Community Support

Baxter and its employees support communities worldwide through financial contributions, product donations, base of the pyramid initiatives and employee volunteerism. Increasing access to healthcare, promoting community service and increasing employee engagement in these efforts are core principles of the company’s vision and culture.

- **Critical Community Needs** - Baxter makes financial and in-kind donations to address needs such as improving education, protecting the environment and helping to improve patient safety.

- **Employee Involvement** - Baxter encourages employees to volunteer their time and expertise in their communities and matches employees’ monetary contributions to eligible U.S. charitable organizations through The Baxter International Foundation Matching Gifts Program.

Baxter’s community support efforts benefit people in need worldwide, and strengthen the company's business. These initiatives improve community relations, demonstrate Baxter’s leadership and engage employees. During 2011, Baxter and The Baxter International Foundation gave more than $80 million, including product donations, cash contributions and foundation grants.

The company has contributed more than $311 million over the last five years.
### Baxter and The Baxter International Foundation Charitable Giving* (Dollars in Millions)

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Product Donations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Products/Patient Assistance Programs</td>
<td>$31.09</td>
<td>$10.86</td>
<td>$18.94</td>
<td>$48.09</td>
<td>$47.17</td>
</tr>
<tr>
<td><strong>Business and Facility Cash Donations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outside U.S.</td>
<td>11.16</td>
<td>16.75</td>
<td>15.11</td>
<td>12.56</td>
<td>16.05</td>
</tr>
<tr>
<td>Subtotal</td>
<td>$20.42</td>
<td>$28.92</td>
<td>$30.40</td>
<td>$27.22</td>
<td>$28.93</td>
</tr>
<tr>
<td><strong>The Baxter International Foundation Contributions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants in the U.S.</td>
<td>$1.10</td>
<td>$1.43</td>
<td>$1.10</td>
<td>$1.32</td>
<td>$1.65</td>
</tr>
<tr>
<td>Grants outside the U.S.</td>
<td>0.84</td>
<td>1.39</td>
<td>1.21</td>
<td>1.55</td>
<td>1.14</td>
</tr>
<tr>
<td>Matching Gifts &amp; Dollars for Doers</td>
<td>0.70</td>
<td>0.75</td>
<td>0.76</td>
<td>0.74</td>
<td>0.71</td>
</tr>
<tr>
<td>Prize Programs</td>
<td>0.21</td>
<td>0.19</td>
<td>0.21</td>
<td>0.26</td>
<td>0.23</td>
</tr>
<tr>
<td>Scholarship Program</td>
<td>0.26</td>
<td>0.26</td>
<td>0.28</td>
<td>0.27</td>
<td>0.28</td>
</tr>
<tr>
<td>Subtotal</td>
<td>$3.09</td>
<td>$4.01</td>
<td>$3.56</td>
<td>$4.14</td>
<td>$4.01</td>
</tr>
<tr>
<td><strong>Total Charitable Giving</strong></td>
<td>$54.60</td>
<td>$43.79</td>
<td>$52.90</td>
<td>$79.45</td>
<td>$80.11</td>
</tr>
</tbody>
</table>

*Some subtotals vary slightly from sum of items in category, due to rounding.

**Variations in Baxter’s annual product donations are due to fluctuations in community needs, the regulatory environment, manufacturing processes and marketing. The company identifies opportunities to donate and responds to community requests as appropriate.
Critical Community Needs

Baxter helps communities worldwide address a broad range of needs, in addition to improving access to healthcare. These include improving education, building awareness of chronic diseases, supporting youth services, and protecting the environment. Baxter's business units, functions and manufacturing facilities contributed $28.9 million worldwide in 2011, with more than 55% donated outside the United States.

Education

According to the 2011 Nation's Report Card, only 40% of U.S. fourth-graders and 35% of eighth-graders perform at or above proficiency for their grade level in math. Just 34% of fourth-graders, 30% of eighth-graders and 21% of 12th-graders perform on par for their grade level in science. Advancing elementary and high school math and science education today sets the foundation for biotech discoveries for years to come. As a science- and technology-based healthcare company, Baxter has a responsibility to help provide current students as well as future generations with opportunities to thrive in these areas. The company's commitment to education focuses on enhancing local math and science education programs to prepare students for science careers.

In 2008, Baxter launched Science@Work: Expanding Minds with Real-World Science, a multi-year commitment to Chicago Public Schools (CPS) to support teacher training and student development in healthcare and biotechnology. In the 2010-2011 school year, the program reached nearly 14,000 students and 148 teachers in 55 schools through in-depth biotechnology teacher training and module lesson plans. The program's reach decreased from the previous school year, due to administrative changes at CPS that impacted the commitment CPS teachers could make to teacher training during the 2010-2011 school year. The program has reached a total of more than 45,000 students and 530 teachers in more than 150 schools since 2008.

Baxter also supported eight events for teachers and students, including several opportunities for students to experience science first-hand through interactions with Baxter professionals. In December 2011, for example, Baxter hosted 120 Muchin College Preparatory students at the company's corporate headquarters to show how to combine interests with skills to create strong careers. Twenty professionals from Communications, Engineering, Finance, Human Resources, Marketing, Product Management, Research and Development and other areas shared their experiences and led interactive career exploration exercises.

Also in 2011, Baxter celebrated the grand opening of the Instituto Health Sciences Career Academy's 100,000 square-foot educational center in Chicago. The charter school, which currently serves more than 200 freshmen and sophomores and will serve 600 students when fully enrolled, prepares students for success in healthcare careers. The school is helping to address the shortage of Latinos in healthcare careers and support Chicago's efforts to provide high-quality education options. Baxter provided start-up funding and hands-on support to open the Academy, and Baxter scientists and other employee volunteers teach, sponsor lab tours and provide career advice to students throughout the year.

In January 2012, Baxter announced its participation in Summer Jobs+, an initiative sponsored by the White House Council for Community Solutions and the U.S. Department of Labor that encourages businesses, non-profit organizations, and government to work together to provide pathways to employment for low-income youth in the summer of 2012. Through Science@Work, Baxter will provide 300-500 students the opportunity to participate in activities such as career planning and interview skill development/training with Baxter professionals and a five-week summer internship program pairing high school students with Baxter professionals.
Other education initiatives in 2011 included:

**Junior Achievement:** Baxter supports Junior Achievement (JA), a global organization that teaches students the fundamentals of the free market and entrepreneurism, in Canada, China, Ireland, multiple countries in Latin America, and the United States. In 2011, 370 Baxter employees worldwide volunteered a total of 1,950 hours in support of JA, reaching approximately 9,075 students in Brazil, Canada, China, Colombia, Ireland, Mexico and the United States.

**FIRST Robotics:** A founding member of US FIRST® Robotics (For Inspiration and Recognition of Science and Technology) in 1992, Baxter continued its long-standing commitment in 2011. This organization engages students in mentor-based programs that build science, engineering and technology skills, inspire innovation, and foster self-confidence and communication and leadership abilities. The organization’s engineering competition inspires thousands of students across the country to design and build robots that engage in a sports-like environment. In 2011, Baxter continued its support of the Mountain Home, Arkansas High School team – the Bomb Squad. The team has worked with volunteers from Baxter’s local facility since 1996. Baxter also supported the launch of Arkansas FIRST Robotics Incorporated, to bring all levels of FIRST competition to students throughout the state.

**Boy Scouts of America:** In 2011, engineers from Baxter’s facility in Round Lake, Illinois, United States created a working robot with local boy scouts to illustrate the integration of science, technology, engineering and math. The engineers worked with the scouts to design, build, program, and demonstrate the functionality of a robot, in addition to learning about career opportunities in engineering and robotics.

Additional community support highlights from 2011 include:

**World Hemophilia Day:** In April 2011, Baxter marked the 22nd anniversary of World Hemophilia Day. This day is dedicated to promoting awareness of hemophilia and treatment availability for people living with hemophilia throughout the world. Baxter offices around the world participated through various local and regional grassroots events, scholarships, online educational efforts and roundtable discussions. The company also joined forces with the World Federation of Hemophilia (WFH) to launch Advocacy in Action, to help countries advocate for improved and sustained care for people with bleeding disorders. Advocacy in Action, a 5-year initiative exclusively supported by a grant from Baxter, works to strengthen WFH’s national member organizations’ capability to effectively lobby their governments on behalf of regional and national bleeding disorder communities. The initiative consists of interactive workshops, support tools, an individualized coaching program and a dedicated WFH staff member to assist with the implementation of advocacy and public policy action plans.

**World PI Week:** World PI Week, established in April 2011 with support from Baxter, aims to raise the recognition and diagnosis of primary immunodeficiencies (PI). During the event, organizers around the globe encourage improved PI awareness and diagnosis among medical professionals and the general public. Activities in 2011 included government awareness initiatives, PI treatment center openings, and others. All reinforced the important message that detecting the disease early can save lives.

Primary immunodeficiencies (PI) are hereditary genetic defects in the immune system that cause increased susceptibility to a wide range of infections, which are often chronic, debilitating, and can be fatal. An estimated 10 million people suffer from PI worldwide, but experts estimate that 70-90% of PI cases remain undiagnosed. Unlike other immune system-related conditions, available treatments can help effectively manage disease symptoms.
World Kidney Day: In March 2011, Baxter organized several World Kidney Day activities worldwide, to raise awareness of chronic kidney disease detection, prevention and treatment. Baxter Brazil, for example, in partnership with the Brazilian Society of Nephrology, provided communications support for a World Kidney Day health fair targeted at high-risk patients, and coordinated a public awareness campaign focused on the benefits of early diagnosis. Two of Brazil's leading nephrologists served as the campaign’s spokespersons, and the campaign reached more than 25 million Brazilians through newspaper articles and television and radio coverage.

Baxter Mexico employees coordinated several World Kidney Day activities, including a physician/patient advocacy organization panel that discussed ways to increase access to chronic kidney disease treatment and a public awareness campaign on chronic kidney disease prevention and early detection. In Singapore, Baxter launched an online resource, www.mykidneyplan.com, which helps Singaporeans with chronic kidney disease to take control of their condition early. Baxter worked with healthcare providers, patients and caregivers to tailor content and resources to Singaporean lifestyle needs and the country’s healthcare system.

Baxter Singapore also supported the Kidney Dialysis Foundation Public Forum 2011 on preventing kidney failure related to diabetes, and worked with Tan Tock Seng Hospital on a “Protect Your Heart, Save Your Kidneys” forum attended by nearly 200 people.

1Based on the 2009 Nation's Report Card assessment – the latest year that science proficiency was evaluated.
Employee Involvement

Employee Volunteerism

In 2011, more than 6,200 Baxter employees volunteered more than 131,000 hours in their communities, helping to address local concerns such as healthcare, the environment and education. Employee involvement takes many forms, including volunteering at a local school or blood drive, serving at a hospital or food pantry, participating in community park clean-up days, or joining a local non-profit organization board or committee. Employees at each Baxter site select volunteer activities to undertake and organizations to support, as they can best determine the most relevant and highest impact projects.

In 2011, Baxter sponsored its third annual "Baxter World Environment Week" to promote sustainable living in employees' communities and encourage employees to support the company's commitment to creating a more sustainable world. "Understanding Our Impact" was the theme of the 2011 event, which again this year was held the first week of June to correspond with the United Nation's World Environment Day. More than 50 Baxter facilities worldwide sponsored events that promoted earth-friendly activities and sustainable living, while encouraging employees to learn more about ways to support Baxter's commitment to sustainability. Highlights included:

Vienna and Orth, Austria - Employees labeled food in Baxter's cafeterias with its carbon dioxide footprint to educate employees about greenhouse gas emissions related to food production and transport.

Manesar, Waluj and Alathur, India - More than 300 employees and their families planted about 260 trees at Baxter's locations in the three cities and another 300 were distributed for them to plant in their local communities. Additionally, at Waluj, more than 35 employees had their vehicles checked to ensure compliance with anti-pollution standards.

Tunis, Tunisia - Employees attended seminars on how to conserve water and on the importance of renewable energy.

Employees also participated in volunteer activities related to biodiversity activities and Baxter's Science@Work: Expanding Minds with Real-World Science initiative.

---

Baxter Global Volunteerism by Category, 2011*

<table>
<thead>
<tr>
<th>Category</th>
<th>% of Total</th>
<th>Total (Approximate Hours)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Civic</td>
<td>48%</td>
<td>63,000</td>
</tr>
<tr>
<td>Social Services</td>
<td>15%</td>
<td>19,000</td>
</tr>
<tr>
<td>Education</td>
<td>15%</td>
<td>23,000</td>
</tr>
<tr>
<td>Environment</td>
<td>15%</td>
<td>4,000</td>
</tr>
<tr>
<td>Healthcare</td>
<td>15%</td>
<td>19,000</td>
</tr>
<tr>
<td>Cultural</td>
<td>5%</td>
<td>3,000</td>
</tr>
</tbody>
</table>

* Baxter volunteers support organizations and initiatives focused in the following areas:
  Civic: Strengthening and building communities to improve quality of life for all, such as through college scholarships, food pantries, or youth enrichment programs.
  Social Services: Providing a broad range of social or human services to individuals or families, such as temporary or permanent housing, food assistance, and disaster relief.
  Education: Supporting schools and students in the advancement of formal education institutions.
  Social Services: Providing a broad range of social or human services to individuals or families, such as temporary or permanent housing projects, food assistance, and disaster relief.
  Healthcare: Supporting a wide range of areas, including general and rehabilitative medical health and support projects to address and improve the health of communities.
  Environment: Focusing on the preservation and protection of the environment, including pollution control, recycling, and waste management.
  Cultural: Promoting enjoyment or understanding of the visual performing, or media arts or humanities. Segments do not total 100% due to rounding.

Employees volunteer and raise funds for worthy causes during Making a Meaningful Difference Month in the Asia Pacific region. In Taiwan, Baxter employees volunteered at the Taiwan Fund for Children and Families, the largest child and family welfare organization in the country.
Making a Meaningful Difference Month

Each October, Baxter employees in the Asia Pacific region volunteer time and contribute funds to "Making a Meaningful Difference" month activities to improve the lives of people in local communities and care for the environment. Highlights from 2011 included:

**Beijing, China** – Employees spent two hours collecting garbage and debris on the world-renowned Great Wall.

**Auckland, New Zealand** – Employees painted the walls and helped plant gardens at the new youth facility of the Youthline Manukau Centre.

Employees can track their efforts using Baxter's internal volunteerism website. Since 2008, the company has recognized employees who volunteer for 40 or more hours of community work during the year. Employees who donate 75 or more hours a year are eligible for a random drawing in which selected employees choose an approved charitable group to which Baxter will donate $1,000 in the employee’s name. Thirty employees were selected in 2011, out of 454 who reached that level globally. More than 700 Baxter employees volunteered at least 40 hours during the year.

In the United States, The Baxter International Foundation Dollars for Doers program provides grants to qualified organizations in which Baxter employees have actively volunteered at least six months of the year. Past recipients include hospitals and hospices, humane societies, emergency shelters, historical societies, volunteer fire departments, substance-abuse prevention services and youth service organizations. In 2011, the program provided 60 grants to 48 organizations for a total of $24,000.

Employee Giving

Baxter employees also contribute financial resources to worthy causes. The Baxter International Foundation Matching Gift Program matches employee donations of $25 or more, up to $5,000, to non-profit, tax-exempt U.S. hospitals and healthcare agencies, schools and cultural organizations. In 2011, The Baxter International Foundation matched gifts to eligible organizations submitted by nearly 2,000 U.S.-based employees from 41 states. Gifts totaled $680,000, which doubled the dollar impact to 714 charitable organizations.
Case Study: Honoring Community Service for More Than 25 Years

In 1986, the American Hospital Association (AHA)/Health Research and Educational Trust (HRET) and the Baxter Allegiance Foundation (now the Baxter International Foundation) created the Foster G. McGaw Prize to recognize U.S. hospitals that have improved the health and well-being of the people they serve through community-wide innovative collaborations. More than 25 years later, the Prize’s founding organizations say that despite sweeping changes in the way healthcare is delivered, hospitals and their communities continue to forge strong partnerships to promote a healthier America.

“It’s inspiring to me how enduring this Prize has been,” says Donna Melkonian, AHA’s vice president of member relations. “It remains as relevant today as the day it was initiated.” One of the most esteemed community service honors in healthcare, the winners of this annual $100,000 Prize vary in size, location, and in the populations they serve, yet they all demonstrate a passion and commitment to making their communities healthier and more vital, Melkonian says. “All the winners are proof that the integration of the healthcare organization with its community is the cornerstone of a healthier America. ”

Ten years ago, for example, many of the prize’s finalists were focused on addressing prenatal care after several studies suggested that inadequate treatment in this area was a strong predictor of low infant birth weight, prematurity and infant mortality. Today, many health delivery organizations are focusing their efforts on reducing growing obesity rates.

It’s perhaps not surprising that many former winners continue their commitment to community service long after receiving the award, Melkonian says. For example, in 1992, when Mt. Sinai Hospital Medical Center in Chicago, Illinois, received the Prize, the organization focused on addressing the community’s lack of adequate housing, numerous lead poisoning incidents and a growing epidemic of drug-addicted pregnant women. In 2011, Mt. Sinai Hospital – now part of Sinai Health System – works to alleviate the impact of childhood asthma in inner-city communities by teaming up with housing, legal and other community organizations to provide asthma management education and free resources to families of children with the disease.

While the focus of community healthcare programs has shifted through the years, their mission remains the same: to identify the most pressing issues in a community and then work with others to address them. “The more models that we can hold up for people of approaches that work, the more we’re going to inspire others to promote the health of their communities,” Melkonian says. She says that in the decades to come, the bond between the community and its healthcare providers will only become stronger – making it all the more important that the Foster G. McGaw Prize continues its support of healthcare organizations that deliver excellent community service.

She also adds that the support the Prize has received from the Baxter International Foundation has been an essential part of its long-standing legacy and the respect it has garnered among hospitals and health delivery organizations.

“The fact that the Prize has existed for over 25 years is a testament to the strong relationship of the Prize’s founders,” Melkonian says. “It’s been critical to the Prize’s success that our organizations have worked so well together to promote these ideals out in the healthcare field.”

© Copyright 2012 Baxter International Inc. All Rights Reserved.
Since 1996, the Chicago area Schweitzer Fellows Program, like its national counterpart, has worked to improve the health and well-being of poor and underserved individuals living in and around the city of Chicago by developing public health professionals with a lifelong commitment to service. The Baxter International Foundation, which has a similar focus, has provided the Schweitzer program with nearly $850,000 in grant funding since that first year. Schweitzer Fellows – all graduate-level health professional students – participate in a 13-month program that includes their provision of a minimum of 200 hours of direct service through a community-based organization. Fellows also participate in several public symposia on health, as well as community service days, in which the entire group of Fellows works together to build morale, strengthen ties and build awareness of the Schweitzer Fellowship Program in the larger community. Fellows receive a stipend of $2,000.

The program is committed to carrying out Dr. Albert Schweitzer’s mission of “reverence for life,” says Ray Wang, director of the Chicago-area Schweitzer Fellows program, which is facilitated by the Health and Medicine Policy Research Group. “Since the program’s founding, more than 430 Schweitzer Fellows have designed and implemented innovative projects that have helped tens of thousands of underserved Chicago families and individuals improve their health and well-being,” Wang says. “The Fellows have contributed more than 86,000 hours of service and have enabled over 170 clinics, schools, social service agencies and churches to boost their capacity to serve Chicago’s most vulnerable communities.”

Project design emphasizes activities that are enduring, to ensure the project will continue to benefit the community after an individual’s Fellowship has ended. In 2011, for example, Schweitzer Fellow Tara Berkson, a graduate student in the College of Pharmacy at the University of Illinois at Chicago, began a project to promote healthy lifestyle choices for patients with diabetes at CommunityHealth, a free clinic for uninsured Chicago residents.

Berkson instructs patients on insulin administration and proper nutrition. She also helps them develop wellness prescriptions. “Essentially, I sit down with patients and find out about their nutrition habits and food preferences, and we set goals for them to work on, such as eating more vegetables,” Berkson says. “Then we break the goal down even further into weekly objectives. I have them start by trying to integrate vegetables into every dinner, for example.”

Berkson also organizes weekly visits with patients to a local farmer’s market. The visit begins with a lesson on organic and sustainable fruits and vegetables and a discussion about what is in season, why that matters, and what dishes that can be prepared from them. Attendees also receive gift certificates to purchase items at the market.

The long-term vision for the Schweitzer program is to cultivate lifelong leaders in service. “A majority of Schweitzer alumni remain engaged with helping poorly resourced communities beyond their fellowship year,” Wang says. To support this, six years ago the Health and Medicine Policy Research Group launched its Fellows for Life Program, which provides ongoing networking, volunteer and skill-building events for past fellows. The Baxter International Foundation is a founding sponsor.

In a recent survey of Chicago Area Schweitzer alumni, 98% indicated that their Fellowship experience continued to be an important influence in their personal and professional lives and 90% said that their current careers reflect that goal. Dr. Robert McKersie, who was chosen to be one of the first Schweitzer Fellows when the program began in 1996, is one example of how Fellows for Life continue to develop as leaders and remain engaged with vulnerable populations.
McKersie spent his fellowship year directing a musical theater production with inmates at the Cook County Juvenile Detention Center in Chicago, helping these young people develop self-confidence and communications skills. Sixteen years later, he’s still working with the underserved, providing much-needed volunteer medical services to thousands of patients in several small Nepalese villages near the Tibetan border. He also serves as a mentor for current Chicago Fellows.

“The Schweitzer Fellowship showed me that a collective effort is always a powerful tool for change,” McKersie says. “I’m still in contact with several of my year’s Fellows, and I fondly remember the group forums that we all participated in. I’m also keenly aware that I would never have been able to participate in a project like this without the immense support of many people all working together for the common good.”