---------------------------------------------------------------------------------------------------------- Baxter 2012

Dear Stakeholders,

Baxter’s aspirations as a healthcare company are tightly interwoven with our sustainability priorities. Just as our mission is to save and sustain lives, we are committed to helping our many global stakeholders thrive by creating lasting social, environmental and economic value in how we do business.

Baxter serves a broad array of constituencies: patients and healthcare professionals; governments and payors; investors; employees; and the communities where we do business. Our goal is to operate responsibly and effectively in service to all these groups as we advance the frontiers of patient health.

One of Baxter’s most critical objectives is exploring new ways to expand access to quality healthcare. Our efforts have led to a number of innovative public-private partnerships designed to help governments control costs while increasing patient access and improving health outcomes. In 2012 Baxter initiated many such partnerships, including a collaboration in Brazil that will meaningfully increase the availability of recombinant therapy for hemophilia patients while also creating local economic opportunity.

We also continue to integrate sustainability considerations across our operations. This includes reducing our carbon footprint at facilities worldwide through recent measures such as our use of biomass energy in India and the installation in Malta of Baxter’s largest solar photovoltaic system to date. Thanks to fresh thinking like this, I am pleased to report that we have achieved our 2015 goal of using 20% renewable power in our facilities three years early.

Our sustainability efforts must continually reflect our business strategies in light of new opportunities, challenges and stakeholder needs. We are now in the process of establishing our sustainability goals for 2020, making sure our ongoing focus is in line with our ability to achieve the greatest impact.

I want to thank the many Baxter employees worldwide whose leadership and ingenuity are fostering today’s successes, and whose passion will spark continued progress. Thanks as well to the many stakeholders whose needs and priorities point the way to future innovation.

----------------------------------------------------------------------------------------------------------- Baxter 2013

Dear Stakeholders,

Baxter’s vitality as a healthcare enterprise, and our ability to deliver on our commitments to our stakeholders, depends on our embrace of the new. This includes not only the scientific innovations that define our service to patients and healthcare providers; it also encompasses new ways of doing business that advance our goals as a publicly traded company and global corporate citizen.

In March 2014 we announced our intention to launch the BioScience portion of our business as a fully independent company. Charting a new course as two separate entities will place both organizations in an even stronger position to expand global patient access to current therapies, introduce new products addressing unmet needs and concentrate on other key priorities and objectives.

I am confident that each company will build on our legacy of sustainable development grounded in responsible business practices to create lasting social, environmental and economic value. In fact, this year marks the 15th annual edition of Baxter’s sustainability report; and as you will see here, our commitment remains unwavering as we strive to benefit our broad stakeholder base.

In 2013 Baxter decreased greenhouse gas emissions, energy use and water use. We increased patient access to market leading therapies in developing countries. We ensured our products are first on the scene in disaster-stricken communities. We helped advance STEM education to cultivate the future of scientific innovation. Yet for every milestone achieved, there are more opportunities to make a difference for the communities we serve.

Our executive Sustainability Steering Committee is now assessing our strategy in light of our changing corporate structure and stakeholder expectations, and we are updating our goals to reflect our aspirations.

As always, the needs of our stakeholders inspire us to ever greater levels of accomplishment. Every day our employees worldwide are focused on new opportunities to integrate our sustainability principles across our strategies and operations — and I urge them to maintain the pace. Together we will continue making an impact for generations to come in pursuit of our mission to save and sustain lives.