from heat and moisture.
- **Mexico:** For our IV solutions and renal products (6L and twin bag) being distributed in Mexico, our Cuernavaca site replaced the solvent-based adhesive used for the cardboard shipping boxes with a water-based adhesive. For our 6L renal

solutions being shipped to the United States, the site replaced virgin cardboard boxes sourced from the United States with boxes made from 100% recycled content that are manufactured by a local vendor. We expect these efforts to eliminate the use of 1,396 metric tons of virgin material on an annual basis.

- **Belgium:** We implemented a project at our facility in Lessines to reduce the thickness of the low-density polyethylene (LDPE) liner in the Nutrition product carton box. We expect this project to reduce LDPE use by 57 metric tons per year and save \$165,000 annually.

Operations

Baxter works to reduce nonhazardous and regulated waste, and to increase recycling at our manufacturing and office facilities.

Plastic scrap from manufacturing was our largest waste stream, representing more than 40% of our nonhazardous waste in 2021. As a result, reducing plastic scrap is a significant priority for our company and several of our facilities implemented or continued reuse, reduction and recycling projects in 2021. Examples include:

- **Italy:** In 2020, our manufacturing sites in Valtellina (Grosotto and Sondalo) partnered with a waste company to convert scrap film into small plastic granules that are used as raw materials to produce plastic items, such as boxes and pallets. In 2021, we diverted 182 metric tons of plastic scrap for reuse through this initiative, of which 28 metric tons were used for production of plastic pallets for Valtellina.





- **Switzerland:** In San Vittore, we reduced film scrap by 70 metric tons compared with 2020. In 2021, the site captured and converted 930 metric tons of film into plastic granules that were sold externally.
- **United States:** Our Marion (North Cove), North Carolina, facility captures plastic scrap and then regrinds and recycles it for reuse in manufacturing processes. In 2021, the site used nearly 2,500 metric tons of PVC regrind and 168 metric tons of high-density polyethylene (HDPE) regrind.

To manage waste disposal appropriately and to comply with applicable regulatory requirements, Baxter requires facilities to dispose of all hazardous or other regulated waste at disposal sites that Baxter has

inspected or from which the company has otherwise received sufficient assurance of acceptable performance. Baxter applies the same waste site auditing standards worldwide and trains internal auditors to evaluate disposal site risk consistently. In addition, Baxter works with CHWMEG, Inc., a nonprofit organization that enables companies to collectively purchase expert waste site audits.

Waste reduction and recycling help us decrease the waste we send to landfills. In 2021, 21 of our manufacturing sites² (41% of the total) achieved or exceeded landfill diversion rates of 95%. Thirteen additional sites (25% of the total) achieved diversion rates of 80% or higher.

BAXTER 2021 WASTE AND RECYCLING IN OPERATIONS

 Total Waste*	 Nonhazardous Waste	 Regulated Waste**	 Recycling***
<p>71,200 metric tons</p>	<p>65,900 metric tons (92.5% of total waste)</p> <p>0.9% decrease in absolute terms, compared with 2020</p> <p>8.0% decrease indexed to revenue, compared with 2020</p>	<p>5,300 metric tons (7.5% of total waste)</p> <p>14.0% decrease in absolute terms, compared with 2020</p> <p>20.2% decrease indexed to revenue, compared with 2020</p>	<p>77.1% overall recycling rate</p> <p>79.6% of nonhazardous waste recycled</p> <p>48.6% of regulated waste recycled</p> <p>\$2.5 million in net income generated through recycling</p>

* Total waste includes nonhazardous and regulated waste. To more closely reflect production efficiency and support consistent evaluation of facility performance and trends, we exclude certain nonroutine, nonproduction-related waste streams from our total waste performance data. These waste streams are construction and demolition debris, remediation waste, wastewater treatment sludge and discarded manufacturing and process-related machinery or equipment.

** We report "regulated waste" rather than "hazardous waste." This term includes some materials that would otherwise be classified as nonhazardous waste in some countries, which helps Baxter harmonize waste reporting across locations. In addition to waste typically considered hazardous (such as toxics and corrosives), we also include oils, biohazardous or infectious materials, batteries, fluorescent lamps and other materials that may not be defined as hazardous waste by national legislation at the point of origin.

*** Incineration with energy recovery is considered recycling.

Product Distribution

Baxter aims to conserve natural resources and reduce waste wherever possible during product distribution.

Our EMEA region uses more than 1 million pallets a year. In 2021, we introduced a conservation project to reduce cost and pallet turnover. This initiative increases pallet circularity and extends pallet life through:

- Increasing the return rate for pallets we ship to customers so we can reuse those pallets for future shipments
- Replacing wooden pallets used for home deliveries with plastic pallets, which we reuse for subsequent deliveries
- Recovering U.S. pallets received in Europe for reuse in U.S.-bound shipments
- Using second-hand pallets or pallets made from recycled content

We expect this initiative to significantly reduce the number of pallets Baxter purchases, leading to substantial cost savings. Furthermore, we have created global guidance for recycled pallet use.

Product End-of-Life

While Baxter's 2030 goal to implement strategic materials and waste management plans focuses on our integrated supply chain, product end-of-life remains a priority for our company. We work with customers, industry peers and recycling and disposal vendors to facilitate the recycling and responsible treatment of medical products. To support broader advances in this area, Baxter is a charter member of the [Healthcare Plastics Recycling Council \(HPRC\)](#).

Disposable Medical Products

Baxter has programs to facilitate recycling for patients and hospitals in Australia, New Zealand, Guatemala and Colombia.

Australia and New Zealand: We collaborate with partners to recover used Baxter PVC fluid bags and aluminum anesthetic gas bottles from hospitals in Australia and New Zealand. In 2021, we collected 140 metric tons of PVC and 0.5 metric tons of aluminum bottles for recycling, saving our customers approximately \$106,000 that would have otherwise been spent on disposal.

Guatemala: We partner with Biotrash, a Central American waste management company, to collect and recycle PVC and polypropylene from hospitals and dialysis clinics in Guatemala, equaling 15.3 metric tons in 2021. Biotrash recycles PVC to make shoe soles and uses recovered polypropylene to manufacture bricks for use in its own facilities.

Colombia: In 2021, **Baxter Renal Care Services** in Colombia collected 69.4 metric tons of PVC for recycling from dialysis clinics and home dialysis patients. The collection program for home dialysis patients alone was responsible for 38.4 metric tons of the PVC collected, a significant increase compared with 14.7 metric tons collected the prior year. We partner with organizations that use the recovered PVC to make chairs, water hoses, accessories for purses, shoe soles and other items.

Electronic Equipment

Some of the electromechanical medical devices we sell, such as automated peritoneal dialysis (APD) cyclers, support serviceability, repair and reuse.



Photo: Plastic pallets manufactured with Baxter's plastic scrap in Valtellina, Italy.

We lease certain types of electromechanical medical products to customers and patients, which allows for those products to be returned to Baxter. In 2021, most of our previous generation of APD cyclers in EMEA reached end-of-service. The decommissioned devices were sent to a Baxter recovery center for critical spare parts harvesting or for recertification for reuse in other markets. This recovery of about 6,200 devices and spare parts avoided approximately 105 metric tons of waste.

Regulations in many countries worldwide require responsible recycling of electronic products when reuse is no longer an option. In 2021, our vendors recovered approximately 110 metric tons of electronic equipment in the EU on Baxter's behalf, in compliance

with the EU Waste Electrical and Electronic Equipment (WEEE) Directive. Our [WEEE website](#) provides customers detailed information on how to return or dispose of Baxter products in accordance with the directive.

MOVING FORWARD >>

Assessing waste generation sources across Baxter will provide us with opportunities to improve data quality, address information gaps and standardize processes. Our employees and cross-functional collaboration will be essential in striving toward our 2030 waste goal. We also expect near-term opportunities as we implement a new EHS&S information management system.

Environmental, Health, Safety and Sustainability Governance and Additional Disclosures



✓ Apex Companies, LLC has provided [assurance on the content in this section.](#)

At Baxter, we are committed to driving sustainability throughout our global manufacturing operations.¹ We strive to conserve resources, including [water](#) and [energy](#), minimize use of hazardous chemicals, and reduce [emissions](#), discharges and [waste](#). At the same time, we prioritize environmental compliance and operational excellence. These efforts have been cost-effective and enhance the company's environmental performance while furthering our objective to be an environmental leader in our industry. We also work to identify and reduce the environmental impacts of our [supply chain](#) and [products](#).

Baxter's [EHS&S Policy](#) outlines our commitment within our operations and across the value chain to prioritize compliance, promote health and safety, and protect the planet.

ENVIRONMENTAL, HEALTH AND SAFETY PERFORMANCE

In 2021, we took significant steps to further strengthen EHS&S governance, adding dedicated roles to our team focused on our assurance activities, management systems and our digital transformation. This new structure re-affirms our commitment to compliance and operational excellence, supports achievement of our goals and helps to create long-term business value.

Management Systems

We follow a management systems approach guided by our global EHS&S requirements. We apply the ISO 14001 standard to manage our environmental aspects and the ISO 45001 standard to manage our health and safety hazards and risks. As of year-end 2021, 62 Baxter locations were ISO certified, of which 61 met ISO 14001 and 45 met ISO 45001 requirements. Of these 62 total certified locations, 47 are manufacturing sites (78% of total Baxter manufacturing locations²).

Audits

Baxter's EHS&S audit program helps to ensure that our facilities have programs that satisfy applicable regulatory requirements and are consistent with our EHS&S requirements, objectives and goals. In addition to conducting internal EHS&S audits in 2021, Baxter also utilized third parties to conduct EHS&S audits in 26 facilities.³

Compliance

Environmental compliance and health and safety compliance are foundational to Baxter's EHS&S program. We address instances of noncompliance with urgency, work to identify root causes and implement controls to help prevent recurrence. In 2021, we received 12 environmental Notices of Violation (NOVs). Eight NOVs were related to events that occurred prior to 2021, and the other four were related to events that occurred in 2021. Eleven were received at facilities

in the United States and Puerto Rico, and one was received at a **Baxter Renal Care Services** site in Colombia for an event that occurred in 2016. No fines related to the environmental NOV's noted above were assessed in 2021. We also received two health and safety letters during the year, one at a facility in China and the other at a site in the United States. One health and safety fine for \$7,802 was assessed in 2021 related to the NOV in the United States. View the [Baxter Data Summary](#) for more detail.

Wastewater discharged from Baxter operations has historically been, and remains, an important focus of our compliance program. In 2021, 85% of Baxter's self-reported environmental incidents were exceedances or noncompliances of permitted wastewater discharge requirements; 93% of those were from the Americas region (North America and Latin America) and the remaining 7% were from the EMEA region. None of these noncompliances resulted in a fine. To manage these matters, Baxter applied both internal and external resources and worked to enhance internal wastewater operational practices, training and other facility engagement opportunities.

Baxter has reduced emissions of hazardous air pollutants (HAPs) significantly during the last several decades as it has been an area of focus since 1988. Baxter continues to reduce emissions of HAPs. In 2021, HAPs from our Mountain Home, Arkansas, facility were reduced by more than 65% of 2020 levels due, in part, to the investment of what will be a total of over \$50 million in state-of-the-art control technology. We continue to evaluate additional upgrades across our facilities. View the [Baxter Data Summary](#) for more detail.

MATERIALS OF CONCERN

Our global strategies and programs help ensure that we meet product materials restrictions. In addition, we work to avoid or minimize materials of concern as part of our EHS&S product reviews and by consulting numerous regulatory lists. These regulations and lists include, but are not limited to:

- EU REACH Substances of Very High Concern
- EU RoHS Directive
- EU Medical Devices Regulation
- U.S. Toxic Substances Control Act
- U.S. SEC conflict minerals
- California Proposition 65

In 2021, we continued to move away from products containing substances of concern in all regions. This includes launching a non-DEHP version of 30 solution sets and 19 irrigation solutions, and retiring eight elastomeric infusion pumps which contained DEHP in the Americas, EMEA and APAC. We also upgraded our Evo IQ LVP Pump (in the Americas, EMEA and APAC) and Starling Monitors (in EMEA) to RoHS-3 compliance. Additionally, Baxter converted 120 global solution sets to limit perfluorooctanoic acid (PFOA) in accordance with EU regulations.

Other substances we seek to avoid or minimize include endocrine disruptors, latex, phthalates, volatile organic compounds and others that might not be included in the lists above. See Baxter's position statements on [Proposition 65](#), [REACH](#), and [conflict minerals](#), and our most recent [Conflict Minerals Report](#).



STRIVING FOR FULL MATERIALS DISCLOSURE

Baxter's corporate responsibility approach prioritizes compliance with product chemical and medical device regulations. Working with a third party, we collect data from suppliers to determine the use of materials of high concern. This helps us to confirm compliance with global material regulations and assists us in proactively monitoring the impact that changes in global legislation might have on our product portfolio. We also continue to leverage third-party testing, which provides us with full material data and LCAs for many of our devices, helps validate device compliance with chemical legislation, and provides information we need to respond to environmental questionnaires from customers. As of the end of 2021, we completed testing for 173 of our products, which covered more than 16,500 parts. This included many of our electromechanical devices, which are the most complex products in our portfolio in terms of number of parts and materials.

Additionally, as a member of MedTech Europe, we are working with other multinational pharmaceutical/medical device companies to drive full materials disclosure in global material compliance, and we contribute to several working groups. We support greater understanding of the hazardous substances requirements of the EU Medical Device Regulation by sharing information within Baxter and across the industry related to our full materials disclosure testing and analysis program, including materials commonly used in products that could potentially be replaced or eliminated. This supports consistent interpretation and efficient compliance with related regulations within the industry. To inform our efforts, we also monitor ongoing developments with the RoHS Directive and REACH Regulation.



Champion Our People and Communities



Create a best place to work for our employees and make a meaningful difference in communities around the world

Invest in Underserved Communities Globally 36

Achieve Top Quartile Workplace Safety Performance 39

Increase Representation of Women and Ethnic Minorities in Leadership Roles 41

Invest in Underserved Communities Globally

2030 CORPORATE RESPONSIBILITY GOAL: Invest \$275 million in underserved communities through strategic partnerships and product donations from Baxter and the Baxter International Foundation.

PERFORMANCE: In 2021, Baxter and the Baxter International Foundation invested nearly \$52 million in underserved communities through strategic partnerships, grants and product donations.



\$52 million

in cash and products contributed to communities worldwide*



\$36 million+

in products donated**



8 Signature Partnerships supported



94 countries reached through philanthropic giving*

*By Baxter and the Baxter International Foundation. **Through the Baxter Manufacture-to-Donate program. Value of products donated (provided at no cost) is provided by partners based on wholesale acquisition cost at the time of donation. This number may be greater or less than the value of Baxter products distributed during the year by our relief partners.

APPROACH AND PROGRESS

Investing in our communities is central to our corporate responsibility approach. By pledging to contribute \$275 million over the next 10 years, we aim to tackle some of the world's toughest health and social challenges by leveraging our expertise and experience, as well as our employees' passion to accelerate community-driven solutions alongside leading global partners. We cultivate innovative partnerships and catalyze positive impact in communities where our employees live and work, prioritizing social investments and solutions where we can make a meaningful difference.

We engage three philanthropic channels to reach underserved communities, helping those with the least resources remove barriers to healthcare access. These include product donations and charitable giving from Baxter and the Baxter International Foundation (the Foundation).

Product Donations

Through Baxter's product donations, we address unmet healthcare needs and improve health outcomes in underserved communities by supporting community-based health programs, medical missions and natural disaster preparedness and response efforts. To advance our commitment, we proactively build product donations into our corporate responsibility strategy by manufacturing products twice a year purposely for donation to our trusted humanitarian partners. This manufacture-to-donate strategy, an industry best practice, enables partners to rely on having Baxter's critically needed, long-dated products available year-round—not solely during emergency situations—to help provide sustained support for underserved communities around the world. In 2021, we donated products valued at more than \$36 million¹ through this program to Americares, Direct Relief and Partners In Health.

We also continued to make chemotherapy drugs available through our U.S. Patient Assistance Program. This program supports cancer patients who have financial barriers to access and lack insurance or prescription drug coverage.

HOW WE GIVE

Product Donations

Manufacture-to-Donate program

U.S. Patient Assistance Program

Medical missions support

Disaster relief donations

Corporate Financial Contributions

Business and facility giving

Charitable contributions to cultural and educational institutions, network memberships and healthcare organizations

Value of Baxter employee volunteer time

Baxter International Foundation Financial Contributions

Signature Partnerships

Grants for disaster relief and community, healthcare and STEM programs*

Matching Gift and Dollars for Doers programs

Global scholarships

Prize programs

Employee Disaster Relief Fund

* Contributions to U.S.-based 501(c)(3) organizations for programs within and outside of the United States.

Corporate Financial Contributions

Baxter’s commitment to corporate giving leverages a range of financial donations across our value chain to help our communities thrive. We fund healthcare organizations that increase access to patient care, advance education and support advocacy, and we promote resilience in the communities we serve through the volunteer activities of our employees. In addition, as a socially responsible member of the community, we provide charitable contributions to cultural institutions in the Chicago area to create meaningful engagement opportunities for local employees. We also enhance business interests through professional membership associations.

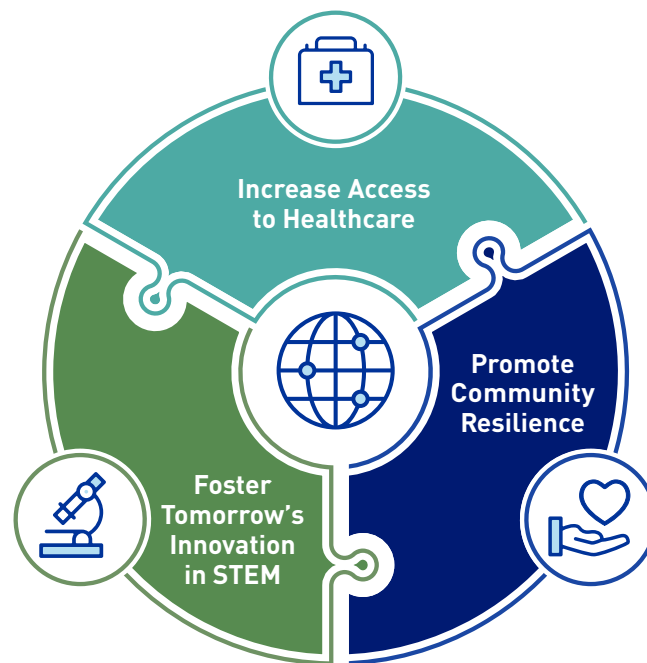
In 2021, despite the global impact of COVID-19, our employees recorded a total of 22,000 volunteer hours, giving back in the communities where they live and work. We estimate the value of our employees’ combined volunteer hours in 2021 to be nearly \$659,000.²

Baxter International Foundation Financial Contributions

The Foundation partners with organizations around the world to increase access to healthcare for the underserved; bolster science, technology, engineering and math (STEM) education to develop the next generation of healthcare innovators; and promote community resilience. With these priorities as a guide, the Foundation makes strategic investments in areas where Baxter’s employees live, work and give.

Through its Signature Partnerships worldwide, the Foundation focuses on long-term strategic investments with organizations that align with its strategic pillars.

THE BAXTER INTERNATIONAL FOUNDATION STRATEGIC PILLARS



Partnering to Make a Difference

The Baxter International Foundation focuses its giving through Signature Partnerships around the globe, which have benefited hundreds of thousands of individuals and families worldwide since 2016.

In alignment with Baxter’s [ACT: Activating Change Today](#) initiative to advance racial justice, the Foundation established a \$3.5 million partnership with Thurgood Marshall College Fund at the end of 2021. Formally beginning with the 2022/2023 school year, this three-year grant will fund scholarships and mentoring as part of a multi-faceted approach to improve graduation rates by providing support for students at Historically Black Colleges and Universities who are pursuing careers in STEM and education. [Learn more.](#)

Through its Signature Partnership with Operation Smile, the Foundation is helping to advance safe

surgery in underserved communities in India. The partnership supports care centers that treat patients of all ages with cleft conditions and expands opportunities for education and training of local healthcare workers. In 2021, the Foundation’s grant funded 82% of operations in India, allowing Operation Smile to reach more than 11,600 individuals, including serving nearly 2,900 patients with surgical and multidisciplinary care. Based on the success of the partnership, the Foundation expanded its initial three-year grant with an additional \$2 million commitment over three years to reach more underserved communities across India. The increased investment will further improve access to healthcare through a hub-and-spoke model to reach more underserved communities and provide an increased focus on improving nutrition as an integral part of preparing patients for cleft surgery. [Learn more.](#)

Signature Partnerships in 2021 included programs and initiatives with the following organizations:

<p>American Diabetes Association</p> <p>Address health disparities for those with diabetes in the United States (learn more)</p> <p>2021–2023</p>	<p>UNICEF USA</p> <p>Improve water, sanitation and hygiene services in Colombia (learn more)</p> <p>2021–2023</p>	<p>Direct Relief</p> <p>Improve diabetes care in underserved U.S. communities (learn more)</p> <p>2019–2022</p>	<p>Northwestern University Baxter Center for Science Education</p> <p>STEM support for U.S. educators and students (learn more)</p> <p>Since 2009</p>
<p>Partners In Health</p> <p>Expand access to surgical care for women in Mexico</p> <p>2022–2024*</p>	<p>Save the Children</p> <p>Support global COVID-19 pandemic recovery (learn more)</p> <p>2020–2022</p>	<p>Thurgood Marshall College Fund</p> <p>Assist students at Historically Black Colleges and Universities (see case study above)</p> <p>2022–2025*</p>	<p>Operation Smile</p> <p>Advancing Safe Surgery in India (see case study above)</p> <p>2019–2024</p>

* Funding distributed in 2021.

Relevant Policies and Standards

Our manufacture-to-donate product donation strategy aligns with the following:

- ▶ [World Health Organization guidelines for medicine donations](#)
- ▶ [Partnership for Quality Medical Donations guidelines](#)

To foster innovation and promote community resilience, the Foundation also supports diverse STEM learning opportunities and encourages employees to serve as mentors in communities worldwide. Since 1996, Baxter and the Foundation have provided \$19 million to advance STEM education. In 2021, key partnerships included:

- The Illinois Science and Technology Institute’s annual STEM Challenge engaged 24 Baxter employees to serve as mentors for high school students participating in the six-month program to develop innovative solutions for real-world business challenges in STEM fields. During the year, students were tasked with developing new technologies to improve patient health outcomes through telehealth and access to clean water.
- Since 1996, Baxter and the Foundation have supported FIRST (For Inspiration and Recognition of Science and Technology) Robotics’ mission, to inspire young people to be science and technology leaders and innovators. As a founding member, we’ve provided more than \$3 million in funding for local teams and regional competitions.

In addition to supporting organizations devoted to STEM education, the Foundation also awards merit-based scholarships to our employees’ children. A third party evaluates student applications based on academic, extracurricular and employment accomplishments. In 2021, the Foundation awarded 103 new scholarships and renewed 160 scholarships for students from 29 countries worldwide.

The Foundation supports and amplifies the giving and volunteer efforts of Baxter’s employees through its Matching Gift and Dollars for Doers programs. In 2021, the Foundation provided more than \$709,000 to match employee giving and \$40,000 in Dollars for Doers volunteer grants.

In 2021, the Foundation also continued sponsoring prize programs that recognize organizations and individuals who have made outstanding contributions and exhibited leadership in healthcare research and health service delivery.

- The William B. Graham Prize
- The Foster G. McGaw Prize
- The Episteme Award

Reaching Vulnerable Communities Globally Through Americares

Baxter partners with humanitarian organizations in various ways to carry out our mission to save and sustain lives. One of our longstanding partners is Americares, an organization we have collaborated with since 1987.

Through our Manufacture-to-Donate program, Americares distributes Baxter products globally to provide relief in emergency situations. In 2021, we donated products valued at \$2.5 million³ to this partner. We also became a supporter of the Americares Emergency Response Fund to help ensure pre-positioned funding is available for rapid deployment through its emergency network at the onset of a disaster. In addition, we support U.S. medical outreach teams that travel overseas to provide charitable care to underserved populations. While fewer medical mission trips occurred in 2021 due to the COVID-19 pandemic, Americares distributed Baxter products in 15 countries as part of 32 medical mission trips.

[Learn more about Baxter’s partnership with Americares.](#)

Disaster Relief

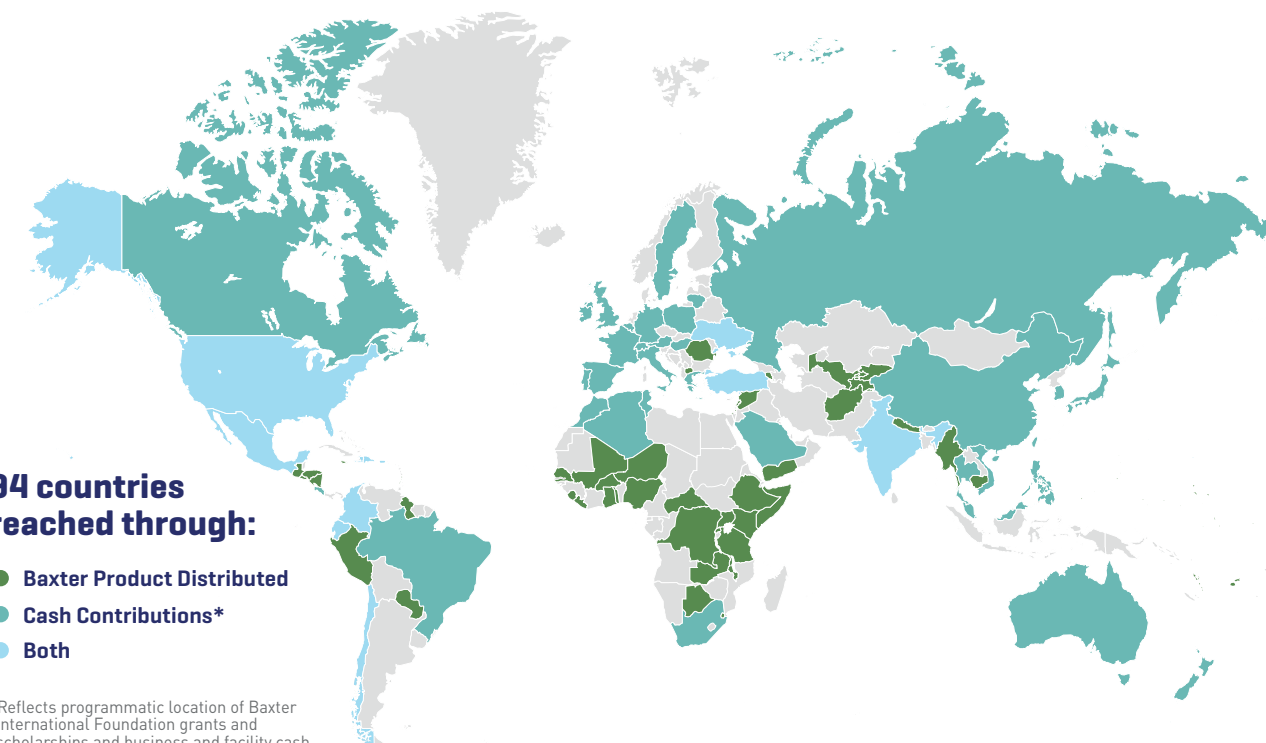
We provide disaster relief support through investments in preparedness, immediate response and recovery efforts that expand access to care in collaboration with our humanitarian partners. Our response to disasters can include product donations as well as cash giving from the Baxter International Foundation. In 2021, we provided disaster relief globally in the form of cash and products, including for an earthquake in Haiti, tornadoes and storms in the United States and global COVID-19 humanitarian response efforts.

MOVING FORWARD >>

Our approach to community investment has evolved in recent years due to the COVID-19 pandemic and a greater focus on racial justice. We have expanded our efforts to increase access to healthcare and promote community resilience through strategic engagement with our partners. We have gained a greater understanding of their most pressing needs and responded accordingly with our community investments. We expect this trend to continue.

To further elevate our strategic approach, we plan to build digital monitoring and evaluation systems to collect, analyze and share data related to the impact of our giving. We will also expand opportunities for our employees to engage in community support around the world.

BAXTER GLOBAL CHARITABLE GIVING, 2021



* Reflects programmatic location of Baxter International Foundation grants and scholarships and business and facility cash donations mapped by location of Baxter office outside the United States.

Achieve Top Quartile Workplace Safety Performance

2030 CORPORATE RESPONSIBILITY GOAL: Achieve top quartile workplace safety performance annually in total recordable incident rate.*

*Among global companies across industries as reported by the U.S. Bureau of Labor Statistics.

PERFORMANCE: Baxter’s total recordable incident rate in 2021 ranked in the top quartile, achieving our goal for the year. **

** Compared with 2019 data, which was the most recent data available from the U.S. Bureau of Labor Statistics at the time our 2030 Corporate Responsibility Goal was established.



20%

decrease in total recordable incident rate*



33%

decrease in cases with days lost rate*



92%

of facilities worldwide took part in Healthy Eating Month

*Compared with 2020. Rates include COVID-19 cases. Public health guidance varies around the world concerning isolation and quarantine days for COVID-19. Probable work-related COVID-19 cases average 10 days lost per CDC guidance and account for days away from work due to the illness.

BAXTER’S VISION FOR WORKPLACE SAFETY

Zero Harm

Eliminate Major and High-Frequency Injuries



Digitize

Leverage Predictive Analytics Broadly



Culture

Engage and Empower



Improve

Drive Continuous Improvement



 Apex Companies, LLC has provided [assurance on the content in this section.](#)

APPROACH AND PROGRESS

At Baxter we aim for a zero-harm workplace. Every employee has the right to a work environment free of recognized hazards, with safety protocols to help keep them injury-free. This is a fundamental value for our company as we strive to be a best place to work. Our strategy for the next decade prioritizes the elimination of major and high-frequency injuries,¹ complemented by ongoing digital analytics and employee engagement, training and mentoring to drive continual improvement.

Baxter follows a management-systems approach guided by our global Environmental, Health, Safety and Sustainability (EHS&S) requirements. For more about Baxter’s EHS&S Policy and management system, see [Environmental, Health, Safety and Sustainability Governance and Additional Disclosures](#). We define the responsibilities of corporate, regional and facility-level occupational health and safety professionals and hold leaders accountable for

achieving goals and targets. In 2021, the EHS&S organization reported employee safety performance to senior leadership and manufacturing and supply chain management monthly. EHS&S also communicates performance annually to Baxter’s Board of Directors.

During the year, we continued to engage our operational workforce in hazard identification and immediate corrective actions where feasible. Injury and illness metrics provide focus for Baxter’s safety, occupational health and industrial hygiene efforts. We continue to target ergonomics, as well as slips, trips and falls—two of the primary sources of injury at the company.

Focusing on high-hazard sources, we analyze our most severe historical incidents with a cross-functional team to identify root-cause trends, formulate mitigation strategies and share knowledge across the organization. We hold “stand down” meetings as a forum for operational leaders to engage employees in frontline education concerning specific risks. During these meetings, all other operational activity stops so employees can focus on an emerging trend or specific risk.

We are also integrating health and safety considerations throughout Baxter’s product quality system so that safety becomes even more central to our core business operations.

Improving Ergonomics for Baxter Product Delivery Drivers

In 2021, we conducted a pilot program to evaluate ergonomic techniques used by drivers who deliver Baxter renal products to patients’ homes. Through this program we captured video of the drivers performing various delivery tasks and then used artificial intelligence to identify the detailed body mechanics required for those tasks. We evaluated eight tasks, comparing different techniques to determine best practices and potential opportunities to improve ergonomics and help avoid injuries. These will provide the basis for future coaching and training of drivers.

Health and Wellness Program Management and Initiatives

Baxter’s occupational health function, in partnership with Human Resources and Global Communications, develops health and wellness strategies for the company to help our employees take care of their personal well-being. A global team of diverse health professionals and volunteers, known as Local Champions, helps refine and implement these approaches and set priorities.

Through BeWell@Baxter, our global employee health and wellness program, we promote healthy lifestyles. In response to the COVID-19 pandemic, we transitioned BeWell@Baxter campaigns to virtual sessions or activities and launched Monthly Wellness Days to emphasize the importance of physical, mental and social well-being. In 2021, these programs

focused on total well-being and included topics such as mental health, stress management, career wellness, environmental wellness and the importance of laughter.

For BeWell@Baxter programs in 2021, 30% of employees participated in the Exercise Challenge and 32% had completed a Personal Wellness Profile.² In addition, 92% of facilities worldwide took part in Healthy Eating Month.

Baxter’s occupational health team also delivered the following in 2021:

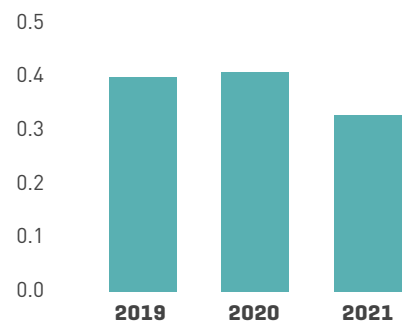
- **Flu vaccinations:** We offered free seasonal flu vaccinations to employees working at most sites with 25 or more employees. More than 12,000

employees worldwide received vaccinations through this program.

- **COVID-19 vaccinations:** To support Baxter’s response to the global pandemic, we provided onsite vaccinations, consistent with applicable regulations, in several locations around the world where the vaccine was readily available and allowed by local government authorities.
- **Smoke-free workplaces:** In countries where smoke-free status is allowed by law, 100% of campuses with 25 or more employees were smoke-free.



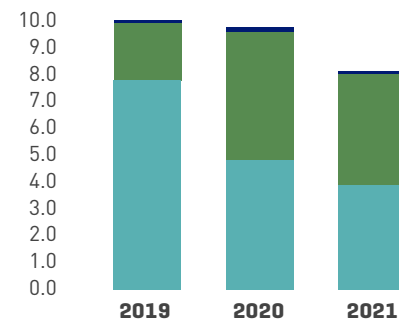
BAXTER TOTAL RECORDABLE INCIDENT RATE, 2019-2021*



	2019	2020	2021
Total Recordable Incident Rate	0.40	0.41	0.33

* Rates include COVID-19 cases. Public health guidance varies around the world concerning isolation and quarantine days for COVID-19. Probable work-related COVID-19 cases average 10 days lost per CDC guidance and account for days away from work due to the illness.

ADDITIONAL WORKPLACE SAFETY DATA, 2019-2021*



	2019	2020	2021
• Cases with Days Lost Rate	0.090	0.174	0.116
• Days Lost Rate	2.14	4.80	4.15
• Restricted Days Rate**	7.83	4.83	3.89

* Rates include COVID-19 cases. Public health guidance varies around the world concerning isolation and quarantine days for COVID-19. Probable work-related COVID-19 cases average 10 days lost per CDC guidance and account for days away from work due to the illness.

** Restricted Days Rate data for 2020 was updated following publication of our 2020 Corporate Responsibility Report due to updates beyond that year’s reporting period.

Injuries and Illnesses³

In 2021, Baxter’s total recordable incident rate fell by 20% compared with 2020. Our ongoing work to drive continuous improvement, raise awareness about common injuries sustained by employees and engage operational leaders in efforts to reduce injury and illness are helping to improve our workplace safety performance. Four major incidents⁴ occurred at Baxter in 2021, compared with 12 the prior year.

See the [Baxter Data Summary](#) for workplace safety data by region and major incidents.

MOVING FORWARD >>

As we look ahead, we will continue to prioritize a zero-harm workplace in an effort to drive down injuries. In future years, we expect to enhance our approach with digital solutions and data analytics to develop risk profiles and identify leading indicators for prioritization. We will also continue to engage our employees with real-time coaching about safe work practices and empower them to take charge of safety in the workplace. Finally, we will drive continuing improvement through standardized global training, safety engineering for equipment and mentoring activities.

Increase Representation of Women and Ethnic Minorities in Leadership Roles

2030 CORPORATE RESPONSIBILITY GOAL: Through hiring, promotion and retention, aspire to increase representation of women in leadership roles globally to 40%.*

2030 CORPORATE RESPONSIBILITY GOAL: Through hiring, promotion and retention, aspire to increase representation of ethnic minorities in leadership roles in the United States to 25%.*

*Assuming labor market conditions continue to support the goal. Leadership role is defined as director and above. (See endnotes 1 and 2 for additional detail.)

PERFORMANCE: As of Dec. 31, 2021, 36% of people in leadership roles at Baxter globally were women, up from 34% in 2020.

PERFORMANCE: As of Dec. 31, 2021, 24% of people in leadership roles at Baxter in the United States were ethnic minorities, up from 22% in 2020.



↑ 2 percentage points
women in leadership roles (globally)*



↑ 2 percentage points
ethnic minorities in leadership roles (United States)*

*Compared with 2020.



APPROACH AND PROGRESS

One critical way Baxter supports diversity, equity and inclusion (DE&I) at our company is through a holistic and comprehensive analysis of internal diversity metrics. We track the representation of women globally and under-represented minorities in the United States at every career level across the employee life cycle from hiring through exit. We include this data in quarterly dashboards that Baxter leaders review to understand the company's progress and identify potential opportunities to help further advance diversity across the organization.

Baxter has reported employee ethnic and gender diversity data in our corporate responsibility report for more than two decades, with increasing detail over time. For the last several years, we have also reported aspirational diversity representation goals based on leading industry benchmarks. In 2021, we relied on a data-driven approach to help us establish

appropriate goals for our company by engaging a third party to conduct rigorous labor market and internal availability analyses.

While all forms of diversity at every career level are important to Baxter, our current goals focus on women (globally) and ethnic minorities (United States) in leadership roles.^{1,2} We focus on these two areas because we believe they provide the greatest opportunities for us to drive meaningful change. We have robust, multiyear data sets in these areas, as well as mechanisms to continue gathering and verifying data moving forward. See the [Baxter Data Summary](#) for additional diversity data.

We aim to achieve our diversity goals by continuing our efforts to attract, retain and develop diverse talent and foster an inclusive workplace. We will further develop our detailed plans to help achieve these goals in 2022 and will continue to report progress annually.

While our aspirational diversity goals are a priority for Baxter, we are equally focused on advancing an inclusive culture where all people feel they belong and can be their authentic selves. We have metrics and reporting in place to assess and share how we are doing in this area (e.g., our [Best Place to Work survey data](#)). This ongoing measurement and assessment provides essential input that is critical to advancing our DE&I strategy.

[Learn more](#) about how we drive diversity in leadership and across all levels of the company.

MOVING FORWARD >>

We plan to evaluate and refine our goals as needed after periodic assessments of labor market data compared with our workforce data and will report any directional changes in future reports.



Cross-Cutting Commitments

Our 2030 Corporate Responsibility Commitment and Goals are bolstered by our approach to good governance and responsible business practices.

Ethics and Compliance 43

Human Rights 45

Diversity, Equity and Inclusion 46

Privacy and Data Protection . . . 51



Ethics and Compliance



~97% of employees completed annual Code of Conduct training



Third Party Program policy training offered in **18** languages



Performed **24** compliance audits for distributors globally

DRIVING A CULTURE OF ETHICS AND COMPLIANCE

PROACTIVE: Design > Implement > Guide



At Baxter, we work to drive a culture of integrity and the highest ethical behavior. We prioritize following legal requirements, being honest and fair, keeping promises, encouraging questions and valuing discussion—always reinforcing the importance of personal accountability and integrity. Patients, doctors, customers, regulators, investors, communities and our employees count on it.

COMPANYWIDE ACCOUNTABILITY

Baxter has compliance committees for each country or cluster of countries where we operate to further integrate ethics and compliance in strategic plans and day-to-day activities. To help ensure the local implementation of our global ethics and compliance program, the business lead of each country or cluster holds mandatory quarterly meetings to facilitate discussion among local leadership about key issues, challenges and risks in their area. This approach, in conjunction with enterprise-wide established codes, policies, trainings and monitoring and assessment practices, enables us to more effectively target specific needs and drive ownership of and responsibility for ethics and compliance worldwide.

ETHICS AND COMPLIANCE TRAINING

All employees are required to complete Code of Conduct training annually. In 2021, approximately 97% of employees completed the training. In addition to this training, we conducted an employee engagement campaign to reinforce the importance of ethics and compliance. More than 17,000 email-enabled employees received a questionnaire, asking them to indicate whether they had read and agreed to comply with the Baxter Code of Conduct and to affirm that they were aware of their responsibility to report any violations. Of those who received the questionnaire, more than 98% affirmed their commitment to these items. We developed a related communication campaign to reach those who did not receive the formal questionnaire.¹

Select employees also complete ethics and compliance online courses relevant to their jobs every other year on a rotational basis. These courses cover topics addressed in Baxter's Global Interactions Policy and Third Party Program.

Training for our Third Party Program policy is available in 18 languages. In 2021, 10,300 employees took this training. We also offer training to all third parties

through our due diligence processing tool. In 2021, we updated the training for third parties to reflect changes in our Global Interactions Policy.

In addition to the anticorruption content covered by the Code of Conduct and Global Interactions Policy training, our sales force participates in business-led, interactive workshops/trainings related to ethical interactions with the medical community and government officials, including discussion of real-life scenarios. At Baxter, off-label promotion is strictly prohibited by policy. This prohibition is included in our annual training to the Sales organization.

Relevant Policies and Standards

- ▶ [Baxter Code of Conduct](#)
- ▶ [Baxter Global Third Party Anticorruption Policy](#)
- ▶ [Baxter Global Interactions Policy](#)
- ▶ [AdvaMed Code of Ethics](#)
- ▶ [MedTech Europe Code of Ethical Business Practice](#)

THIRD PARTY PROGRAM

Our Third Party Program policy outlines the standards and processes used to review, retain and monitor new and existing third parties for compliance with our anticorruption expectations. The program and policy apply to Baxter employees, officers and directors involved in the review, retention and monitoring of third parties.

In 2021, we launched an Annual Certification Questionnaire to all existing third parties to help assure that our third-party partners continue to comply with the terms of their agreements with Baxter and with all applicable laws, rules and regulations.

COMPLIANCE ASSESSMENTS

Baxter completes risk-based compliance assessments and audits each year, which cover antibribery, anticorruption and trade compliance, among other topics. Our Global Ethics and Compliance function selects locations to audit and assess based on factors such as business complexity, size, risk of corruption, the nature of interactions with the medical community and third parties, enforcement trends and the results of compliance monitoring and investigations. Compliance assessments and audits also focus on relationships with third parties that represent the company to customers, including the medical community, patients and government officials and entities.

In 2021, we conducted two compliance assessments using Global Audit and Ethics and Compliance resources: one in our Europe, Middle East and Africa (EMEA) region and one in Latin America. These assessments were performed remotely as a result of COVID-19.

We also performed remote compliance audits of 24 distributors globally in 2021. The audits covered eight distributors in EMEA, seven in Latin America and nine in Asia Pacific.

Additionally, Baxter worked with external consultants to perform a legal risk assessment of the company's Trade Compliance and Anti-Trust programs. We are using the findings from these exercises to further enhance and mature our program policies and operations.

COMPLIANCE MONITORING

Baxter has deployed a data analytics-based monitoring system. The tool is used to perform review of compliance risk metrics, as well as facilitates forensic monitoring procedures in eight countries, including Brazil, China, Italy and Vietnam, among others. The countries are selected on the basis of their past monitoring and assessment results, feedback from Ethics and Compliance Assessments, country compliance environment and taking into account past investigations, if any. This system enables us to perform near-real-time monitoring of metrics related to travel, entertainment, interactions with healthcare professionals and government officials and corruption-related due diligence for certain in-scope third parties. Transactions identified as potentially problematic are reviewed by the Ethics and Compliance Investigations team as appropriate.

RELATIONSHIPS WITH HEALTHCARE PROFESSIONALS AND GOVERNMENT OFFICIALS

Baxter is committed to transparent reporting about relationships with the medical community and government officials. This includes the continued

implementation of anticorruption programs to help ensure that these relationships and the related fair market value payments are for necessary and genuine services. Our Global Interactions Policy defines the principles and rules governing our interactions with government officials and members of the medical community. In 2021, we released an update to the policy related to virtual interactions and related controls.

The Global Interactions Policy also provides guidance for corporate charitable giving to help ensure compliance with the law and with Baxter policy. We have local Contributions Management Committees in select countries, clusters of countries or regions. Where they exist, those local committees have decision-making authority for charitable contribution requests from nonprofit and for-profit healthcare and patient organizations. The Baxter International Foundation, the philanthropic arm of Baxter International Inc., is a separate legal entity governed by its

own Board of Directors and distinct grantmaking guidelines that govern its charitable contributions to nonprofit organizations.

ETHICS AND COMPLIANCE HELPLINE

In 2021, Baxter logged 634 reports from 33 countries into our Ethics and Compliance Helpline system and closed 638 cases that were received through 2021.² All reports received during the year involving allegations of misconduct were promptly triaged for investigation. For the substantiated cases closed in 2021, appropriate remediation (e.g., training or adoption of new or changed processes) was or is being implemented where warranted. In substantiated cases involving employee misconduct, employees received appropriate disciplinary action based on the nature of the misconduct and other relevant factors. Disciplinary action can include a range of outcomes, including coaching and training, verbal or written warnings, compensation reduction or termination.

ITEMS REPORTED TO THE ETHICS AND COMPLIANCE HELPLINE IN 2021*

CATEGORY	% OF TOTAL*
Work Environment/Employee Relations	63%
Manufacturing/EHS&S/R&D/Regulatory/Quality	13%
Conflict of Interest	8%
Interactions with Government Officials Including HCPs/HCOs (outside the United States)	5%
Asset or Information Misuse or Misappropriation/Confidential Data	4%
Financial Management and Reporting	3%
Marketing and Sales	3%
Competitive Practices	1%
Payments/Gifts/Entertainment with HCPs/HCOs (United States)	<1%

* "HCPs" are healthcare professionals. "HCOs" are healthcare organizations. Puerto Rico is counted as part of the United States.

Human Rights



Human rights are foundational to Baxter's corporate responsibility strategy. Baxter has policies and processes in place to help protect human rights across our value chain, including the rights of our suppliers' workers, our employees, our customers and the patients who rely on our products. As outlined in our [Global Human Rights Policy](#), we respect the human rights, dignity and diverse contributions of all individuals.

Fostering human rights takes many forms at Baxter and is reflected in our policies and initiatives in areas including [workplace inclusion](#); [employee safety](#); [supply chain labor practices](#) (see below); [ethical conduct](#); [access to healthcare](#); and [patient, employee and customer privacy](#). Also see information about our actions in 2021 related to [COVID-19](#) and [racial justice](#).

PROTECTING HUMAN RIGHTS IN OUR SUPPLY CHAIN

 Apex Companies, LLC has provided [assurance](#) on the content in this Protecting Human Rights in Our Supply Chain section.

Baxter's suppliers must commit to respecting human rights, either in accordance with our Global Human Rights Policy or under their own similar policies. Any suppliers who register with Baxter through our supplier registration portal must read our Global Human Rights Policy and the [Baxter Code of Conduct](#)

and indicate whether they agree with the commitments therein. To better understand our suppliers' corporate responsibility programs and performance, including related to labor and human rights, we conduct an annual [Supplier Corporate Responsibility Survey](#).

Baxter adheres to supply chain transparency requirements where applicable, through publicly available statements. In addition to our Global Human Rights Policy, Baxter's [UK Modern Slavery Statement](#) declares our commitments and approach to help ensure that our local operations and global supply chain are free from modern slavery practices, including child labor, forced and bonded labor, and human trafficking. In 2021, Baxter Australia published its first [Modern Slavery Statement](#) as well. We also have position statements related to the [California Transparency in Supply Chains Act of 2010](#) and [conflict minerals](#), and we publish an annual [Conflict Minerals Report](#).

Relevant Policies and Standards

- ▶ [Global Human Rights Policy](#)
- ▶ [California Transparency in Supply Chains Act of 2010 statement](#)
- ▶ [Conflict Minerals Position Statement](#)
- ▶ [Baxter Code of Conduct](#)

Diversity, Equity and Inclusion



77% overall inclusion score, up from 69% in 2019*



\$72.6 million in spending with minority-owned businesses**

\$90.3 million in spending with women-owned businesses**

*Scores indicate the percentage of Best Place to Work survey participants who responded favorably to statements related to inclusion. **Spending with suppliers that certify for multiple categories is included in the total for each category. United States and Puerto Rico.

Baxter's approximately 60,000 employees¹ include people of different races, ethnicities, genders, orientations, abilities, backgrounds and beliefs from many different countries and cultures. We embrace this diversity, enhancing our company's culture of belonging and embedding diversity, equity and inclusion (DE&I) across all aspects of our business, including for our employees and prospective employees, the communities we support

globally through strategic investments, our suppliers, and our customers and patients. We focus on four strategic pillars to guide our commitment worldwide (see graphic).

WORKFORCE

Increasing the diversity of our workforce improves the way we think and innovate and makes us more agile as a company.

Diversity in Leadership

Advancing a diverse workforce begins at the top. We aim to have our company leadership reflect the diversity of our organization and the communities where we operate. This begins with our Board of Directors (Board) and leadership teams, which help influence and inspire our desired culture and drive greater representation at other levels in the organization. See the [Baxter Data Summary](#) and our [2020 Employment Information Report \(EEO-1\)](#) and [2021 EEO-1 Report](#) for workforce diversity data.

Of the eight directors most recently appointed to Baxter's Board, five are women or are ethnically or racially diverse. The Board believes that having diverse directors with varying perspectives and a breadth of experience will positively contribute to robust discussion and help guide Baxter's strategy and long-term value creation.

The Board conducts an annual assessment of itself and its committees to help identify potential gaps or areas to augment in light of the company's strategies, including by taking into account the overall diversity of the Board.

Approximately 31% of our Board is composed of female directors and approximately 23% of our Board is ethnically/racially diverse.² These percentages are scheduled to increase to approximately 33% and to 25%, respectively, on June 30, 2022, in connection with Peter Hellman's retirement. See information regarding Board diversity beginning on page 6 of [Baxter's 2022 Proxy Statement \(Baxter 2022 Proxy Statement Amendment\)](#).

GLOBAL DIVERSITY, EQUITY AND INCLUSION STRATEGIC PILLARS

Workforce

Attract and build diverse and high-performing teams that are engaged and innovative.

Workplace

Advance our inclusive culture, where every employee is treated fairly and feels respected, valued, seen and heard.

Communities

Make a meaningful difference by cultivating strategic and diverse partnerships in Baxter's communities worldwide.

Marketplace

Ensure the diverse needs of our patients and customers are considered in all aspects of our business.

Board Diversity

Baxter's Board is committed to achieving a diverse and broadly inclusive membership. As a result, and consistent with our Corporate Governance Guidelines and the charter of the Nominating, Corporate Governance & Public Policy Committee, diversity of background, gender, race, ethnicity, country of origin, age and experience are relevant factors in the selection process. Additionally, the Board looks to create a diverse candidate pool when searching for new directors.



Photo: Baxter employees participate in event for International Women's Day.

Aspirational Leadership Diversity Goals

To drive more accountability and intention to advance and sustain our leadership diversity, we have established aspirational goals, as part of our 2030 Corporate Responsibility Commitment and Goals, to increase the representation of women [globally] and ethnic minorities [United States] in leadership roles. We will provide updates on our progress annually in this corporate responsibility report. Learn more in [Increase Representation of Women and Ethnic Minorities in Leadership Roles](#).

Inclusive Talent Strategy

Workforce Diversity Reviews

We prioritize attracting, developing and engaging a diverse workforce. In 2021, to drive more rigor in this area, we embedded Workforce Diversity Reviews in our talent strategy discussions with company leaders globally. These reviews enable discussions about our organization's diversity data and metrics, specifically related to underrepresented groups.³ Our aim for these reviews is to ensure that underrepresented employees are not overlooked for development, sponsorship, succession, advancement and retention opportunities.

Sponsorship and Mentorship

Baxter's sponsorship and mentorship programs help drive engagement, retention and career advancement for women and underrepresented groups. Our mentoring opportunities, resources and tools are for all employees, including entry level, middle management and ethnically diverse employee populations. These mentoring relationships may include traditional, peer or reverse mentoring, as well as mentoring circles conducted in a group setting. All employees can participate in mentorship as part of their development plan at any given point of the year. Employees can identify mentors and/or managers can recommend mentorship based on their employees' development needs.

Baxter's eight Business Resource Groups (BRGs) also offer a global mentoring program specifically designed to connect their diverse membership with leaders at the company. These mentoring relationships provide development and coaching opportunities for employees from a variety of ethnic backgrounds, genders, sexual orientations and generations, as well as veterans and those with disabilities.

Leadership Development

We partner with external organizations to offer leadership development programs that support women and underrepresented ethnic minorities, including:

- **Black Leadership Academy (McKinsey):** This leadership program helps high-potential Black employees to reflect on and plan for professional and personal aspirations to accelerate career progression.

- **Courageous Conversations about Race (Pacific Education Group):** This program, piloted with a cohort of Baxter leaders in 2021, helps build critical skills for having challenging conversations with a strong focus on racial equity and race relationships.
- **HBA Ambassador Program (Healthcare Businesswomen's Association):** This program helps women set and reach professional development goals, facilitated by senior leaders within the company and guidance from a network of HBA advisors.
- **Monthly Global People Manager Meetings:** These live virtual events, led by the CEO, focus on culture transformation efforts. In 2021, three of the events explored DE&I by welcoming external experts along with members of the Baxter community to engage in courageous conversations about DE&I.

Relevant Policies and Standards

- ▶ [Statement of Equal Opportunity](#)
- ▶ [Equal Opportunity Employment Policy \[internal\]](#)
- ▶ [Non-Discrimination Policy \(within our Global Human Rights Policy\)](#)

Inclusive Attraction Approach

Baxter follows a fair and inclusive hiring process, which includes an inclusive candidate sourcing strategy, diverse interview panels and a target to ensure that at least 30% of candidates on the interview slates for roles of manager or above are diverse. We have initiated additional steps to mitigate bias in hiring, including analysis of job descriptions by artificial intelligence to help make them more inclusive, an automated process to collect interview feedback, guidance for valuing differences when assessing skills and an inclusive global interview guide. We also include a specific bias check in our hiring process referred to as “Pause and Discuss,” which is a structured discussion to help check for unconscious bias in candidate selection before moving forward with an offer.

WORKPLACE

In addition to prioritizing diversity in our workforce, Baxter cultivates an inclusive workplace culture, where every employee is treated fairly and feels respected, valued, seen and heard.

Driving Accountability

We work to embed DE&I across all aspects of our workplace through inclusive leadership, accountability measures and proactive engagement with employees who advocate for inclusion throughout our company. Our global DE&I champions are integral to the implementation of our strategy. Especially critical are our Global Inclusion Council, Regional Inclusion Councils, country champion networks and senior leader sponsorship of our eight BRGs.

Global Inclusion Council (GIC)

Baxter’s GIC members serve as DE&I champions, advocates and thought leaders across the company. The GIC’s mission is to focus on the advancement of women and underrepresented groups (including people of different races/ethnicities, generations and sexual orientations as well as veterans and people with disabilities) and to drive inclusive leadership capabilities and culture. The GIC is responsible for advocating and driving our global DE&I priorities, as well as developing and implementing local inclusion priorities.

In early 2021, we formally embedded the GIC into Baxter’s executive leadership structure. The GIC consists of members of our Executive Leadership Team and the executive sponsors of our BRGs. This change reinforces the importance of DE&I at the highest levels of our company and will help further align the activities of our GIC with those of our BRGs.

Business Resource Groups

Baxter’s BRGs are an important component of creating an inclusive and diverse culture within Baxter and advancing our priorities in the communities where we operate. These employee-run affinity groups play a critical role in the company’s efforts to recruit, retain and engage employees, and they provide forums for employees to develop skills, experience valuable cultural connections and support key business initiatives. The BRGs support our business goals and aim to enhance personal growth and multicultural understanding, while strengthening relationships among employees, customers,



We believe that all employees are personally responsible for fostering DE&I at Baxter. To that end, we ask all employees to periodically recommit to our global All In [clusive] pledge, affirming that they will do their part to create a culture of inclusion based on fairness and open and honest communication.

business partners and community partners. Our BRGs have positively impacted employee benefits, policies, holiday/time off approaches, accessible technology, racial justice efforts and workplace flexibility.

We have eight established BRGs and encourage all employees to get involved. As of 2022, those BRGs include: Alliance for Baxter Women, Asian Leadership Network, BaxVET, Black Professional Alliance, Early Career Professionals, enABLES, HOLA and PRIDE.

ACT: Activating Change Today Council

In 2020, Baxter established our ACT Council to advance racial justice globally at Baxter. This council, chaired by the CEO and composed of employees at various levels, was established to drive meaningful, sustainable change and address racial injustice within the workplace and in the communities and markets we serve.

While the ACT Council and initiative were prompted by the murder of George Floyd in the United States, our intent is to address racial/ethnic injustice around the world. [Learn more.](#)

Measuring Inclusive Leadership

Beginning in 2021, the individual performance assessment for members of our Senior Leadership Team (now our Executive Leadership Team) under our Annual Incentive Plan is determined in connection with an assessment of our performance against pre-established measures for key strategic 2021 priorities, which include various ESG issues. The strategic 2021 priorities are included in the categories of Patient Safety and Quality (50% weighting), Best Place to Work (30% weighting) and Growth Through Innovation (20% weighting). Following a rigorous qualitative year-end performance assessment, the weighted total payout across the three categories for 2021 totaled 105%.

In addition, we conduct surveys to measure manager effectiveness, asking employees to rate their managers in areas such as inclusive leadership, recognition, feedback, development and workplace flexibility. Managers receive scorecards that include the results, as well as summaries of anonymous feedback from employees, and are expected to address feedback.

Building Cultural Competence to Advance Workplace Inclusion

Baxter provides employees with training, tools and resources to build cultural awareness and competence to engage more authentically with each other. Resources include leadership toolkits for managing global, diverse teams; holding inclusive meetings; personalized cultural assessments; exploring dimensions of diversity as a team; and mitigating day-to-day biases across many of our human resources processes. Many employees also work on global teams, enabling them to build cultural competence through daily interactions, and we encourage employees to practice simple acts of inclusion in their day-to-day routines.

We work to embed awareness of unconscious bias throughout our company and require all employees to take a self-guided e-learning module about unconscious bias. In addition, we have integrated prompts in key human resources processes, such as hiring activities, talent assessment, succession planning and feedback, to help employees think about their biases as they undertake these activities.

Inclusive Pay and Benefits

One of the ways we work to achieve equity at Baxter is by implementing a total compensation philosophy that provides market-competitive pay and benefits globally while rewarding employees for strong individual and business performance. Baxter is also committed to

periodically assessing our efforts through robust pay audits and reviews.

After controlling for legitimate factors such as type of role, prior work experience, tenure in the organization, tenure in role and geographic location, a review of our 2021 pay equity study of U.S. salaried workforce revealed no significant pay differences among men, women and ethnic minorities. In addition, approximately 35% of our employees work in positions (largely in our plant locations) where salary levels are based solely on the job or the job and tenure, eliminating the possibility of pay equity discrepancies.

Baxter provides competitive and inclusive employee programs and benefits that support career advancement,

workplace flexibility and employee wellness. To support working parents and caregivers, we also offer parental leave, adoption and fertility benefits, mentoring for new parents, lactation services and benefits, backup childcare and subsidized care, educational support for working parents, caregiver services and an employee assistance program.

Throughout the global pandemic, we have worked to help employees cope with the impacts of COVID-19. For example, Baxter provides resources to help employees prioritize wellness and work-life balance as well as tips for using Baxter's technology to stay connected and productive. Our WorkSmart Virtually resources help employees cultivate habits to work remotely with ease, connect with co-workers, build team effectiveness and lead through crisis with empathy and emotional intelligence. We also rolled out a meditation app globally to help our employees prioritize mental health and well-being during this stressful time and introduced monthly wellness days and nutritional coaching for U.S.-based employees.

For many years, Baxter has recognized the increasing demands on employees to manage their personal and work lives, and we respect the need for different approaches to where, how and when work gets done. We provide employees and managers with tools and resources to navigate ad hoc or ongoing flexible arrangements and encourage employees to speak with managers about what options might be right for them and their jobs. [Learn more](#) about workplace flexibility at Baxter.

Learn more about [employee compensation and benefits](#) and [executive compensation](#).

MEASURING WORKPLACE INCLUSION*

Baxter conducts Best Place to Work surveys, through which our employees rate Baxter's workplace across various categories, including for factors related to inclusion. Our overall inclusion score for 2021 increased 8 percentage points compared with the last time we conducted the survey, in 2019, and 11 percentage points compared with 2018. Individual metrics within the inclusion category also showed improvement. (See [Baxter Data Summary](#) for Best Place to Work survey results in additional categories.)

	BAXTER**			GLOBAL
	2018	2019	2021	2021 average***
Diverse perspectives are valued at Baxter	60%	63%	75%	72%
My direct manager does a good job of managing people from diverse backgrounds	70%	72%	80%	78%
I am comfortable voicing my ideas and opinions, even if they are different from others	64%	68%	76%	75%
My direct manager cares about me as a person	71%	74%	78%	78%
Overall Inclusion Score	66%	69%	77%	75%

* Scores indicate the percentage of survey participants who responded favorably to statements related to each of the categories listed.

** Baxter did not administer a Best Place to Work survey in 2020 due to impacts related to the COVID-19 pandemic.

*** Data are from Qualtrics Benchmark Database and represent more than 750 companies (including Baxter) and more than 20 million responses.



COMMUNITIES

Baxter works to advance racial justice and equity in our communities by driving advocacy efforts in partnership with community organizations and increasing our spend with minority business enterprises in our supply chain.

Supporting Underserved Communities

Baxter and the Baxter International Foundation have committed to invest \$275 million in underserved communities over the next 10 years to address global health and social challenges, such as increasing access to healthcare, fostering STEM (science, technology, engineering and math) education, and promoting community resilience. Aligned with our ACT initiative, we have provided grants to the [American Diabetes Association](#) and the [Thurgood Marshall Fund](#). Learn more in [Invest in Underserved Communities Globally](#).

In addition, Baxter is currently partnering with several organizations focused on advancing public policy options related to health disparities. Baxter has a longstanding relationship supporting the Congressional Black Caucus Foundation. Baxter is also partnering with the National Minority Quality Forum and the Congressional Hispanic Caucus Institute to bring more focus to the role that payment and reimbursement can play in achieving better health outcomes for communities of color.

Supplier Diversity



Apex Companies, LLC has provided assurance on the content in this Supplier Diversity section.

Baxter develops mutually beneficial relationships with small and diverse suppliers as we strive to increase the diversity of our supplier base. In 2021, we increased our spend with diverse suppliers to 7.3%, up from 5.6%.

SPENDING WITH DIVERSE SUPPLIERS, 2021*



* Spending with suppliers that certify for multiple categories is included in the total for each category. United States and Puerto Rico.

This included increased spending in all diverse supplier categories except for veteran-owned businesses and small disadvantaged businesses.

A third-party review estimates that our spending with diverse suppliers supported \$257 million in economic output as well as \$72 million in employee income earned and almost 1,200 jobs. The same review showed that when including estimated indirect and induced economic impacts, our spending supported \$436 million in economic output as well as about \$140 million in employee income and more than 2,400 jobs.⁴

We continue to emphasize a strategic approach to increasing spend and deepening relationships with diverse suppliers. In 2021, we sponsored an annual National Minority Supplier Development Council

(NMSDC) matchmaking event and participated in matchmaking events through the Diversity Alliance For Science in the areas of research and development, professional services and packaging.

In 2021, we established a target for our top 50 suppliers to increase diversity among their suppliers and report results. During the year, we also committed \$150,000 to support minority-owned businesses impacted by COVID-19 and civil unrest, and we invested \$100,000 to provide professional development, learning and training opportunities to Black women.

We maintain corporate memberships with many organizations that promote and certify diverse suppliers, such as Disability:IN, National Gay and Lesbian Chamber of Commerce (NGLCC), NMSDC, Chicago NMSDC, Puerto Rico Minority Supplier Development Council and Women's Business Enterprise National Council. In 2021, in addition to taking part in the NMSDC matchmaking event, we participated in meetings led by NMSDC with the NGLCC and Disability:IN, enabling us to build stronger relationships with these organizations and increase matchmaking opportunities. Fostering relationships with a variety of organizations helps us identify diverse suppliers for inclusion in our supply chain, increase our visibility within the diverse supplier community and advance progress in this area more broadly.

In 2021, we continued to realign our procurement organization to improve collaboration with our company's functions and global business units. This improves our ability to initiate matchmaking with diverse suppliers of specific categories. This approach will help us identify opportunities for and potentially increase our spend with diverse suppliers moving forward.

Our supplier registration portal enables registration for diverse suppliers who are looking for opportunities to work with Baxter. Using the portal, diverse suppliers can upload their certificates and answer questions that will make them more visible to Baxter teams looking for new suppliers through our internal search tool. The portal should also improve communications with our suppliers and help us gather more information related to spending with our Tier II suppliers so we can track and measure it more accurately.

[Learn more](#) about supplier diversity at Baxter.

MARKETPLACE

Increasing our awareness of health disparities in underserved communities and extending access to and use of our products, therapies and resources to these groups is at the core of our marketplace inclusion efforts.

We strive to adopt inclusive product design from concept to launch and enhance our engagement with diverse healthcare professionals, patients, caregivers and other stakeholders. Our efforts to tackle these health disparities include sponsoring community programs that improve patient access to healthcare and reducing healthcare provider biases, including promoting a more diverse pipeline of healthcare professionals. We provided educational events for employees worldwide to enhance multicultural awareness and increase awareness of healthcare disparities and equity in product design, development and commercialization. The objective was to ensure diverse representation of patients and healthcare professionals among our key opinion leaders and voice of customer stakeholders.

[Learn more](#) about our marketplace DE&I initiatives within ACT.



Privacy and Data Protection

Baxter is committed to respecting the privacy of our employees, patients and customers and protecting the security of our infrastructure and products. This commitment is reinforced through executive oversight, policies and standards, and mandatory employee training.

We monitor global regulations closely, including relevant developments and actions related to the EU General Data Protection Regulation, recently introduced laws in China related to privacy and data protection, and other requirements in the places we do business. In addition to external regulations, we hold ourselves accountable to our own rigorous internal policies and standards.

Management and oversight of Privacy and IT security is a priority for Baxter leadership. Our Information Risk Committee, co-led by our Chief Privacy Officer and our Chief Information Security Officer, ensures Baxter's privacy and security efforts are aligned with the company's broader business initiatives and that our business leaders are aware of changing regulatory or technical risks. In addition, two separate committees of our Board of Directors oversee our IT security program strategy and efficacy and receive regular updates. The Audit Committee provides oversight for IT security matters generally (including cybersecurity incidents) and the Quality, Compliance and Technology Committee provides oversight for product cybersecurity matters.

In response to growing and changing cyber threats, we continually assess and strengthen our cyber defenses and response capabilities. The Global IT

Security Operations team helps to protect Baxter against cyberattacks using a range of defenses that help to secure our assets, reduce detection time and improve recoverability. We conduct routine exercises with business stakeholders and third-party responders to promote awareness and improve processes. In addition, post-incident review meetings and reports provide insight into how we can update our response strategies. Our threat hunting process helps to protect our systems against evolving security threats, and we conduct risk-based reviews and due diligence monitoring through our Governance Risk and Compliance program.

To further strengthen cybersecurity across our network and portfolio of Baxter and Hillrom products, [Baxter became a Common Vulnerability and Exposures \(CVE\) Numbering Authority](#) in early 2022. The CVE program is sponsored by the Cybersecurity and Infrastructure Security Agency, which is part of the U.S. Department of Homeland Security and aims to enable the rapid identification and resolution of cybersecurity issues. In addition, Baxter is a member of the Health Information Sharing and Analysis Center, which we leverage to inform risk-based decisions and share best practices with other cybersecurity professionals in the healthcare industry.

Our customers can access our online [Product Security summary](#) to learn about security vulnerabilities that might affect Baxter products. In addition, Baxter has Brand Indicators for Message Identification (BIMI). BIMI adds an extra layer of authentication to emails

BAXTER DIGITAL SECURITY CERTIFICATIONS

All information Baxter collects and uses is handled in a secure manner. We align with and/or have obtained certifications for the following internal systems, products and services.

SCOPE*	CERTIFICATIONS AND ALIGNMENT
INTERNAL SYSTEMS	
Enterprise and internally developed systems environment	<ul style="list-style-type: none"> These systems are formally aligned to and internally audited against Baxter's Digital Security Controls Framework. This framework aligns with NIST 800-53 controls. We align our data security controls with additional industry standard control frameworks and regulatory requirements. Baxter's cloud service providers and data center colocation providers are certified against multiple standards, including SOC 2 Availability certification.
PRODUCTS	
PrisMax v3 DCM v1.3.5	Novum IQ Dose IQ
	<ul style="list-style-type: none"> UL 2900 Certification
SERVICES	
Sharesource connectivity platform	<ul style="list-style-type: none"> ISO 27001 Certification French HDH Certification

* Not all products listed are available in all or any geographies and proposed certifications for these products may be subject to change prior to regulatory approval or launch.

and displays our logo in recipients' inboxes. This helps customers and healthcare professionals have confidence that the emails they receive from Baxter are genuine and not from fraudulent parties.

We continue to raise privacy and security awareness with all Baxter users through annual mandatory training¹ and recurring reinforcement through virtual events and updated materials. We require multifactor authentication and an always-on virtual private network (VPN) system to provide additional safeguards for our employees working remotely. In addition, our Third Party Risk Management program includes assessment and monitoring of security standards and control procedures for critical external suppliers.

Relevant Policies and Standards

- ▶ **Global Privacy Policy (internal):** Defines our privacy standards and guides our global operations to follow consistent controls for protecting personal information
- ▶ **Global Privacy Policy (external):** Describes how we may collect and use the information of customers and others with whom we interact
- ▶ **Digital Security Policy (internal):** Outlines our approach to information security and the standards we require employees and suppliers to follow

Appendix: About This Report

EXTERNAL REPORTING STANDARDS

To develop our corporate responsibility reporting approach, we have considered the disclosure frameworks and guidance of leading sustainability standards and reporting organizations, including the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), the United Nations Sustainable Development Goals and third-party raters and rankers focused on environmental, social and governance issues.



We were one of the first companies to pilot the GRI

Sustainability Reporting Guidelines, in 1999, and belong to the GRI Community. We referenced the [GRI Sustainability Reporting Standards](#) in the development of this report. See the [GRI Content Index](#) for detail.

In addition, this report includes our [SASB disclosure](#), based on the SASB Medical Equipment and Supplies Sustainability Accounting Standard.

FEEDBACK

Readers of this report can provide comments and suggestions to us via email: corporate_responsibility_report@baxter.com.

SCOPE OF THIS REPORT

The performance and other data in this report are from calendar year 2021 unless stated otherwise. Some examples and program descriptions include information from 2022.

- This report covers Baxter's global operations, including subsidiaries, unless stated otherwise. Environmental, health, safety and sustainability data include joint ventures where we have a controlling interest.
- The content in this report refers to Baxter and does not include Hillrom, unless stated otherwise. Our 2022 Corporate Responsibility Report will reflect the combined company.
- All currency in this report is in U.S. dollars unless stated otherwise.
- Significant restatements of data compared with prior years are noted in the sections where they appear.
- All references to "new product launches" in this report include new product launches, line extensions and geographical expansions, unless otherwise noted.
- This report is intended for global use. Please consult the appropriate country-specific Baxter website for information regarding activities in that country.
- Some statements in this report about products or procedures may differ from the licensed indications in specific countries. Therefore, always consult the country-specific summary of product characteristics, package leaflets or instructions for use. For more information, please contact a local Baxter representative.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements concerning Baxter, including with respect to compliance, future performance, our 2030 Corporate Responsibility Commitment and other plans and initiatives. These statements are based on assumptions about many important factors, including the following, which could cause actual results to differ materially from those in the forward-looking statements: the impact of global economic conditions

(including potential trade wars and economic sanctions) and public health crises and epidemics, such as the ongoing coronavirus (COVID-19) pandemic, on us and our employees, customers and suppliers, including foreign governments in countries in which we operate; demand for and market acceptance of risks for new and existing products; product development risks (including any delays in obtaining required regulatory approvals or failures to obtain such approvals); product quality or patient safety concerns; continuity, availability and pricing of acceptable raw materials and component supply; inability to create additional production capacity in a timely manner or the occurrence of other manufacturing or supply difficulties (including as a result of natural disasters, public health crises and epidemics/pandemics, geopolitical crises, regulatory actions or otherwise; accurate identification of and execution on business development and R&D opportunities and realization of anticipated benefits (including the acquisitions of Cheetah Medical, **Seprafilm** Adhesion Barrier, specified OUS rights to **Caelyx / Doxil** formulations, full U.S. and specific OUS rights to **Transderm Scop** scopolamine patch, **PerClot** hemostat, Hillrom and certain rights to Zosyn in the U.S. and Canada); breaches or failures of our information technology systems or products, including by cyberattack, unauthorized access or theft; the adequacy of our cash flows from operations (which may be negatively impacted by collectability concerns as a result of the ongoing COVID-19 pandemic or otherwise) and other sources of liquidity to meet our ongoing cash obligations and fund our investment program; loss of key employees or inability to identify and recruit new employees; future actions of regulatory bodies and other governmental authorities, including FDA, the Department of Justice, the SEC, the New York Attorney

General and foreign regulatory agencies, including the continued delay in lifting the warning letter at our Ahmedabad facility; the outcome of pending or future litigation, including the opioid litigation and current and future ethylene oxide litigation or other claims; proposed regulatory changes of the U.S. Department of Health and Human Services in kidney health policy and reimbursement, which may substantially change the U.S. end-stage renal disease market and demand for our peritoneal dialysis products, necessitating significant multiyear capital expenditures, which are difficult to estimate in advance; failures with respect to compliance programs; future actions of third parties, including payers; U.S. healthcare reform and other global austerity measures; pricing, reimbursement, taxation and rebate policies of government agencies and private payers; the impact of competitive products and pricing, including generic competition, drug reimportation and disruptive technologies; fluctuations in foreign exchange and interest rates; the ability to enforce owned or in-licensed patents or the prevention or restriction of the manufacture, sale or use of products or technology affected by patents of third parties; global trade and tax policies; any change in laws concerning the taxation of income (including current or future tax reform), including income earned outside the United States and potential taxes associated with the Base Erosion and Anti-Abuse Tax or the Build Back Better framework; actions taken by tax authorities in connection with ongoing tax audits; and other risks identified in Baxter's most recent filings on Form 10-K and Form 10-Q and other SEC filings, all of which are available on Baxter's website. Baxter does not undertake to update its forward-looking statements unless otherwise required by the federal securities laws.



Appendix: Materiality Assessment Findings¹

For more information about the process we undertook and the key findings of our 2018 assessment, see page 6 of our [2018 Corporate Responsibility Report](#).

ISSUE	DESCRIPTION	IMPACT WITHIN VALUE CHAIN		
		Upstream	Baxter Operations	Downstream
Climate Change	Reducing energy consumption and expanding use of renewable energy in Baxter's operations and reducing greenhouse gas emissions across our value chain; incorporating climate change strategy, including adaptation and resilience planning, into relevant business decisions. Learn more.	●	●	●
Community Support and Volunteerism	Supporting communities in need where Baxter has a presence, with partnerships aimed at addressing economic, environmental and social needs, including through financial contributions and employee volunteerism. Learn more.		●	
Diversity and Inclusion	Maintaining an inclusive, nondiscriminatory hiring process and culture; providing employees equal pay for equal work regardless of gender, race, sexual orientation or disability; welcoming, leveraging and appreciating the uniqueness of every Baxter employee; and supporting supplier diversity. Learn more.	●	●	●
Employee Attraction, Development and Retention	Attracting, engaging and retaining top talent by providing employees career and personal training and development opportunities, and designing succession plans to ensure there are qualified Baxter candidates for critical positions; upholding labor rights and ensuring that labor concerns can be reported. Learn more.		●	
Ethics and Compliance	Providing an effective corporate governance structure, business processes, marketing standards, and reporting mechanisms, and fostering an open culture that demonstrates the highest ethics and anticorruption standards. Learn more.	●	●	●
Health, Safety and Well-Being	Providing employees with a zero-harm workplace, an environment that encourages healthy choices, and resources to maintain and improve their health and safety and that of their families. Learn more.		●	
Healthcare Access and Affordability	Improving access to, and affordability of, Baxter products and services for populations in need through product innovation, public health initiatives, public policy efforts, business model innovation and strategic giving, which includes product donations and grants from the Baxter International Foundation. Learn more.			●
Human Rights	Ensuring workers across Baxter's value chain are treated in accordance with international standards of human rights. Learn more.	●	●	●
Innovation	Investing in innovation that solves for unmet needs and improves patient outcomes and standards of care. Learn more.		●	●
Patient Safety and Quality	Helping to ensure quality and patient safety across the product life cycle through leading practices in design, materials use, manufacturing, communications, surveillance and reporting. Learn more.	●	●	●
Privacy and Data Protection	Protecting personal information from unauthorized or inappropriate collection, processing and disclosure, and protecting information resources from threats, whether internal or external, deliberate or accidental. Learn more.	●	●	●
Product Sustainability	Incorporating and managing sustainability across the product life cycle (R&D and design, materials use including chemicals of concern, manufacturing, product transport, packaging, product use and end-of-life), and communicating sustainable product attributes to customers. Learn more.	●	●	●
Supply Chain Sustainability	Working with suppliers to improve their own sustainability programs and performance, as well as Baxter's. Learn more.	●		
Waste	Minimizing disposal of manufacturing waste from Baxter's operations, first through source reduction and reuse and then through recycling and energy recovery. Learn more.		●	
Water Use	Reducing water use in Baxter's operations, increasing reuse, managing water discharge quality and protecting local water sources, especially in water-scarce areas. Learn more.		●	



Appendix: Baxter Data Summary

✓ Apex Companies, LLC has provided assurance on the following content in this section: Achieve Carbon Neutrality for Direct Operations by 2040; Implement Strategic Water Management Plans; Advance Sustainable Procurement; Implement Strategic Materials and Waste Management Plans; Environmental, Health, Safety and Sustainability Governance and Additional Disclosures; and Achieve Top Quartile Workplace Safety Performance.

SECTION AND INDICATOR	2019	2020	2021
Financial Performance¹			
Net Sales (\$ millions)	\$11,362	\$11,673	\$12,784
U.S. Net Sales (\$ millions)	\$4,826	\$4,878	\$5,180
International Net Sales (\$ millions)	\$6,536	\$6,795	\$7,604
Net Income (\$ millions)	\$1,011	\$1,110	\$1,295
Stock Price (\$ at year end)	\$83.62	\$80.24	\$85.84
Dividend (\$ per share)	\$0.85	\$0.955	\$1.085
Research and Development (\$ millions)	\$595	\$521	\$534
Continually Improve Manufacturing Capabilities			
Total Recalls: Medical Device and Drug			
Within the United States ²	9	12	10
Outside the United States	33	27	29
Recalls: Medical Device Only			
Within the United States ²	6	11	10
U.S. Food and Drug Administration (FDA) Class I Recalls ²	0	1	3
Outside the United States	16	17	16
Recalls: Drug Only			
Within the United States ²	3	1	0
FDA Class I Recalls ²	0	0	0
Outside the United States	17	10	13
Product Recall Rate ³ (% of Product Codes Sold)	0.7%	0.5%	1.6%
FDA Inspections and Enforcement Actions⁴			
Form 483s Received	5	0	2
Warning Letters Open	1	1	1
Warning Letters Resolved	1	0	0
Warning Letters Received	0	0	0
Product Seizure	0	0	0
Consent Decree	0	0	0
Achieve Carbon Neutrality for Direct Operations by 2040⁵			
Energy Usage from Baxter Operations⁶ (trillions of joules)			
North America	4,247	4,323	4,680
Latin America	972	1,021	990
Europe, Middle East and Africa (EMEA)	2,842	2,914	3,000
Asia Pacific	1,609	1,630	1,645
Billions of Joules per Million Dollars of Sales	851	847	821
Renewable Energy Usage (trillions of joules)	2,850	2,798	3,047
Facility Usage of Renewable Energy (as a % of total energy use)	29%	28%	30%

SECTION AND INDICATOR	2019	2020	2021
Achieve Carbon Neutrality for Direct Operations by 2040⁵ (continued)			
Lean Energy Program Performance⁷ (% of program criteria implemented across all manufacturing facilities, at year-end)			
Prerequisite	91%	96%	96%
Bronze	85%	90%	91%
Silver	74%	82%	83%
Gold	56%	64%	64%
Baxter's Global Greenhouse Gas (GHG) Emissions Footprint (Scope 1, 2, and 3) (metric tons CO ₂ e). See Baxter Value Chain Energy Usage and GHG Emissions for detail.			
GHG Emissions from Baxter Operations ⁸ (metric tons CO ₂ e)	5,586,000	5,091,000	5,259,000
North America	597,000	600,000	598,000
Latin America	249,000	246,000	237,000
EMEA	65,000	65,000	62,000
Asia Pacific	120,000	127,000	134,000
Asia Pacific	163,000	162,000	164,000
GHG Emissions from Operations per Million Dollars of Sales (metric tons CO ₂ e)	53	51	47
Worldwide GHG Emissions from Product Transport, by Mode⁹ (metric tons CO₂e)			
Air	440,000	449,500	425,800
Ocean	53,100	105,800	84,500
Rail	51,900	38,500	46,900
Road	21,800	12,800	14,200
Road	313,200	292,500	280,200
Worldwide GHG Emissions from Product Transport, by Region⁹ (metric tons CO₂e)			
North America	440,000	449,500	425,800
Latin America	164,600	206,400	175,900
Latin America	64,200	64,900	63,600
EMEA	164,100	98,300	92,100
Asia Pacific	47,100	79,900	94,200
Implement Strategic Water Management Plans⁵			
Water Usage¹⁰ (thousand cubic meters)			
North America	14,480	14,623	14,708
Latin America	5,204	5,173	5,254
Latin America	1,734	1,957	1,908
EMEA	4,396	4,444	4,402
Asia Pacific	3,146	3,049	3,144
Thousand Cubic Meters Water Usage ¹⁰ per Million Dollars of Sales	1.27	1.25	1.17
Water Usage,¹⁰ by Availability¹¹ (thousand cubic meters)			
Extremely High Water Stress	13,831	14,034	14,159
High Water Stress	1,156	1,300	1,281
High Water Stress	2,929	2,868	2,771
Medium-High Water Stress	1,197	1,141	1,229

SECTION AND INDICATOR	2019	2020	2021
Implement Strategic Water Management Plans⁵ (continued)			
Water Usage,¹⁰ by Availability¹¹ (thousand cubic meters) (continued)			
Low-Medium Water Stress	2,089	2,192	2,008
Low Water Stress	6,461	6,533	6,872
Wastewater Flow¹² (total direct discharge, thousand cubic meters)			
BOD ₅ (metric tons)	3,511	3,422	3,318
BOD ₅ (metric tons)	33	20	17
BOD ₅ (mg/L)	9	6	5
COD (metric tons)	86	52	45
COD (mg/L)	24	15	14
TSS (metric tons)	44	25	26
TSS (mg/L)	12	7	8
Advance Sustainable Procurement			
Spend with Suppliers ¹³ (United States and Puerto Rico) (approximate, dollars in billions)	\$2.9	\$2.3	\$2.2
Supplier Diversity¹⁴ (dollars in millions)			
Spend with Small Businesses	\$167	\$144	\$190
Spend with Minority-Owned Businesses	\$102	\$64	\$73
Spend with Women-Owned Businesses	\$96	\$84	\$90
Spend with Veteran-Owned Businesses	\$4	\$6	\$6
Implement Strategic Materials and Waste Management Plans⁵			
Total Waste¹⁵ (metric tons)			
North America	71,800	72,600	71,200
Latin America	28,500	31,600	30,100
Latin America	7,900	8,200	7,900
EMEA	25,800	23,100	23,300
Asia Pacific	9,600	9,700	9,800
Metric Tons of Total Waste per Million Dollars of Sales	6.32	6.22	5.66
Nonhazardous Waste¹⁶ (metric tons)			
North America	62,700	66,300	65,900
Latin America	26,000	30,300	29,100
Latin America	6,600	6,500	6,500
EMEA	20,800	20,000	20,700
Asia Pacific	9,300	9,500	9,600
Metric Tons of Nonhazardous Waste per Million Dollars of Sales	5.52	5.68	5.24
Regulated Waste¹⁷ (metric tons)			
North America	9,100	6,200	5,300
Latin America	2,400	1,200	1,000
Latin America	1,400	1,600	1,500
EMEA	5,000	3,100	2,600
Asia Pacific	300	300	300
Metric Tons of Regulated Waste per Million Dollars of Sales	0.80	0.53	0.42

Appendix: Baxter Data Summary (continued)

SECTION AND INDICATOR	2019	2020	2021
Implement Strategic Materials and Waste Management Plans⁵ (continued)			
Waste Management at Baxter (% of total)			
Recycled (on-site or off-site)	56.9%	59.1%	61.5%
Incinerated with Energy Recovery	18.0%	18.3%	15.7%
Incinerated	5.1%	5.0%	4.6%
Sent to Landfill	17.0%	15.7%	16.3%
Other Disposal	2.9%	2.0%	1.9%
Environmental, Health, Safety and Sustainability Governance and Additional Disclosures			
Baxter Toxics Release Inventory Air Releases ¹⁸ (metric tons)	31	23	--
NO_x and SO_x Emissions¹⁹ (metric tons)			
NO _x	428	436	463
SO _x	126	134	113
Kg NO _x and SO _x Emissions per Million Dollars of Sales	49	49	46
Environmental Compliance			
Environmental Notices of Violation	22	5	12
Environmental Fines Paid ²⁰ (in dollars)	\$0	\$861	\$0
Baxter and the Baxter International Foundation Charitable Giving²¹ (dollars in millions)			
Total Charitable Giving, by Category			
Investments in Underserved Communities Globally	--	--	\$51.72
Other Charitable Giving	--	--	\$4.16
Total Charitable Giving, by Type			
Baxter Product Donations to Aid Organizations ²²	\$16.81	\$24.33	\$36.14
Business and Facility Cash Donations			
Within the United States (including U.S. Territories)	\$1.21	\$2.05	\$4.85
Outside the United States	\$3.56	\$3.37	\$2.86
The Baxter International Foundation Contributions			
Within the United States (including U.S. Territories)	\$6.83	\$8.43	\$12.04
Grants ²³	\$4.77	\$6.10	\$10.13
Matching Gifts and Dollars for Doers	\$0.81	\$0.83	\$0.75
Scholarships	\$0.15	\$0.39	\$0.47
Prize Programs	\$0.33	\$0.31	\$0.13
Outside the United States	\$0.77	\$0.80	\$0.56
Grants	\$0.66	\$0.53	\$0.24
Scholarships	\$0.11	\$0.27	\$0.32
Achieve Top Quartile Workplace Safety Performance²⁴			
Recordable Incident Rate²⁵			
North America	0.39	0.41	0.33
Latin America	0.82	0.66	0.58
Latin America	0.24	0.46	0.27
EMEA	0.32	0.40	0.33
Asia Pacific	0.07	0.08	0.06
Cases with Days Lost Rate²⁶			
North America	0.086	0.174	0.116
North America	0.165	0.180	0.181
Latin America	0.000	0.249	0.073
EMEA	0.148	0.255	0.171
Asia Pacific	0.008	0.023	0.023
Days Lost Rate²⁷			
North America	2.14	4.80	4.15
North America	5.88	7.10	9.89
Latin America	0.00	2.99	0.64
EMEA	1.47	7.50	3.96
Asia Pacific	0.01	1.24	0.30

SECTION AND INDICATOR	2019	2020	2021
Achieve Top Quartile Workplace Safety Performance²⁴ (continued)			
Restricted Days Rate²⁸			
North America	7.83	3.77	3.89
North America	21.16	9.80	10.94
Latin America	0.55	1.61	0.42
EMEA	3.79	1.35	0.68
Asia Pacific	1.43	0.86	1.19
Days Away (Lost), Restricted or Transferred Rate (DART)	9.97	8.57	8.04
Employee/Contractor Major Incidents (total number)	5/1	12/1	4/0
Employee/Contractor Fatalities (total number)	0/0	0/0	0/0
Health and Safety Notices of Violation Settled	3	2	1
Health and Safety Fines Paid (in dollars)	\$9,382	\$3,450	\$7,802
Sources of Recordable Injury and Serious Incidents (as a % of total)			
Ergonomic	24%	14%	22%
Illness	--	18%	9%
Involving the Body (nonergonomic)	6%	5%	9%
Punctures	13%	9%	7%
Struck by Object	15%	13%	12%
Slips, Trips and Falls	22%	18%	24%
Caught In, On or Between	13%	13%	7%
Forklifts and Other Vehicles	3%	4%	2%
Other	4%	5%	8%
Increase Representation of Women and Ethnic Minorities in Leadership Roles			
Global Workforce by Gender (as a % of total)			
Women	47.8%	48.0%	48.4%
Men	52.2%	52.0%	51.6%
Representation of Women by Region (as a % of total)			
Americas ²⁹	49.6%	49.5%	49.5%
EMEA	47.2%	48.1%	48.9%
Asia Pacific	44.9%	44.9%	45.5%
Representation of Women by Job Level (as a % of total)			
Vice President and Above	31.9%	28.7%	31.6%
Director	--	34.3%	37.1%
Manager	--	42.5%	42.1%
Professional ³⁰	47.3%	47.2%	47.8%
Ethnic Minority Representation (as a % of total, U.S. only)			
Asian	--	8.6%	8.2%
Black/African American	--	9.7%	10.0%
Hispanic/Latino	--	18.0%	18.8%
White	--	61.9%	60.9%
Other ³¹	--	1.8%	2.1%
Ethnic Minority Representation by Job Level (as a % of total, U.S. only)			
Vice President and Above	38.5%	38.1%	37.6%
Vice President and Above	18.4%	18.0%	17.0%
Director	--	23.2%	25.3%
Manager	--	27.7%	26.6%
Professional ³⁰	30.0%	30.9%	31.1%

SECTION AND INDICATOR	2019	2020	2021
Increase Representation of Women and Ethnic Minorities in Leadership Roles (continued)			
Ethnic Minority Representation by Job Level (as a % of total, U.S. only) (continued)			
Vice President and Above			
Asian	--	10.1%	8.9%
Black/African American	--	2.2%	3.3%
Hispanic/Latino	--	3.4%	4.5%
White	--	82.0%	82.2%
Other ³¹	--	2.3%	1.1%
Director			
Asian	--	9.9%	12.4%
Black/African American	--	2.8%	3.0%
Hispanic/Latino	--	8.8%	8.3%
White	--	76.8%	74.2%
Other ³¹	--	1.7%	2.1%
Manager			
Asian	--	15.1%	14.1%
Black/African American	--	3.0%	3.9%
Hispanic/Latino	--	8.1%	7.6%
White	--	72.3%	72.8%
Other ³¹	--	1.5%	1.6%
Professional³⁰			
Asian	--	8.6%	8.5%
Black/African American	--	5.6%	5.8%
Hispanic/Latino	--	14.6%	15.3%
White	--	69.1%	68.0%
Other ³¹	--	2.1%	2.4%
Additional Workforce Disclosures			
Global Workforce by Job Level (as a % of total)			
Vice President and Above	0.3%	0.3%	0.3%
Director	--	1.6%	1.7%
Manager	--	9.2%	9.2%
Professional ³⁰	25.6%	26.2%	26.1%
Technical/Clerical ³²	63.1%	62.7%	62.8%
Global Workforce by Region (as a % of total)			
Americas ²⁹	48.2%	48.2%	49.0%
EMEA	27.2%	27.4%	27.0%
Asia Pacific	24.6%	24.3%	24.0%
Best Place to Work Survey (category scores)³³			
Culture	74%	--	78%
Development	70%	--	75%
Engagement	71%	--	80%
Inclusion	69%	--	77%
Leadership	67%	--	72%
Organization	74%	--	76%
Rewards	64%	--	64%
Workplace	73%	--	78%
Total Employee Training Hours ³⁴	1,920,000	950,000	2,200,000
Training Hours Per Employee (average) ³⁴	38.4	18	30
Voluntary Employee Turnover Rate	10.7%	9.2%	14.0%
Political Contributions			

See the [Baxter 2021 Public Policy and Political Contributions Report](#) for detailed data.



Appendix: Baxter Value Chain Energy Usage and GHG Emissions

✓ Apex Companies, LLC has provided [assurance](#) on the content in this section.

	Units	ENERGY USAGE			JOULES (trillions)			ENERGY COSTS (dollars in millions)			CARBON DIOXIDE EQUIVALENTS ^{1,2} (thousand metric tons)		
		2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Baxter Operations³													
Scope 1 - Stationary Sources (facilities)													
Natural Gas	Million Cubic Meters	114	121	134	4,384	4,631	5,139	\$34.7	\$33.0	\$37.0	221	234	260
Fuel Oil	Million Liters	5	6	5	208	236	217	\$3.1	\$3.3	\$3.3	15	17	15
Propane and LPG	Million Kilograms	7	8	8	359	363	372	\$5.1	\$4.6	\$6.1	22	22	23
Biomass ⁴	Million Kilograms	144	139	140	986	972	979	\$4.4	\$5.6	\$5.2	2	2	2
Subtotal		n/a	n/a	n/a	5,937	6,202	6,707	\$47.3	\$46.5	\$51.6	260	275	300
Scope 1 - Mobile Sources (Baxter-operated vehicles)⁵													
Aviation Fuel	Million Liters	0.4	0.3	0.2	14	9	5	\$0.3	\$0.2	\$0.1	1	1	0
Gasoline	Million Liters	5.8	4.8	5.4	206	177	194	\$6.5	\$5.3	\$6.5	13	11	12
Diesel Fuel	Million Liters	6.6	6.7	7.0	255	256	272	\$5.9	\$4.6	\$6.0	18	18	19
Subtotal	Million Liters	12.8	11.8	12.6	475	442	471	\$12.7	\$10.1	\$12.6	32	30	31
Refrigerants⁶													
Refrigerant Losses (facilities)	Metric Tons	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	8	8	7
Scope 1 Total		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	300	313	338
Scope 2 - Electricity and Purchased Steam													
Electricity (purchased) ⁷	Million Kilowatt-Hours	995	982	970	3,598	3,554	3,506	\$111.9	\$109.5	\$104.9	267	257	232
Electricity (on-site renewable)	Million Kilowatt-Hours	3	2	4	12	7	14	n/a	n/a	n/a	n/a	n/a	n/a
Purchased Steam	Million Kilograms	54	54	40	124	126	93	\$1.7	\$1.4	\$1.4	30	30	28
Scope 2 Total (market-based)		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	297	287	260
Scope 2 Total (location-based)		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	410	387	385
Baxter Operations Total		n/a	n/a	n/a	10,146	10,331	10,791	\$173.6	\$167.5	\$170.5	597	600	598
Scope 3 Emissions													
Purchased Goods and Services (Category 1) ⁸		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	805	827	891
Capital Goods (Category 2) ⁹		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	243	247	259
Fuel and Energy-Related Activities (Category 3) ¹⁰		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	147	147	147
Upstream Transportation and Distribution (Category 4) ¹¹		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	440	432	409
Waste Generated in Operations (Category 5) ¹²		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	15	15	14
Business Travel (Category 6) ¹³		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	28	7	8
Employee Commuting (Category 7) ¹⁴		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	29	30	30
Upstream Leased Assets (Category 8) ¹⁵		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0
Downstream Transportation and Distribution (Category 9) ¹⁶		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	131	136	140
Processing of Sold Products (Category 10) ¹⁷		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	16	17	23
Use of Sold Products (Category 11) ¹⁸		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	2,958	2,463	2,564
End-of-Life Treatment of Sold Products (Category 12) ¹⁸		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	177	170	176
Downstream Leased Assets (Category 13)		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0
Franchises (Category 14)		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0
Investments (Category 15)		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0
Scope 3 Emissions Total		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	4,989	4,491	4,661
Total GHG Emissions¹⁹		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	5,586	5,091	5,259

Appendix: Baxter Facilities with ISO 14001, ISO 45001, ISO 50001 and Green Building Certifications¹

✓ Apex Companies, LLC has provided [assurance](#) on the content in this section.

REGION/COUNTRY/ STATE/PROVINCE	CITY	ISO 14001	ISO 45001 ²	ISO 50001	GREEN BUILDING CERTIFICATION
North America					
Canada, Ontario	Alliston	X	X		
Canada, Ontario	Mississauga				Canada LEED Silver (2014)
United States, Alabama	Opelika	X	X		
United States, Arkansas	Mountain Home/Midway	X	X	X	
United States, California	Hayward	X	X		
United States, California	Irvine	X	X		
United States, Illinois	Round Lake, Manufacturing	X		X	
United States, Illinois	Round Lake, R&D				LEED Silver (2013) ³
United States, Indiana	Bloomington	X	X		
United States, Minnesota	St. Paul	X			
United States, Mississippi	Cleveland	X	X	X	
United States, New York	Medina	X			
United States, North Carolina	Marion (North Cove)	X	X		
Latin America					
Brazil	São Paulo	X	X	X	
Colombia	Cali	X	X	X	
Dominican Republic	Haina	X	X		
Costa Rica	Cartago	X	X	X	
Mexico	Atlacomulco	X	X		
Mexico	Cuernavaca	X	X		
Mexico	Tijuana	X			
Puerto Rico	Aibonito	X	X		
Puerto Rico	Guayama	X			
Puerto Rico	Jayuya	X			
Europe, Middle East and Africa					
Belgium	Lessines	X	X	X	
Belgium	Lessines BDCE	X	X	X	
France	Jonage-Lyon	X			BREEAM Good (2011)
France	Meuzieu	X		X	
Germany	Bielefeld	X	X	X	
Germany	Halle Westfalen	X	X	X	
Germany	Hechingen	X	X	X	
Greece	Athens (Herakleio)	X			
Ireland	Castlebar	X	X	X	
Ireland	Swinford	X	X		

REGION/COUNTRY/ STATE/PROVINCE	CITY	ISO 14001	ISO 45001 ²	ISO 50001	GREEN BUILDING CERTIFICATION
Europe, Middle East and Africa (continued)					
Ireland	Dublin/Blackrock	X			
Ireland	Dublin/Sandyford	X			
Italy	Grosotto	X	X	X	
Italy	Medolla	X	X		
Italy	Rome	X	X		Italia LEED Gold (2015)
Italy	Sesto Fiorentino	X	X		
Italy	Sondalo	X	X	X	
Malta	Marsa	X	X	X	
Portugal	Sintra	X	X		
Spain	Sabiñánigo	X	X	X	
Spain	Valencia	X	X		
Sweden	Kista	X			EU GreenBuilding (2011)
Sweden	Lund	X			
Sweden	Rosersberg	X			EU GreenBuilding (2011)
Switzerland	Zurich				Minergie Plus (2010)
Tunisia	Oued Ellil	X	X		
United Kingdom	Elstree	X			
United Kingdom	Croydon		X		
United Kingdom	Northampton	X	X		
United Kingdom	Stockport	X	X		
United Kingdom	Oxford	X	X		
United Kingdom	Thetford	X	X		
Asia Pacific					
Australia	Toongabbie	X	X	X	
China	Guangzhou	X	X		
China	Shanghai	X	X		
China	Suzhou	X	X		
China	Tianjin	X	X		
Japan	Miyazaki	X			
New Zealand	Auckland	X	X		
Philippines	Canlubang	X	X		
Singapore	Woodlands	X	X	X	
Thailand	Amata	X			

Appendix: Independent Assurance Statement



To: The Stakeholders of Baxter International Inc.

Introduction and Objectives of Work

Baxter International Inc. (Baxter) engaged Apex Companies, LLC (Apex) to provide assurance of selected sections of Baxter's 2021 Corporate Responsibility Report. This Assurance Statement applies to the Subject Matter included within the scope of work described below.

This information and its presentation in Baxter's 2021 Corporate Responsibility Report ("the Report") are the sole responsibility of the management of Baxter. Apex was not involved in the drafting of the Report. Our sole responsibility was to provide independent assurance on the accuracy of the Subject Matter. Baxter's 2021 Corporate Responsibility Report marks the 13th year for which we have provided assurance.

Scope of Work

The scope of our work was reasonable-level assurance of the following information included within the Report for the period Jan. 1, 2021, to Dec. 31, 2021 (the "Subject Matter").

Data and information included in the following sections of the Report:

- Achieve Carbon Neutrality for Direct Operations by 2040
 - > Greenhouse gas (GHG) emissions verification is documented under a separate [verification opinion declaration](#)
- Implement Strategic Water Management Plans
- Implement Strategic Materials and Waste Management Plans
- Environmental, Health, Safety and Sustainability Governance and Additional Disclosures
- Achieve Top Quartile Workplace Safety Performance

Related material in the Report Appendix, including:

- Baxter Data Summary—Achieve Carbon Neutrality for Direct Operations by 2040; Implement Strategic Water Management Plans; Advance Sustainable Procurement; Implement Strategic Materials and Waste Management Plans; Environmental, Health, Safety and Sustainability Governance and Additional Disclosures; Achieve Top Quartile Workplace Safety Performance
- Baxter Value Chain Energy Usage and GHG Emissions (Energy, Scope 1 and Scope 2 GHG emissions)
- Facilities with ISO 14001, ISO 45001, ISO 50001 and Green Building Certifications

The scope of work also included limited-level assurance of the following Subject Matter:

- Data and information included in the following sections of the Report:
 - > Achieve Carbon Neutrality for Direct Operations by 2040 (Scope 3 GHG emissions, Product Distribution section)
 - > Supplier Diversity in the Diversity, Equity and Inclusion section
 - > Protecting Human Rights in Our Supply Chain in the Human Rights section
 - > Advance Sustainable Procurement

- Related material in the Report Appendix:
 - > Baxter Data Summary—Supplier Diversity and GHG Emissions from Product Transport subsections
 - > Baxter Value Chain Energy Usage and GHG Emissions—Scope 3 emissions

Our assurance does not extend to any other information included in the Report.

Reporting Boundaries

The following are the boundaries Baxter used for reporting sustainability data:

- Operational control
- Worldwide

Reporting Criteria

The Subject Matter needs to be read and understood together with Baxter's internal reporting requirements for facility environmental, health, safety and sustainability performance, as well as information described in the text, appendix, data tables and notes of the Report.

Limitations and Exclusions

Excluded from the scope of our work is any verification of information relating to:

- Activities outside the defined assurance period, which is the 2021 calendar year
- Positional statements (expressions of opinion, belief, aim or future intention) by Baxter and statements of future commitment
- Any financial data previously audited by an external third party
- Data and information included in sections of the Report not listed in the scope of work above

This assurance engagement relies on a risk-based selected sample of sustainability data and the associated limitations that this entails. This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist.

Responsibilities

The preparation and presentation of the Subject Matter in the Report are the sole responsibility of the management of Baxter. Apex was not involved in the drafting of the Report or of the Reporting Criteria. Our responsibilities were to:

- Provide independent assurance about whether the Subject Matter has been prepared in accordance with the Reporting Criteria
- Form an independent conclusion based on the assurance procedures performed and evidence obtained
- Report our conclusions to the stakeholders of Baxter

Assessment Standards

We performed our work in accordance with Apex's standard procedures and guidelines for external Assurance of Sustainability

Reports and the International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information (effective for assurance reports dated on or after Dec. 15, 2015), issued by the International Auditing and Assurance Standards Board. A materiality threshold of ±5% was set for the assurance process.

The work was planned and carried out to provide reasonable, rather than absolute, assurance of the Subject Matter except for the Scope 3 GHG emissions and Product Distribution in the Achieve Carbon Neutrality for Direct Operations by 2040 section; Protecting Human Rights in Our Supply Chain in the Human Rights section; Supplier Diversity in the Diversity, Equity and Inclusion section; and the Advance Sustainable Procurement section, which was carried out to provide limited assurance. We believe that our work provides an appropriate basis for our conclusions.

Summary of Work Performed

As part of our independent verification, our work included:

- Assessing the appropriateness of the Reporting Criteria for the Subject Matter
- Conducting interviews with relevant Baxter personnel who are responsible for collecting and reporting performance data and other Subject Matter
- Reviewing documentary evidence provided by Baxter
- Reviewing Baxter's systems for quantitative data aggregation and analysis during remote meetings with personnel from Baxter's offices in Round Lake and Deerfield, Illinois
- Assessing assumptions made and the data scope and reporting boundaries. Auditing consolidated performance data, including review of a sample of data-to-source documentation
- Auditing a selection of the Subject Matter to the corresponding source documentation
- Auditing performance data during virtual audits of operating sites located in Ahmedabad, India; Cleveland, Mississippi; Deerfield, Illinois; Lund, Sweden; Medolla, Italy; and Opelika, Alabama
- Assessing the disclosure and presentation of the Subject Matter with emphasis on principles of accuracy, accessibility, balance, clarity, comparability, reliability and timeliness and to ensure consistency with the Reporting Criteria

Conclusion

On the basis of our methodology and the activities described above, it is our opinion that the Subject Matter within assured sections including: the Environmental, Health, Safety and Sustainability Governance and Additional Disclosures; Achieve Carbon Neutrality for Direct Operations by 2040; Implement Strategic Materials and Waste Management Plans; Implement Strategic Water Management Plans; and Achieve Top Quartile Workplace Safety Performance sections of the Report, as well as related material in the Report Appendix:

- Is presented in accordance with the Reporting Criteria and is, in all material respects, fairly stated
- Is presented in a clear, understandable and accessible manner

- Allows readers to form a balanced opinion of Baxter's activities and performance during calendar year 2021

Also, on the basis of our methodology and the activities described above:

- Nothing has come to our attention to indicate that the data and information in the Responsible Procurement and Logistics section of the Report are inaccurate or that the information is not fairly stated.
- It is also our opinion that Baxter has established appropriate systems for the collection, aggregation, analysis and review of the Subject Matter.

Additional Commentary

During the assurance process, Apex observed that Baxter continues to improve its overall data collection and reporting processes at the site and corporate level. Opportunities for improving facility-level data collection, reporting and procedural documentation at some facilities were noted.

We recommend that Baxter corporate personnel continue to support individual facility personnel with collection and consolidation of site-specific metrics that are included in reporting.

Statement of Independence, Integrity and Competence

Apex is an independent professional services company that specializes in health, safety, social and environmental management services, including assurance, with more than 30 years history in providing these services.

Apex has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.

No member of the assurance team has a business relationship with Baxter International Inc., or its directors or managers, beyond that required of this assignment. We have conducted this verification independently, and there has been no conflict of interest.

The assurance team has extensive experience in conducting assurance on health, safety, social, environmental and ethical information, systems and processes. The team has more than 20 years combined experience in this field and an excellent understanding of Apex's standard methodology for the assurance of sustainability-related assertions.

JOHN A. ROHDE
Apex Companies LLC | Lakewood, CO

TREVOR DONAGHU
Apex Companies LLC | Pleasant Hill, CA

May 9, 2022

Appendix: Sustainability Accounting Standards Board Index

This index includes and references information related to the Sustainability Accounting Standards Board (SASB) Medical Equipment and Supplies Sustainability Accounting Standard. Data are calendar year 2021, unless stated otherwise, and do not include Hillrom.

TOPIC	CODE	SASB METRIC	2021 REPORTING
Affordability & Pricing	HC-MS-240a.1	Ratio of weighted average rate of net price increases (for all products) to the annual increase in the U.S. Consumer Price Index	Baxter does not disclose this data. See Contractual Arrangements in Baxter's 2021 Annual Report on Form 10-K for information about some factors that impact product pricing.
	HC-MS-240a.2	Description of how price information for each product is disclosed to customers or to their agents	<p>Baxter products are sold through contracts with customers, both within and outside the United States. Some of these contracts have terms of more than one year and place limits on our ability to increase prices; some contracts also specify minimum quantities to be purchased by the customer; and some contracts may include variable consideration related to rebates, sales discounts and/or wholesaler chargebacks. Our customers include hospitals, governments, kidney dialysis centers and other organizations. Both in the United States and outside, hospitals and other customers have joined purchasing entities, such as group purchasing organizations, integrated delivery networks and public contracting authorities, to enhance purchasing power.</p> <p>See the Contractual Arrangements, Competition and Healthcare Cost Containment, and Revenue Recognition sections in Baxter's 2021 Annual Report on Form 10-K.</p>
Product Safety	HC-MS-250a.1	Number of recalls issued, total units recalled	<p>In 2021, Baxter issued</p> <ul style="list-style-type: none"> • Ten medical device product recalls that were reported to FDA and removed from the market or corrected¹ • Zero medical device product recalls that were not reported to FDA¹ • Sixteen medical device product recalls that were reported to non-U.S. national regulatory authorities and removed from the market or corrected <p>See Continually Improve Manufacturing Capabilities and Baxter Data Summary for information about the company's product improvements and recall data, inclusive of drug-related recalls.</p>
	HC-MS-250a.2	List of products listed in the FDA's MedWatch Safety Alerts for Human Medical Products database	<p>As of Dec. 31, 2021, the MedWatch Safety Alerts for Human Medical Products database included the following Baxter medical device products: Dose IQ Safety Software and Spectrum IQ Infusion System.</p> <ul style="list-style-type: none"> • Baxter Healthcare Recalls Dose IQ Software Version 9.0.x, Used with Spectrum IQ Infusion Pumps, for Software Defect That May Improperly Configure Drug and Fluid Delivery • Baxter Issues Urgent Medical Device Correction for All Spectrum IQ Infusion Pumps to Reinforce Important Safety Information Regarding Best Practices for Customer-Initiated IT Network Updates
	HC-MS-250a.3	Number of fatalities related to products as reported in the FDA Manufacturer and User Facility Device Experience	Under FDA regulations, manufacturers and device user facilities must report information that reasonably suggests a medical device may have caused or contributed to a fatality or serious injury. Manufacturers must also submit to FDA reports of certain malfunctions. Such reports for Baxter's medical devices are available here: Manufacturer and User Facility Device Experience .
	HC-MS-250a.4	Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type	<p>In 2021, Baxter received</p> <ul style="list-style-type: none"> • Two Form 483s • Zero warning letters • Zero seizures • Zero consent decrees <p>See Continually Improve Manufacturing Capabilities, as well as Certain Regulatory Matters in Baxter's 2021 Annual Report on Form 10-K for related information.</p>

Appendix: Sustainability Accounting Standards Board Index (continued)

TOPIC	CODE	SASB METRIC	2021 REPORTING
Ethical Marketing	HC-MS-270a.1	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	In 2021, Baxter had no monetary losses due to legal proceedings associated with false marketing claims that were previously reported in any company Exchange Act filings.
	HC-MS-270a.2	Description of code of ethics governing promotion of off-label use of products	Off-label promotion is strictly prohibited at Baxter. See the Baxter Code of Conduct and the Baxter Global Interactions Policy . See Ethics and Compliance for information about the company's approach in this area.
Product Design & Lifecycle Management	HC-MS-410a.1	Discussion of process to assess and manage environmental and human health considerations associated with chemicals in products, and meet demand for sustainable products	See Sustainable Design, Materials Use in Products and Packaging , Materials of Concern and Striving for Full Materials Disclosure for information about the company's approach in this area.
	HC-MS-410a.2	Total amount of products accepted for takeback and reused, recycled, or donated, broken down by: (1) devices and equipment and (2) supplies	See Product End-of-Life for product recovery data and information about the company's approach in this area.
Supply Chain Management	HC-MS-430a.1	Percentage of (1) entity's facilities and (2) Tier I suppliers' facilities participating in third-party audit programs for manufacturing and product quality	Between 2019 and 2021, approximately 40% of Baxter's total facilities worldwide completed third-party audits based on ISO 13485 or ISO 9001 (including through the Medical Device Single Audit Program); approximately 50% completed ministry of health or equivalent audits (depending on location) related to manufacturing and product quality; and nearly 10% completed safety marking (such as CE marking) audits. As of Dec. 31, 2021, 29% of Baxter's Tier I suppliers had obtained third-party certification. See Continually Improve Manufacturing Capabilities and Supplier Audits for related information.
	HC-MS-430a.2	Description of efforts to maintain traceability within the distribution chain	Baxter has a range of systems and processes to maintain traceability of materials throughout the product supply and distribution chain: <ul style="list-style-type: none"> • Traceability of materials from suppliers to Baxter, and throughout the manufacturing process, is maintained utilizing electronic systems. • Products manufactured by Baxter are labeled with an identifier that is traceable from the manufacturing process to the customer and may utilize barcoding and serialization technology to facilitate electronic track-and-trace capability. Enterprise resource planning (ERP) systems are used to manage traceability to the point of sale. Baxter has business agreements with our wholesalers to ensure traceability is maintained within their distribution chains, and we can access related information if needed. • Baxter maintains a range of compliance-focused initiatives to help ensure all products are labeled as required by local and regional regulations to enable traceability. See section 7.11, Product Identification and Traceability of the Baxter Supplier Quality Standard and Customs Trade Partnership Against Terrorism program content in Industry Collaboration for more information.
	HC-MS-430a.3	Description of the management of risks associated with the use of critical materials	See Baxter's Position Statement on Conflict Minerals and our most recent Conflict Minerals Report .
Business Ethics	HC-MS-510a.1	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	In 2021, Baxter had no monetary losses due to legal proceedings associated with bribery or corruption that were previously reported in any company Exchange Act filings. See Ethics and Compliance for information about the company's approach in this area.
	HC-MS-510a.2	Description of code of ethics governing interactions with health care professionals	See Baxter's Global Interactions Policy and Ethics and Compliance for information about the company's approach in this area. Baxter has adopted the AdvaMed Code of Ethics and also belongs to similar industry and professional associations around the world. See Professional Codes of Ethics and Industry Standards on Baxter's Ethics and Compliance page for information.

Appendix: Global Reporting Initiative (GRI) Content Index

This index references information related to disclosures from the GRI Sustainability Reporting Standards. The reported information may meet in part or in full the requirements of each GRI disclosure listed.

DISCLOSURE	2021 REPORTING	DISCLOSURE	2021 REPORTING	DISCLOSURE	2021 REPORTING
GRI 102: General Disclosures 2016		GRI 102: General Disclosures 2016 (continued)		GRI 200 Economic Standard Series	
Organizational Profile		Governance		GRI 201: Economic Performance 2016	
102-1	Name of the organization 4	102-18	Governance structure Our Governance	GRI 103	Management Approach 2016 36, 50, 53
102-2	Activities, brands, products and services Baxter 2021 Annual Report on Form 10-K	102-19	Delegating authority 10	201-1	Direct economic value generated and distributed 36, 50, 54, 55, Baxter 2021 Annual Report on Form 10-K
102-3	Location of headquarters Baxter's corporate headquarters is in Deerfield, Illinois.	102-20	Executive-level responsibility for economic, environmental and social topics 10	201-2	Financial implications and other risks and opportunities due to climate change Baxter CDP submission
102-4	Location of operations Baxter 2021 Annual Report on Form 10-K	102-22	Composition of the highest governance body and its committees Our Governance	GRI 203: Indirect Economic Impacts 2016	
102-5	Ownership and legal form Baxter International Inc. (BAX) is a publicly traded company listed on the New York Stock Exchange.	102-23	Chair of the highest governance body Our Governance	GRI 103	Management Approach 2016 15, 36, 50, 53
102-6	Markets served Baxter 2021 Annual Report on Form 10-K	Organizational Profile		203-1	Infrastructure investments and services supported 15, 36
102-7	Scale of the organization Baxter 2021 Annual Report on Form 10-K	102-24	Nominating and selecting the highest governance body Corporate Governance Guidelines	203-2	Significant indirect economic impacts 15, 36, 50
102-8	Information on employees and other workers 55	102-25	Conflicts of interest Corporate Governance Guidelines	GRI 205: Anticorruption 2016	
102-9	Supply chain 28, 54	102-31	Review of economic, environmental and social topics 11	GRI 103	Management Approach 2016 43, 53
102-10	Significant changes to the organization and its supply chain Baxter 2021 Annual Report on Form 10-K	102-33	Communicating critical concerns Baxter 2022 Proxy Statement, (Baxter 2022 Proxy Statement Amendment)	205-1	Operations assessed for risks related to corruption 44
102-11	Precautionary Principle or approach 17, 30, 34	102-35	Remuneration policies Corporate Governance Guidelines, Baxter 2022 Proxy Statement, (Baxter 2022 Proxy Statement Amendment)	205-2	Communication and training about anticorruption policies and procedures 43
102-12	External initiatives Examples are included throughout this report.	102-36	Process for determining remuneration Corporate Governance Guidelines, Baxter 2022 Proxy Statement, (Baxter 2022 Proxy Statement Amendment)	GRI 300 Environmental Standards Series	
102-13	Membership of associations We engage with external organizations to help drive progress on a broad range of issues. Examples include Advanced Medical Technology Association, Association of Corporate Citizenship Professionals, Boston College Center for Corporate Citizenship, Business Roundtable, Ceres Company Network, Chicago United, Clean Cargo, Congressional Black Caucus Foundation, GRI Community, Health Information Sharing and Analysis Center, Healthcare Businesswomen's Association, Healthcare Leadership Council, Healthcare Plastics Recycling Council, Medical Device Innovation Consortium, MedTech Europe, National Association for EHS&S Management, National Minority Quality Forum, National Minority Supplier Development Council, ORC HSE, Partnership for Quality Medical Donations, Pharmaceutical Supply Chain Initiative, Sustainable Healthcare Coalition, Vinyl Council of Australia and others.	Stakeholder Engagement		GRI 301: Materials 2016	
Strategy		102-40	List of stakeholder groups 11	GRI 103	Management Approach 2016 30, 32, 34, 53
102-14	Statement from senior decision-maker 3	102-42	Identifying and selecting stakeholders 11	301-3	Reclaimed products and their packaging materials 32
Ethics and Integrity		102-43	Approach to stakeholder engagement 11	GRI 302: Energy 2016	
102-16	Values, principles, standards and norms of behavior 20, 28, 37, 43, 45, 47, 51	Reporting Practice		GRI 103	Management Approach 2016 23, 53
102-17	Mechanisms for advice and concerns about ethics 44	102-45	Entities included in the consolidated financial statements Baxter 2021 Annual Report on Form 10-K	302-1	Energy consumption within the organization 23, 54, 56
		102-46	Defining report content and topic boundaries 11	302-3	Energy intensity 54
		102-47	List of material topics 11	302-4	Reduction of energy consumption 23
		102-50	Reporting period Calendar year 2021	GRI 303: Water and Effluents 2018	
		102-51	Date of most recent report July 2021	GRI 103	Management Approach 2016 25, 53
		102-52	Reporting cycle Yearly	303-3	Water withdrawal 26, 54
		102-53	Contact point for questions regarding the report corporate_responsibility_report@baxter.com	303-4	Water discharge 54
		102-55	GRI content index This section		
		102-56	External assurance 2		



Appendix: Global Reporting Initiative (GRI) Content Index (continued)

DISCLOSURE	2021 REPORTING
GRI 300 Environmental Standards Series (continued)	
GRI 305: Emissions 2016	
GRI 103 Management Approach 2016	20 , 53
305-1 Direct (Scope 1) GHG emissions	22 , 54 , 56
305-2 Energy indirect (Scope 2) GHG emissions	22 , 54 , 56
305-3 Other indirect (Scope 3) GHG emissions	23 , 54 , 56
305-4 GHG emissions intensity	22 , 54
305-5 Reduction of GHG emissions	23 , 24
305-7 Nitrogen oxides (NO _x), sulfur oxides (SO _x) and other significant air emissions	55
GRI 306: Waste 2020	
GRI 103 Management Approach 2016	31 , 53
306-3 Waste generated	31 , 54 , 55
306-4 Waste diverted from disposal	31 , 55
306-5 Waste directed to disposal	31 , 55
GRI 307: Environmental Compliance 2016	
GRI 103 Management Approach 2016	33
307-1 Non-compliance with environmental laws and regulations	33 , 55
GRI 308: Supplier Environmental Assessment 2016	
GRI 103 Management Approach 2016	24 , 28 , 53
308-2 Negative environmental impacts in the supply chain and actions taken	24 , 29 , 54 , 56
GRI 400 Social Standards Series	
GRI 401: Employment 2016	
GRI 103 Management Approach 2016	49 , 53 , Benefits
401-1 New employee hires and employee turnover	55
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	49 , Benefits All benefits are generally provided to full-time and part-time employees.
GRI 402: Labor/Management Relations 2016	
402-1 Minimum notice periods regarding operational changes	Minimum notice period varies by country. The length of the notice period is dependent on the type of change being made. Baxter is committed to providing appropriate notice and follows all relevant consultation and notice requirements.

DISCLOSURE	2021 REPORTING
GRI 400 Social Standards Series (continued)	
GRI 403: Occupational Health and Safety 2018	
GRI 103 Management Approach 2016	39 , 53
403-9 Work-related injuries	40 , 55
GRI 404: Training and Education 2016	
GRI 103 Management Approach 2016	53 , Career Development
404-1 Average hours of training per year per employee	55
404-2 Programs for upgrading employee skills and transition assistance programs	47 , 49 , Career Development
GRI 405: Diversity and Equal Opportunity 2016	
GRI 103 Management Approach 2016	46 , 53
405-1 Diversity of governance bodies and employees	55 , Our Leadership
GRI 408: Child Labor 2016	
GRI 103 Management Approach 2016	28 , 53 , Baxter Global Human Rights Policy , Baxter Code of Conduct , Baxter Supplier Quality Standard , Ethics and Compliance Standards for Baxter Suppliers
408-1 Operations and suppliers at significant risk for incidents of child labor	29
GRI 409: Forced or Compulsory Labor 2016	
GRI 103 Management Approach 2016	28 , 53 , Baxter Global Human Rights Policy , Baxter Code of Conduct , Baxter Supplier Quality Standard , Ethics and Compliance Standards for Baxter Suppliers , Baxter California Transparency in Supply Chains Act Supplier Disclosure Statement , Baxter UK Modern Slavery Statement , Baxter Conflict Minerals Position Statement
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	29
GRI 414: Supplier Social Assessment 2016	
GRI 103 Management Approach 2016	28 , 53
414-2 Negative social impacts in the supply chain and actions taken	29
GRI 415: Public Policy 2016	
GRI 103 Management Approach 2016	Baxter 2021 Public Policy and Political Contributions Report
415-1 Political contributions	Baxter 2021 Public Policy and Political Contributions Report

DISCLOSURE	2021 REPORTING
GRI 400 Social Standards Series (continued)	
GRI 416: Customer Health and Safety 2016	
GRI 103 Management Approach 2016	17 , 34 , 53
416-1 Assessment of the health and safety impacts of product and service categories	17
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Baxter 2021 Annual Report on Form 10-K
GRI 418: Customer Privacy 2016	
GRI 103 Management Approach 2016	51 , 53
GRI 419: Socioeconomic Compliance 2016	
GRI 103 Management Approach 2016	43
419-1 Non-compliance with laws and regulations in the social and economic area	Baxter 2021 Annual Report on Form 10-K



Appendix: Endnotes

INTRODUCTION

¹ As of Dec. 31, 2021. Approximately 10,000 of those employees joined Baxter in December 2021 as a result of our acquisition of Hillrom.

² "Smart device" counts are based on internal estimates and include those devices that can collect and communicate data and are connected or connectable to a network. The approximate 2 million estimate (post-Hillrom acquisition) includes 1.3 million as previously disclosed by Hillrom at the JPMorgan Healthcare Conference on Jan. 15, 2020.

CORPORATE RESPONSIBILITY COMMITMENT

¹ Estimated energy and financial savings as well as GHG emissions avoidance are calculated for the 12 months following project implementation.

EMPOWER OUR PATIENTS

Reach More Underserved Kidney Patients

¹ Liyanage, et al. *Lancet*. 2015; 385(9981)

² Of the 30 countries with PD Ambassadors, 21 are developing countries.

PROTECT OUR PLANET

Achieve Carbon Neutrality for Direct Operations by 2040

¹ Scope 1 emissions are direct GHG emissions from sources we own or control, such as on-site fuel combustion. Scope 2 emissions are indirect GHG emissions associated with purchased electricity and steam for owned/controlled facilities. Baxter's Scope 1 and Scope 2 emissions have been verified by a third party to a reasonable assurance level (see [verification statement](#)). The market-based method is used for Scope 2 unless otherwise stated. See [Baxter Value Chain Energy Usage and GHG Emissions](#) for additional detail.

² The savings described in this paragraph are calculated on an annualized basis (12 months from each project completion date), though savings should continue beyond one year.

³ In 2021, we used biomass fuels to generate energy in boilers at two Baxter locations: one in the United States and one in Italy. During the year, emissions from the Baxter-operated biomass boilers equated 151,000 metric tons CO₂. In accordance with the GHG Protocol, these are not included in reported Scope 1 and Scope 2 emissions. However, also in accordance with the GHG Protocol, we include CO₂e emissions from the CH₄ and N₂O components of biomass combustion in our reported Scope 1 emissions.

⁴ U.S. Environmental Protection Agency Green Power Partnership Fortune 500 Partners List. As of Oct. 25, 2021.

⁵ The savings described below for projects in Haina, Dominican Republic, and Lessines, Belgium, are calculated on an annualized basis (12 months from each project completion date), though savings should continue beyond one year.

⁶ Participating manufacturing facilities are those with energy costs that exceed \$200,000 per year.

⁷ This includes electricity, fuel and purchased steam consumed by Baxter-managed and Baxter-operated facilities; it excludes energy related to company-operated vehicles.

⁸ Estimated energy and financial savings as well as GHG emissions avoidance are calculated for the 12 months following project implementation.

⁹ Includes manufacturing facilities with energy costs that exceed \$200,000 per year.

¹⁰ Baxter's Scope 3 emissions relate to activities within the company's value chain, but outside of our direct control. These emissions are based on various assumptions and estimates and are verified by a third party to a limited assurance level (see [verification statement](#)). See [Baxter Value Chain Energy Usage and GHG Emissions](#) for detail.

¹¹ Includes Scope 1 and Scope 3 GHG emissions for product transport.

¹² These savings are calculated on an annualized basis (12 months from the project completion date), though savings should continue beyond one year.

Implement Strategic Water Management Plans

¹ One cubic meter equals 1,000 liters or 264 gallons.

² The WRI water tool defines baseline water stress as total annual water withdrawals (municipal, industrial and agricultural) expressed as a percentage of total annual available flow. Higher values indicate more competition among users.

Low: Less than 10% of the water available to agricultural, domestic and industrial users is withdrawn annually.

Low-Med: Between 10 and 20% of the water available to agricultural, domestic and industrial users is withdrawn annually.

Med-High: Between 20 and 40% of the water available to agricultural, domestic and industrial users is withdrawn annually.

High: Between 40 and 80% of the water available to agricultural, domestic and industrial users is withdrawn annually.

Extremely High: More than 80% of the water available to agricultural, domestic and industrial users is withdrawn annually.

Advance Sustainable Procurement

¹ These percentages do not add up to 100% due to rounding.

Implement Strategic Materials and Waste Management Plans

¹ The savings described below for projects in Cuernavaca, Mexico, and Lessines, Belgium, are calculated on an annualized basis (12 months from each project completion date), though savings should continue beyond one year.

² Certain waste streams at two facilities in Europe have government-mandated requirements. These waste streams are excluded from the total.

PROTECT OUR PLANET (CONTINUED)

Environmental, Health, Safety and Sustainability Governance and Additional Disclosures

¹ The environmental data included in this report are based on 119 reporting locations, of which 51 are manufacturing, 20 are warehouse, and 48 are other types of locations, such as compounding centers, administrative or clerical. Several of the reporting units comprise multiple locations that report as a single entity. For example, in 2021, Baxter's 45 renal therapy sites in Colombia reported as a single entity. The reporting scope excludes certain leased facilities for which environmental performance data are not available or are not material to Baxter's overall environmental performance. The health and safety data included in this report are based on 214 reporting locations. The Environmental, Health, Safety and Sustainability (EHS&S) information reported covers 100% of Baxter's operations unless noted otherwise. EHS&S data are revised to reflect acquisitions, divestitures and plant closings as well as to incorporate any corrections necessary due to additional data verification activities (such as EHS&S audits). Data were not revised to include Hillrom. See the [Baxter Data Summary](#) for additional details.

² For the purpose of this calculation, manufacturing includes pharmaceutical locations; and our sites in Sondalo, Italy, and Grosotto, Italy, are counted separately. Outside of manufacturing locations, the balance of 15 ISO certified sites also includes compounding (6), offices (5), planning and fulfillment (3), and research and development (1).

³ These audits consisted of 11 ISO external audits, 11 external compliance audits and 4 joint EHS&S & Engineering critical infrastructure reviews.

CHAMPION OUR PEOPLE AND COMMUNITIES

Invest in Underserved Communities Globally

¹ Variations in Baxter's annual product donations are due to fluctuations in community needs, the need and volume of disaster relief response, the regulatory environment, manufacturing processes and changes in product mix availability and marketing. We identify opportunities to donate and respond to community and humanitarian aid partner requests as appropriate. Value of products donated (provided at no cost) is provided by partners based on wholesale acquisition cost at the time of donation. This number may be greater or less than the value of Baxter products distributed during the year by our relief partners.

² As of June 2022, based on an hourly rate of \$29.95 per volunteer hour, as estimated by Independent Sector (<https://independentsector.org/value-of-volunteer-time-2021/>); volunteer hours are self-reported by Baxter employees.

³ Variations in Baxter's annual product donations are due to fluctuations in community needs, the need and volume of disaster relief response, the regulatory environment, manufacturing processes and changes in product mix availability and marketing. We identify opportunities to donate and respond to community and humanitarian aid partner requests as appropriate. Value of products donated (provided at no cost) is provided by partners based on wholesale acquisition cost at the time of donation. This number may be greater or less than the value of Baxter products distributed during the year by our relief partners.

Achieve Top Quartile Workplace Safety Performance

¹ Injuries Baxter is targeting to reduce in the near term include ergonomics; and slips, trips and falls.

² Each year, profiles untouched for the previous three years are removed from the active database.

³ See [Baxter Data Summary endnotes 24–27](#) for definitions of the injury and illness metrics used in this section.

⁴ Major incidents are defined as those that result in an employee or contractor being hospitalized overnight (for more than observation), sustaining an amputation or dying.

Increase Representation of Women and Ethnic Minorities in Leadership Roles

¹ "Ethnic minorities," within the context of our 2030 goal, refers to underrepresented minority groups in the United States, including Black/African American, Latino/Hispanic, Asian American, Native American and two or more races.

² Our 2030 goals related to increasing the representation of women and ethnic minorities in leadership roles are based on assumptions about labor market conditions. "Labor market conditions" refers to the availability of talent in the marketplace in the communities where we operate and serve, and specifically looks at census data, as well as our internal pipeline. These labor market conditions can change over time so we will continue to monitor and adjust our goals as needed.

CROSS-CUTTING COMMITMENTS

Ethics and Compliance

¹ Those who did not receive the questionnaire included (for example) shop floor employees, employees without Baxter email addresses, consultants, contractors and other service providers.

² The number of cases closed during any given year typically includes some cases opened before the beginning of the year.

Diversity, Equity and Inclusion

¹ As of Dec. 31, 2021. Approximately 10,000 of those employees joined Baxter in December 2021 as a result of our acquisition of Hillrom.

² Calculations represent the Board's composition on June 27, 2022.

³ Underrepresented groups: employee populations that are inadequately represented and disproportionately lower than in the general population (e.g., gender, race/ethnicity, disability, LGBTQ+, generation, veteran status).

⁴ Jan. 1, 2021, through Dec. 31, 2021. "Economic output" includes revenues earned by suppliers and businesses in the company's supply chain and their communities. "Indirect" includes impacts at the businesses from which suppliers (and their suppliers) purchase goods and services. "Induced" includes impacts generated in the communities of the suppliers' employees associated with purchases made by these employees and jobs supported through those purchases.

Privacy and Data Protection

¹ Training is applied according to valid Baxter email. Employees without a Baxter email address, such as those in manufacturing, do not participate.

Appendix: Endnotes (continued)

MATERIALITY ASSESSMENT FINDINGS

¹ In this report, we are not using the terms “material” and “materiality” as defined for the purposes of financial and SEC reporting in the United States. Instead, the terms refer to environmental, social and economic issues that are of significant importance to our stakeholders and to the company. These “material” issues inform our corporate responsibility strategy, priorities and goals, and reporting. The issues in this table are listed in alphabetical order. The listing does not reflect the presumed importance or “materiality” of any particular issue to Baxter or our stakeholders.

BAXTER DATA SUMMARY

¹ Excluding the Financial Performance section, metrics included in this Baxter Data Summary do not reflect Hillrom activity.

² Differences compared with data on FDA websites may be due to timeframe (the date Baxter takes an action may differ from the date FDA classifies that action), definition of “recall” (FDA data includes actions taken even if the product is not removed or corrected), and classification by product group vs. product code (FDA counts each impacted product code within a product family as a distinct recall).

³ Product Recall Rate is defined as the number of unique product codes corrected or removed from the market per total Baxter owned unique product codes sold globally.

⁴ As of 2021, Baxter had 55 FDA-registered establishments available for inspection.

⁵ The regional breakdown of the data included in this section reflects the structure of the Environmental, Health, Safety and Sustainability (EHS&S) organization and the categorization of data in the EHS&S global information management system through 2021. Some data for 2019 and 2020 are updated from data reported in the Baxter 2020 Corporate Responsibility Report, to improve accuracy and in the case of GHG emissions to reflect updated GHG emission factors. Some totals vary from sum of items in category, due to rounding.

⁶ Excludes energy consumption associated with Baxter-operated mobile sources and renewable electricity generated on site.

⁷ Baxter’s Lean Energy Program began in 2007. Early in 2016, we introduced new Lean Energy Program requirements and updated some existing ones to better align the program with ISO 50001 requirements for energy management.

⁸ In some cases, segments do not add up to 100% due to rounding. Data may differ slightly from the totals stated in the Baxter Operations Total line of the Baxter Value Chain Energy Usage and GHG Emissions table due to rounding.

⁹ Number includes Scope 3 emissions plus Scope 1 emissions for product transport. Some totals vary from sum of items in category, due to rounding.

¹⁰ “Water usage” aligns with the definition of “water withdrawal” in GRI 303: Water and Effluents 2018: “Sum of all water drawn from surface water, groundwater, seawater, or a third party for any use over the course of the reporting period.”

¹¹ Water usage from Baxter’s 49 sites with the greatest use, representing 96% of the company’s total annual water usage. The WRI water tool defines baseline water stress as the total annual water withdrawals (municipal, industrial and agricultural) expressed as a percentage of the total annual available flow. Higher values indicate more competition among users. Low—Less than 10% of the water available to agricultural, domestic and industrial users is withdrawn annually.

Low-Med—Between 10 and 20% of the water available to agricultural, domestic and industrial users is withdrawn annually.

Med-High—Between 20 and 40% of the water available to agricultural, domestic and industrial users is withdrawn annually.

High—Between 40 and 80% of the water available to agricultural, domestic and industrial users is withdrawn annually.

Extremely High—More than 80% of the water available to agricultural, domestic, and industrial users is withdrawn annually.

¹² Estimated total water pollutant levels for treated wastewater discharged directly into waterways. Data do not include one facility that operates zero-discharge systems in accordance with local regulatory requirements. BOD₅ refers to five-day biological oxygen demand; COD refers to chemical oxygen demand; TSS refers to total suspended solids. When actual performance data were not available, estimates are based on performance at similar facilities or on other measured performance indicators.

¹³ Fiscal year basis (Oct. 1 through Sept. 30 of the year noted).

¹⁴ United States and Puerto Rico. Data for 2019 and 2020 are fiscal year basis (Oct. 1 through Sept. 30 of the year noted). Data for 2021 are calendar year. Accounts payable data are sent to a third party, which categorizes spending. Other categories include disability-owned, service-disabled veteran-owned, LGBT-owned, small disadvantaged and HUBZone-certified businesses. HUBZone is a U.S. Small Business Administration program for small companies that operate and employ people in Historically Underutilized Business Zones. Spending with suppliers that qualify for more than one category may be included in the totals for each of the relevant categories.

¹⁵ Excludes waste associated with U.S. Renal Home Care operations, since patients dispose of unused product rather than returning it to Baxter for disposal. Also excludes construction and demolition debris, remediation waste, wastewater treatment sludge and discarded manufacturing and process-related machinery or equipment. Removing these waste categories from the company total allows for more consistent evaluation of facility performance and trends over time.

¹⁶ Excludes production by-products reused on-site, construction and demolition debris, wastewater treatment and discarded manufacturing and process-related machinery or equipment. Includes discarded/returned products (such as intravenous solution, dextrose solution, etc.) that are nonhazardous in nature but may be classified as regulated in some countries. Excludes waste associated with U.S. Renal Home Care operations, since patients dispose of unused product rather than returning it to Baxter for disposal.

¹⁷ Excludes waste recycled on-site, remediation waste, construction and demolition debris, and wastewater treatment sludge. Includes certain waste streams (such as waste oils, batteries, fluorescent lamps, light ballasts and asbestos) not classified as regulated in some locations.

¹⁸ Values correspond to the U.S. Environmental Protection Agency Toxics Release Inventory (TRI) Program data reported for reporting years 2019 and 2020. It includes facilities in the continental United States and Puerto Rico only. Data for 2021 are not available as of report publication date.

¹⁹ Includes air emissions associated with on-site energy generation. Emission factors from the U.S. Environmental Protection Agency publication “Compilation of Air Pollutant Emission Factors,” AP-42, Fifth Edition, Volume 1: “Stationary Point and Area Sources.”

²⁰ The Baxter 2020 Corporate Responsibility Report stated that Baxter received six Notices of Violation for 2020. During 2021, we received a cancellation notice for one of those Notices of Violation, so updated the 2020 value to five.

²¹ In some cases, segments do not add up to total due to rounding.

²² Includes product donations as well as Patient Assistance Programs. Variations in Baxter’s annual product donations are due to fluctuations in community needs, the need and volume of disaster relief response, the regulatory environment, manufacturing processes and changes in product mix and marketing. We identify opportunities to donate and respond to community and humanitarian aid partner requests as appropriate. Value of products donated (provided at no cost) is provided by partners based on wholesale acquisition cost at the time of donation. This number may be greater or less than the value of Baxter products distributed during the year by our relief partners. See [Invest in Underserved Communities Globally](#).

²³ Contributions to U.S.-based 501(c)(3) organizations for programs within and outside of the United States.

²⁴ The regional breakdown of the data included in this section reflects the structure of the Environmental, Health, Safety and Sustainability (EHS&S) organization and the categorization of data in the EHS&S global information management system through 2021.

²⁵ Work-related injuries or illnesses requiring medical attention beyond first aid, including cases with days lost. All rates based on 100 full-time employees working one year, which equals 200,000 work hours. For tracking purposes, Baxter follows U.S. Occupational Safety and Health Administration recordkeeping requirements worldwide. Thus, in cases where an injury occurs and conflicting medical opinions arise as to the number of days away and/or restricted days that should be recorded, we record on the basis of the most authoritative physician’s opinion. We include occupational diseases and illnesses, such as hearing loss and ergonomic disorders, within our broader categories of cases, but do not track or report those items separately. Due to privacy regulations in our Europe, Middle East and Africa region, we do not classify or report injuries by gender. Supervised contracted employees are included in the injury statistics reported below and are not tracked separately. Independent contractors are not included in Baxter’s injury data, because they are supervised by other organizations.

BAXTER DATA SUMMARY (CONTINUED)

²⁶ Work-related injuries or illnesses that cause an employee to lose at least one full day after the date of the incident.

²⁷ The number of days lost (including weekends and holidays) recommended by the most authoritative physician’s opinion due to work-related injuries or illnesses. We do not count the date of injury and date of return to full duty as lost days.

²⁸ The number of days recommended by the most authoritative physician’s opinion that an employee or supervised contractor is unable to work full duty (including weekends and holidays) due to a work-related injury or illness. We do not count the date of injury and date of return to full duty as restricted days.

²⁹ Americas includes the United States (with Puerto Rico), Canada and Latin America.

³⁰ “Professional” includes individual contributors.

³¹ “Other” includes American Indian/Alaska Native, Native Hawaiian/Other Pacific Islander and two or more races.

³² “Technical/Clerical” includes employees in operational and administrative/clerical roles.

³³ Scores indicate the percentage of survey participants who responded favorably to statements related to each of the categories listed. Baxter did not administer a Best Place to Work survey in 2020 due to impacts related to the COVID-19 pandemic.

³⁴ These data do not represent all employee training and development but do capture a large portion of training for most employees.

BAXTER VALUE CHAIN ENERGY USAGE AND GHG EMISSIONS

¹ Baxter used the World Resources Institute and World Business Council for Sustainable Development Greenhouse Gas Protocol to calculate emissions data from fossil fuel use. We used country electricity emission factors published by the International Energy Agency and the U.S. Environmental Protection Agency (EPA) E-Grid U.S. regional electricity emission factors to calculate GHG emissions related to electricity consumption.

² Apex Companies, LLC verified to a reasonable level Baxter’s 2019–2021 Scope 1 and Scope 2 GHG emissions. Apex Companies, LLC also verified to a limited level Baxter’s methodology for determining 2019–2021 Scope 3 GHG emissions.

³ Some data for 2019 and 2020 are updated from data reported in the Baxter 2020 Corporate Responsibility Report for accuracy and to reflect updated GHG emission factors.

⁴ We used the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition to determine GHG emissions associated with using biomass fuel, principally wood/wood waste, as a boiler fuel at two Baxter locations. These emissions were calculated as 152,000, 149,000 and 151,000 metric tons CO₂ in 2019, 2020 and 2021, respectively. CO₂e emissions from CH₄ and N₂O components of biomass combustion are included in reported Scope 1 emissions.

⁵ Baxter used the Greenhouse Gas Protocol to estimate GHG emissions associated with reported fuel usage by company-managed sales and distribution fleet vehicles and other vehicles. We estimated fuel usage for international sales and distribution vehicles based on regional sales information.

⁶ Refrigerant emissions represent reported CFC, HCFC and HFC refrigerant losses by each Baxter location. We calculated associated GHG emissions using actual emission factors for each reported refrigerant.

⁷ Includes the purchase of electricity generated from 100% certified renewable electricity (Belgium, Brazil, France, Germany, Ireland, Italy, Spain, Sweden, Switzerland, UK and United States).

⁸ Estimated based on an environmentally extended input-output model from an independent third party and Baxter’s revenue and sector of operation.

⁹ Estimated based on capital expenditures and the machinery and equipment emission factor from Table 13 - Indirect emissions from the Supply Chain, UK Government Department for Environment, Food & Rural Affairs.

¹⁰ Estimated based on Baxter’s actual yearly energy usage by energy type and GHG emission factors for each energy type per GaBi life cycle assessment software.

¹¹ Estimated based on shipment of products to our customers using the EcoTransIT World Software that is compliant with the GHG Protocol and the Global Logistics Emissions Council Framework.

¹² Estimated emissions for wastewater treatment by municipalities and off-site waste recycling and disposal based on Baxter’s waste generation by type, UK Government GHG Conversion Factors for Company Reporting and the U.S. EPA WARM model.

¹³ Estimated based on domestic and international air mileage, rental vehicle CO₂e emissions or mileage, and hotel room stays provided by Baxter’s global travel providers, and personal vehicle mileage. Emission factors from UK Government GHG Conversion Factors for Company Reporting, Greenhouse Gas Protocol Mobile Combustion GHG Emissions Calculation Tool, and Carbonfund.org Business Travel Calculator.

¹⁴ Estimated based on the number of Baxter employees by country and statistics on commuting time and transport mode split into public transport, passenger cars, taxi and motorcycle, and walking or bicycling. Emission factors for each mode were obtained from Defra.

¹⁵ Emissions associated with upstream leased assets are included in Baxter’s Scope 1 and 2 emissions.

¹⁶ Estimated based on previous Baxter product LCAs as well as the company’s revenue by product type. Category 1 emissions were extrapolated to other categories depending on the product type.

¹⁷ Estimated based on an environmentally extended input-output model from an independent third party and revenue from Baxter’s contract services business.

¹⁸ Estimated based on production quantities and global warming potential information for certain types of products. Emissions for certain other products estimated based on previous Baxter product LCAs as well as the company’s revenue by product type. Category 1 emissions were extrapolated to other categories depending on the product type.

¹⁹ Totals do not include CO₂ emissions from Baxter-owned wood-fired boilers. See endnote 4 above for detail.

BAXTER FACILITIES WITH ISO 14001, ISO 45001, ISO 50001 AND GREEN BUILDING CERTIFICATIONS

¹ As of Dec. 31, 2021.

² Facilities transitioned to ISO 45001 from OHSAS 18001.

³ The building with green certification noted is one of several buildings at the designated location.

SUSTAINABILITY ACCOUNTING STANDARDS BOARD INDEX

¹ Differences compared with data on FDA websites may be due to timeframe (the date Baxter takes an action may differ from the date FDA classifies that action), definition of “recall” (FDA data includes actions taken even if the product is not removed or corrected), and classification by product group vs. product code (FDA counts each impacted product code within a product family as a distinct recall).



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Cover Photo:
Baxter employees in Colombia volunteer on land around river basins as part of the "Agua para Todos (Water for all)" project that seeks to protect and restore the ecosystems of the Arroyohondo and Cali River Basins.

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RECOGNITION

Baxter is proud to be recognized by numerous organizations and publications globally. These examples of our recent accomplishments highlight Baxter as an employer of choice, as a company that works to nurture a diverse, equitable and inclusive workplace, and as a socially and environmentally responsible business. In addition, the company receives many regional and country-specific recognitions around the globe that are not listed here.

SELECT RECOGNITION HIGHLIGHTS (AS OF JUNE 2022)

- **100 Best Corporate Citizens**
3BL Media
- **Climate Change, Score B**
CDP
- **Water Security, Score B**
CDP
- **Best Place to Work for Disability Inclusion**
Disability:IN & the American Association of People with Disabilities
- **Gold Sustainability Rating**
EcoVadis
- **America's Best Employers for Diversity**
Forbes
- **Best Employers for Women**
Forbes
- **World's Best Employers**
Forbes
- **World's Top Female-Friendly Companies**
Forbes
- **FTSE4Good Index Series**
FTSE Russell
- **Corporate Equality Index**
Human Rights Campaign Foundation
- **America's Most JUST Companies**
JUST Capital
- **America's Most Responsible Companies**
Newsweek
- **Dow Jones Sustainability Indices (DJSI)**
S&P Global
- **100 Best Companies**
Seramount
- **Best Companies for Dads**
Seramount
- **Global Inclusion Index**
Seramount
- **Leading Inclusion Index**
Seramount
- **Top Companies for Executive Women**
Seramount
- **Best Companies for Multicultural Women**
Seramount
- **Management Top 250**
The Wall Street Journal