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This update was published on www.baxter.com on 2024-12-19. For more up-to-date information, please go to <u>Hurricane Helene Updates | Baxter</u>.

Baxter is providing periodic updates regarding its progress to restore operations at its North Cove, N.C., site following Hurricane Helene. The Dec. 19 update will be the company's last post for 2024. Baxter's next update is expected to be posted in early 2025.

Baxter's North Cove manufacturing site was significantly impacted by the rain and storm surge from Hurricane Helene, which was unprecedented in Western North Carolina and resulted in water flooding the facility.

Supporting our employees in the impacted communities, bringing the North Cove facility back online and helping to ensure ongoing supply to patients are our top priorities.

We are appreciative of the ongoing support and patience of our customers and partners as we continue to work diligently and with urgency to fulfill our Mission to Save and Sustain Lives for our employees, patients and communities.

Below are the latest updates in each area:

Employees and Community: We salute our North Cove colleagues, who have fueled our ongoing recovery while navigating Hurricane Helene's personal toll.

- All 2,500+ North Cove employees were accounted for following the storm; employees have returned to work across the facility.
- Baxter has responded to the hurricane's devastating local impact through a range of initiatives:
 - The Baxter International Foundation has donated more than \$4 million to support employees and communities affected by the hurricane, including \$1.5 million in grants to three humanitarian partners and more than \$2.5 million in funding to employees through Baxter's Employee Disaster Relief Fund.
 - A temporary employee support center helped provide for immediate needs in the wake of the storm, including basic supplies, such as food, water, and toiletries, as well as access to portable generators, showers, laundry machines, credit union services, and laptop workstations with internet access.
 - Colleagues at multiple Baxter sites across the U.S. initiated clothing drives to collect cold weather gear and other items that were delivered to the North Cove team.

Facilities and Infrastructure: Led by Baxter's commitment to product quality and patient safety, we are, in coordination with FDA, supporting resumption of North Cove operations in phases.

- NEW: We are making continued strong progress at North Cove and have now restarted 8 of the 10 manufacturing lines at the site, which represent ~85% of the site's total pre-hurricane capacity.
 - While the recently restarted lines will require time to ramp up, some of the earlier lines to restart are operating near pre-hurricane levels.
 - We currently expect to be producing at pre-hurricane levels across the plant early in the first quarter of 2025.
 - Note that it will take some time for product to flow through the distribution channels. To that end, we currently expect that North Cove's recovery to full production will translate to removal of allocations for the related product groups during the first quarter of 2025.
- These milestones were or should be achieved ahead of our original projections and made possible by the dedication and resilience of the North Cove and broader Baxter teams, working in coordination with FDA.

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Supply Continuity: We are grateful for the ongoing partnership and efforts of our customers as we navigate this complex and challenging situation to prioritize patient care.

- **Global Manufacturing Network:** We have activated nine plants across our global network to help increase available inventory, which is contemplated in current allocation levels.
- U.S. Distribution for Products Authorized for Temporary Importation: Baxter continues to carefully manage the availability of newly manufactured goods coming out of North Cove and the import of product to the U.S., providing specific resources and training to those customers receiving product imported to the U.S.
- U.S. Expiry Extensions for IV and Irrigation Products: Baxter has received FDA authorization to extend the use dates of 50+ IV and irrigation codes to provide up to an additional 12 months of expiry. Products now have a 24-month expiry period from the date of manufacture. This extension only applies to products manufactured prior to the end of September 2024. Details have been communicated directly to customers.
- **Conservation:** Conservation efforts for IV and PD solutions across the healthcare system remain essential to supplement allocation levels and help preserve supply, and we are grateful for our customers' efforts in this area. Our Medical Affairs team is offering support and resources for product management and conservation strategies. Visit our clinical webpage for more information.
- U.S. IV Solutions Allocations:
 - NEW: Baxter communicated additional allocation increases for several IV product groups to U.S. customers and distributors, effective in phases beginning Dec. 16 and Dec. 30. Customers are advised that there is a typical 1 to 2-week lag time for product to flow through the full distribution network after allocation changes are implemented.
 - Consistent with original year-end projections, Baxter has communicated its plans to reach 100% allocation for the majority of critical IV product groups by the end of 2024.
 - Baxter's ability to adjust allocation levels is based on 1) the current and projected status of our North Cove remediation efforts, 2) our expectations regarding our ability to reallocate capacity from other Baxter facilities, and 3) temporary importation of certain products.
 - To date, we have evaluated and approved hundreds of allocation exception requests to help support neonatal and pediatric patient needs.
- NEW: U.S. PD Solutions Allocations and Ongoing Patient Support:
 - Effective Dec. 16, we have increased product allocations for specific peritoneal dialysis (PD) solutions. These allocations have been communicated directly to our provider partners.
 - \circ $\,$ We have also significantly expanded new PD patient starts, as communicated with our provider partners.
 - We are grateful to have understanding provider partners, who have worked closely with us to deliver excellent patient care throughout this recovery process. In connection with Baxter's global response and temporary importation authorization from FDA, we have imported 4 million bags of PD solutions to supplement U.S. supply and support continued patient care. We have shipped more than 110,000 Customer Readiness Packets to patients and providers to guide their use of these globally supplied products.

Resources for U.S. Healthcare Professionals and Customers

- <u>Conservation and Medical Information Resources</u>
- Please reach out to your Baxter representative or distributor for questions regarding supply.
- For customers who need additional assistance beyond their existing Baxter communications channels, please contact <u>HurricaneHeleneSupport@baxter.com</u>.