

A photograph of a woman with dark hair tied back, wearing a vibrant pink and black patterned headscarf and a purple and black patterned dress. She is standing at a sink, pouring water from a large metal tray into it. Her right hand is reaching up to turn on a red faucet mounted on a weathered, light-colored wall. In the background, there are some metal containers and pipes. The overall lighting is warm and natural.

# Making a Meaningful Difference

2023 CORPORATE  
RESPONSIBILITY REPORT

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LRQA Group Limited (LRQA) verified Baxter's Scope 1, 2 and 3 greenhouse gas emissions. See the related [assurance statement](#). LRQA also assured the following sections of the report. See the related 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
- 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:  
[Data Summary](#); [Value Chain Energy Usage and GHG Emissions](#); [Facilities with ISO 14001, ISO 45001, ISO 50001 and Green Building Certifications](#); [Additional Disclosures](#)

Select financial data included in the Data Summary is taken from the audited consolidated financial statements contained in the [Baxter International Inc. 2023 Annual Report on Form 10-K](#). These financial statements are audited by Baxter's independent registered public accounting firm, PricewaterhouseCoopers LLP.

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# From the Chair, President and CEO

Baxter's Mission to Save and Sustain Lives encompasses far more than our broad portfolio of healthcare products: it reflects our abiding commitment to make a meaningful difference across the communities where we live, work and serve more than 350 million patients each year.

This passion has been fundamental to our corporate character since our founding nearly a century ago. Most recently it has been brought to life through our 2030 Corporate Responsibility Commitment, a decade-spanning framework launched in 2021 focused on creating lasting environmental, social and economic value across three critical pillars: Empower Our Patients, Protect Our Planet, and Champion Our People and Communities. We consistently measure and evaluate our performance, identify opportunities to drive even greater impact and communicate our progress through this important publication—our annual Corporate Responsibility Report.

Each of our 2030 Corporate Responsibility Goals is advanced through clearly stated initiatives, financial support and governance measures, to help ensure progress and accountability. In 2023, we made further progress in this journey, and you can find many noteworthy highlights in the pages that follow. To spotlight just a few, Baxter:

- Completed 150 energy-conservation projects in 2023, which are estimated to reduce greenhouse gas (GHG) emissions by approximately 21,100 metric tons carbon dioxide equivalent per year beginning in 2024—nearly double the GHG emissions reduction achieved with energy projects completed in 2022

- Published our first report against the Task Force on Climate-related Financial Disclosures framework
- Announced a partnership with UNICEF and a \$2.5 million commitment through the Baxter International Foundation to improve climate-smart access to safe drinking water and sanitation in water-challenged regions of Egypt
- Invested nearly \$4.5 million in multiyear programs through Baxter and the Baxter International Foundation to support science, technology, engineering and mathematics (STEM) students at Historically Black Colleges and Universities in the United States as well as scholarships for ethnically diverse students pursuing healthcare careers in Ireland
- Continued to achieve top quartile workplace safety performance, as measured by total recordable incident rate

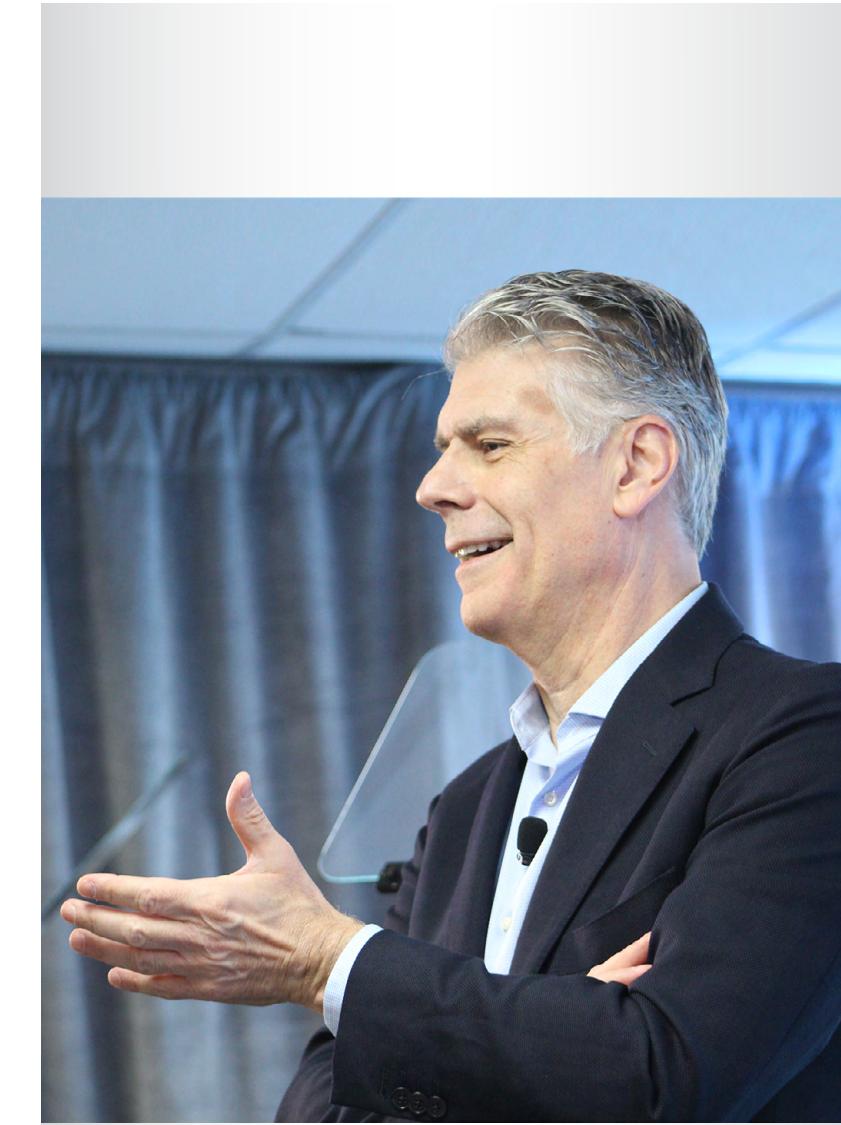
In 2023, Baxter also advanced a broad slate of strategic transformation initiatives designed to strengthen our business and promote even greater impact for our wide-ranging stakeholder base. We implemented a new global operating model to streamline and simplify our business structure into four global segments, divested our BioPharma Solutions business and prepared for the planned separation of our Kidney Care segment, currently expected to occur in the second half of 2024. The goal of these and related initiatives is to get closer to our customers, accelerate innovation and better position Baxter to make a sustained impact for the many stakeholder communities that depend on us.

As our corporate profile evolves (including after completion of the proposed Kidney Care separation), we will continue to ensure that our long-range corporate responsibility goals align with our opportunities, business and trajectory. As always, the Baxter team remains strongly committed to doing business the right way while working to address key priorities that affect our patients, customers, employees, communities and other stakeholders. I salute our Baxter employees around the world—a team approximately 60,000 strong—whose dedication powers our performance as a corporate responsibility leader.



**JOSÉ (JOE) E. ALMEIDA**

Chair, President and Chief Executive Officer



# Company Profile

Every day, millions of patients, caregivers and healthcare providers rely on Baxter's broad portfolio of essential healthcare products, therapies and digital health solutions used across the care continuum.

Everything we do converges at the critical intersection where products that save and sustain lives meet the healthcare professionals and caregivers who make it all happen. Throughout the company's history, we have demonstrated a commitment to research and development (R&D), and we have a rich history of firsts, from the first commercially manufactured intravenous (IV) solutions to the first portable kidney dialysis machine, among others.

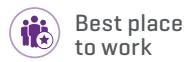
Our broad portfolio helps us to meet the needs of health systems, clinicians and patients as we work to better understand their diverse and critical needs. Our portfolio includes sterile IV solutions, infusion systems and devices, parenteral nutrition therapies, acute and chronic dialysis therapies, 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. Baxter is currently targeting separating the Kidney Care business, which includes our acute and chronic dialysis therapies, in the second half of 2024.

**Our Mission** is to Save and Sustain Lives. To achieve this, we aim to transform healthcare with a customer focus to help to improve patient outcomes, enhance workflow efficiency and enable cost-effective care.

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



Patient safety and Quality



Best place to work



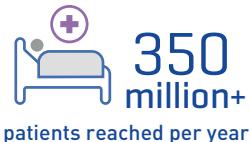
Growth through innovation



Industry-leading performance

## COMPANY OVERVIEW, 2023\*

Corporate headquarters: Deerfield, Illinois, United States

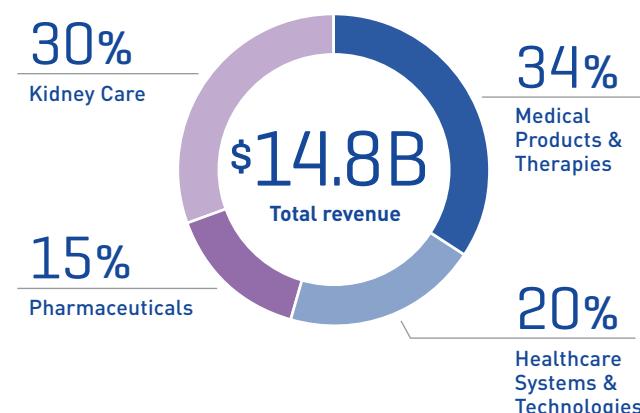


in Belgium, China, Germany, India, Italy, Japan, Sweden and the United States



\* As of Dec. 31, 2023.

## REVENUE BY SEGMENT (CONTINUING OPERATIONS), 2023\*



\* As of Dec. 31, 2023. Percentages may not add up to 100% due to rounding.

Learn more about our financial performance in the [Baxter 2023 Annual Report on Form 10-K](#).

## REVENUE BY PRODUCT CATEGORY, 2023\*

Medical Products & Therapies



\$4.0B

Infusion Therapies & Technologies



\$1.1B

Advanced Surgery



\$1.8B

Healthcare Systems & Technologies



\$1.2B

Care & Connectivity Solutions



\$1.3B

Pharmaceuticals



\$0.9B

Injectables & Anesthesia



\$3.7B

Kidney Care



\$0.8B

Chronic Therapies\*\*



\* As of Dec. 31, 2023.

\*\* As previously publicly announced, Baxter intends to separate the company's Kidney Care business and is currently targeting to complete the proposed separation in the second half of 2024.

## INNOVATION

We are advancing innovation to improve care outcomes and address the needs of patients, caregivers and customers.

In 2023, Baxter invested more than \$650 million in R&D. Our robust product pipeline is designed to help clinicians be more efficient and effective as they treat patients across multiple care settings, including hospitals, nursing homes, rehabilitation centers, ambulatory surgery centers, kidney dialysis centers, physicians' offices and patients' homes under physician supervision. Within connected care, we develop devices and software that can connect, communicate and/or analyze data to help transform healthcare. Within our core therapies, we leverage our deep history and experience to design products and solutions that help address patient and provider needs.

While proposed new product launches are subject to obtaining required regulatory approvals and clearances, we continue to prepare to introduce innovations to help improve care for patients around the world. These include digital health and connected care solutions for the hospital and home, a next-generation airway-clearance therapy, a platform for intelligent alarms, expansion of an infusion pump platform to additional markets, developments in home dialysis technology, surgical devices, generic injectables, drug-delivery offerings, complex pharmaceutical formulations and more.

Innovation is also essential to driving progress toward our 2030 Corporate Responsibility Commitment and Goals. For instance, using advanced technologies, we work to consistently enhance the safety and quality of our products. By transitioning toward a more circular approach to making and delivering products, we strive to meet rapidly evolving market demands, reduce waste and maximize materials value throughout the product life cycle. These examples and many others are included throughout this report.

## Corporate Responsibility Commitment

Baxter is committed to addressing environmental, social and governance topics impacting our patients, customers, employees, communities and other stakeholders worldwide.



# Corporate Responsibility Commitment

Baxter's Mission to Save and Sustain Lives extends beyond the products, therapies and services we offer. We are driven by the possibility of making a meaningful difference in the world—not just today, but for generations to come. Our approach to corporate responsibility is grounded in creating a more sustainable and responsible business model with innovations in healthcare at the core.

We remain focused on our 2030 Corporate Responsibility Commitment and Goals, which strive to create comprehensive and lasting value through our three pillars: Empower Our Patients, Protect Our Planet, and Champion Our People and Communities. These pillars are bolstered by strong governance and cross-cutting commitments to responsible practices across our business.

With more than 30 years of reporting on our environmental performance, we have consistently broadened and enhanced our reporting on the corporate responsibility topics that are priorities for Baxter and our stakeholders. For example, since 2019, we have published an annual [Sustainability Accounting Standards Board \(SASB\) Index](#) in alignment with the Medical Equipment & Supplies Sustainability Accounting Standard. In December 2023, we issued our inaugural report against the framework established by the Task Force on Climate-related Financial Disclosures (TCFD) as a stand-alone and subsequently published supplement to our 2022 Corporate Responsibility Report. Baxter's current [TCFD Index](#) is included in the Appendix of this report. Disclosing a broad range of corporate responsibility metrics enables stakeholders to better assess our programs and performance.

## Performance Goals

Our 2030 Corporate Responsibility Commitment features [10 goals for prioritized action](#), which we disclose progress toward in this report. Setting goals across a broad range of topics demonstrates our commitment, reinforces accountability and helps to drive ongoing improvement. In connection with the proposed separation of Baxter's Kidney Care business, we will assess our commitment and goals and adjust them as needed and if appropriate.

## 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 certain of the UN SDGs, we focus especially on the following:



**GOAL 3:**  
Good  
Health and  
Well-Being



**GOAL 6:**  
Clean  
Water and  
Sanitation



**GOAL 12:**  
Responsible  
Consumption  
and Production

### BAXTER CORPORATE RESPONSIBILITY PILLARS AND CROSS-CUTTING COMMITMENTS



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



PHOTO: Children celebrating the setup of water connections. Egypt, January 2022. CREDIT: UNICEF/UN0639396/Ahmed Emad



Prioritize operational excellence and environmental stewardship across our value chain



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

# Corporate Responsibility Governance and Management

Corporate responsibility matters receive strategic guidance and oversight at the highest levels of the company. This includes:

- Baxter's Chair, President and Chief Executive Officer (CEO)
- Many of Baxter's CEO's direct reports and other functional leaders
- The Board of Directors (Board)
- The Board's Compensation and Human Capital Committee (CHC Committee); Nominating, Corporate Governance and Public Policy Committee (NCGPP Committee); and Quality and Regulatory Compliance Committee (QRC Committee)

## BOARD OF DIRECTORS OVERSIGHT

Baxter's Board of Directors plays a critical role in corporate responsibility oversight. The full Board is updated at least annually on corporate responsibility matters, including our goals and industry trends. The QRC Committee and NCGPP Committee share oversight for corporate-responsibility-related matters, and, beginning in February 2023, the CHC Committee assumed responsibility for certain human capital management matters. The QRC Committee oversees issues related to environmental, health and employee safety, sustainability, and quality and regulatory compliance matters. The NCGPP Committee oversees other aspects of Baxter's corporate responsibility, including charitable contributions, public policy, access to healthcare and other social and governance matters. The CHC Committee oversees succession planning for key members of management (other than the Chair, President and CEO), leadership development and diversity, equity and inclusion initiatives.

## GOVERNANCE AND MANAGEMENT OF CORPORATE RESPONSIBILITY AT BAXTER

Quality and Regulatory Compliance Committee	Board of Directors Nominating, Corporate Governance and Public Policy Committee	Compensation and Human Capital Committee
<b>Corporate Responsibility Steering Committee</b>		
Chair, President and CEO	EVP and Chief Financial Officer	EVP and General Counsel
EVP and Chief Supply Chain Officer	EVP and Chief Human Resources Officer	
EVP and Group President, Pharmaceuticals	EVP and Group President, Medical Products and Therapies	
EVP and Group President, Healthcare Systems and Technologies	EVP and Group President, Kidney Care	
SVP, Chief Accounting Officer and Controller	SVP, Chief Quality Officer	SVP, Chief Investor Relations Officer
SVP, Chief Information Officer	SVP, Global Communications	SVP and Corporate Secretary
VP, Finance, Financial Planning and Analysis		VP, Audit
<b>Co-Chairs of Corporate Responsibility Council</b>		
VP, Environment, Health, Safety and Sustainability	VP, Corporate Responsibility and Global Philanthropy	
<b>Corporate Responsibility Council Members and 2030 Goal Leaders</b>		
<b>Corporate Responsibility Working Group</b>		

## CORPORATE RESPONSIBILITY STEERING COMMITTEE

Our executive cross-functional Corporate Responsibility Steering Committee (Steering Committee) includes senior leaders throughout the organization, including executive officers; it provides direction and oversight to our corporate responsibility initiatives and advances our corporate responsibility strategy and culture. The Steering Committee meets or receives updates 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, and also provides guidance to Baxter's Corporate Responsibility Council.

## CORPORATE RESPONSIBILITY COUNCIL

Baxter's Corporate Responsibility Council is composed of cross-functional leaders and representatives, and meets throughout the year to:

- Track progress toward our 2030 Corporate Responsibility Commitment and Goals and deliver regular updates to the Steering Committee and an annual update to our Board of Directors—helping to promote high standards of accountability
- Solicit and review stakeholder input on Baxter's corporate responsibility programs, priorities, goals and disclosures, as well as broader industry trends

- Periodically lead Baxter's "materiality assessments"<sup>1</sup> to help validate the direction and focus of our corporate responsibility programs

## SENIOR LEADER ACCOUNTABILITY

To drive further accountability, the individual performance assessment under the Annual Incentive Plan for our Operating Committee—which includes all of the CEO's direct reports—is based, in part, on Baxter's performance against preestablished measures for certain strategic priorities, including those related to corporate responsibility. For example, the strategic priorities in 2023 included:

- Patient safety and quality, including product safety and quality systems
- Best place to work, including diversity in the workforce, culture and talent
- Environmental, health and safety measures
- Growth through innovation, including Baxter's ongoing digital transformation and innovative ecosystem

Executive leaders are also assigned to each of our 2030 Corporate Responsibility Goals to help promote the accountability of cross-functional teams responsible for achieving the goals. [Learn more.](#)



PHOTO CREDIT: Habitat for Humanity Lake County

## CORPORATE GOVERNANCE RESOURCES

Visit Baxter's [website](#) for information and links related to our corporate governance practices, including:

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

Our website also 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—including communities, customers, employees, healthcare providers, industry associations, investors, nongovernmental organizations, patients and patient advocacy groups, payers, regulators/policymakers and suppliers—to understand their perspectives and inform how we address our 2030 Corporate Responsibility Commitment and Goals as well as our cross-cutting commitments. We routinely engage with our primary stakeholder groups, including through professional membership associations, to assess the corporate responsibility topics that are most relevant to our business.

## STOCKHOLDER ENGAGEMENT

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, the Chair of the CHC Committee and the Chair of the NCGPP Committee, engage with investors on a range of topics. Beginning in April 2023 and through early 2024, the company engaged in discussions with stockholders representing approximately 35% of the company's outstanding shares (calculated as of Dec. 31, 2023). Topics discussed included:

- Company strategy and performance (including the proposed separation of the Kidney Care business and the completed divestiture of the BioPharma Solutions business)
- The implementation of our simplified operating model
- Corporate governance matters (including Board composition, diversity and refreshment and the 2023 stockholder proposals)
- The Board's leadership structure
- Executive compensation (including the 2023 Say on Pay vote and related considerations)
- Corporate responsibility initiatives

Stockholder feedback is a consideration in Board discussions and was shared with the full Board and relevant committees.

## Materiality<sup>2</sup>

To understand and prioritize topics that are important to the long-term sustainability of our business and most relevant to our stakeholders, we periodically conduct assessments that are commonly referred to as "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 topics](#) (as defined during our 2022 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 8 of our [2022 Corporate Responsibility Report](#).





## 2030 Corporate Responsibility Goals

Our 10 goals prioritize action on the environmental, social and governance topics that matter most to our stakeholders.

# 2030 Corporate Responsibility Goals

The base year for these goals is 2020 and the target achievement year is 2030, unless stated otherwise. In connection with the proposed separation of Baxter's Kidney Care business, we will assess our commitment and goals and adjust them as needed and if appropriate.

## PILLARS



### EMPOWER OUR PATIENTS



### PROTECT OUR PLANET



### CHAMPION OUR PEOPLE AND COMMUNITIES



## GOALS

## PERFORMANCE

<b>EMPOWER OUR PATIENTS</b>	<b>Reach More Underserved Kidney Patients</b>	<p>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 (198,000 patients in base year 2020).</p>	<p>As of the end of 2023, we were helping to care for approximately 185,000 patients in underserved markets through our PD portfolio, 6.6% fewer than our baseline. <a href="#">Learn more</a>.</p>
	<b>Consistently Improve Manufacturing Capabilities</b>	<p>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.</p>	<p>In 2023, we achieved a 9% improvement** compared with 2022 for our priority area of reducing the rate of leaks for sterilized solutions and sets. <a href="#">Learn more</a>. **Based on the 37 sites fully active in the program during the reporting period.</p>
	<b>Achieve Carbon Neutrality for Direct Operations by 2040</b>	<p>Achieve carbon neutrality for our direct operations by 2040 and reduce absolute Scope 1 and 2 greenhouse gas (GHG) emissions 25% by 2030, aligned with a well-below 2° Celsius science-based target.</p>	<p>In 2023, we reduced absolute Scope 1 and 2 GHG emissions by 4.1% compared with 2022 and 4.6% compared with our base year 2020. We estimate that the energy-conservation projects we completed during the year as part of our Climate Action Roadmap will reduce GHG emissions by approximately 21,100 metric tons carbon dioxide equivalent, nearly double the reduction we achieved with energy projects completed in 2022. <a href="#">Learn more</a>.</p>
	<b>Implement Strategic Water Management Plans</b>	<p>Implement strategic water management plans at prioritized manufacturing locations.* *Identify prioritized locations using a risk-based approach by the end of 2023.</p>	<p>In 2023, we achieved our milestone to use a risk-based approach to identify prioritized locations for strategic water management plans. This included the completion of 17 water risk and resilience assessments during the year, in addition to assessments and surveys conducted in prior years. A total of 14 facilities will move forward with water management plans. <a href="#">Learn more</a>.</p>
	<b>Advance Sustainable Procurement</b>	<p>Integrate Baxter's sustainable procurement strategy across 90% of our supplier spend.* *As measured by supplier commitment to Baxter's Ethics &amp; Compliance Standards and Baxter's completion of corporate responsibility audits within our supply base.</p>	<p>In 2023, 53% of our suppliers, by spend, committed to Baxter's Ethics &amp; Compliance Standards (through affirmations made in underlying supplier contracts).** We also developed the Baxter Global Supplier Standards Manual, to support conducting supplier corporate responsibility audits in the future. <a href="#">Learn more</a>. **The balance of supplier spend is governed by Baxter's purchase order terms and conditions, which help ensure suppliers comply with our guidelines and all applicable laws.</p>
	<b>Implement Strategic Materials and Waste Management Plans</b>	<p>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.</p>	<p>In 2023, we completed comprehensive waste assessments at three manufacturing sites and began a circular economy** pilot at two sites. We also continued to mitigate waste through process efficiency, waste reduction at the source, reuse, recovery, recycling and landfill diversion. <a href="#">Learn more</a>. **Circular economy is a model of keeping materials in circulation and avoiding waste.</p>
	<b>Invest in Underserved Communities Globally</b>	<p>Invest \$275 million in underserved communities through strategic partnerships and product donations from Baxter and the Baxter International Foundation (the Foundation).</p>	<p>In 2023, Baxter and the Foundation invested more than \$40 million in underserved communities through strategic partnerships and product donations. Since the beginning of 2021, we have invested more than \$143 million. <a href="#">Learn more</a>.</p>
	<b>Achieve Top Quartile Workplace Safety Performance</b>	<p>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.</p>	<p>In 2023, Baxter's total recordable incident rate ranked in the top quartile, achieving our goal for the year.* <a href="#">Learn more</a>. **Compared with 2022 top quartile data, which was the most recent data available from the U.S. Bureau of Labor Statistics on Jan. 1, 2023 (the beginning of the reporting period).</p>
	<b>Increase Representation of Women and Ethnic Minorities in Leadership Roles</b>	<p>Through hiring, promotion and retention, aspire to increase representation of women in leadership roles globally to 40%.* *Assuming labor market conditions continue to support the goal. Leadership role is defined as director and above.</p> <p>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.</p>	<p>As of Dec. 31, 2023, 37% of people in leadership roles at Baxter globally were women, up from 35% in 2022. <a href="#">Learn more</a>.</p> <p>As of Dec. 31, 2023, 23% of people in leadership roles at Baxter in the United States were ethnic minorities, up from 22% in 2022. <a href="#">Learn more</a>.</p>

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

# 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 (198,000 patients in base year 2020).

### PERFORMANCE

As of the end of 2023, we were helping to care for approximately 185,000 patients in underserved markets through our PD portfolio, 6.6% fewer than our baseline.

### APPROACH AND PROGRESS

People in developing countries are at a higher risk of developing kidney disease and have less access to the life-sustaining therapy needed to survive the disease. For this reason, Baxter works to reach patients in these countries through our PD portfolio, with the goal of doubling the number of patients reached between 2020 and 2030.

While we achieved growth in access to care globally in 2023, there were challenges in reaching patients in underserved countries. This was driven by slower patient growth than expected in key markets due to the prolonged effects of pandemic-driven mortality issues from COVID-19. Although this contributed to an overall drop in the number of underserved patients we reached with our PD portfolio in 2023, we continued to help drive access to care globally, including in developing markets such as Latin America and Eastern Europe.

During the year, we continued our efforts to increase access to PD for underserved kidney patients through the following three focus areas.

**Driving shared decision-making:** We provide practical tools and information to help patients work with their healthcare providers to choose therapies that best align with their lifestyle goals. Highlights from 2023 include:

- Broadened access to the [My Kidney Journey](#) website<sup>1</sup> to include the Middle East, and doubled the number of users—reaching 500,000 new visitors through this patient- and clinician-focused platform

- Expanded our PD Ambassador Program to educate clinicians about the benefits of PD while providing a discussion forum for new publications and developments in the treatment of chronic kidney disease<sup>2</sup>

**Advocating for access to PD:** We continue to support public policies, economic analyses and collaborations that advance access to PD. In 2023, we conducted work in nearly 20 countries to improve access to PD. Highlights include:

- Working with governments in Eastern Europe, Latin America and Southeast Asia to advocate for greater patient access to home dialysis
- Continuing our leadership of the International Home Dialysis Roundtable (which includes patient advocacy groups, clinical societies and industry representatives from 32 countries), including the launch of a home dialysis [resource center](#) for patients and caregivers

**Expanding innovation and services:** Innovation that meets the local needs of patients is critical to expanding access to care. In 2023, we continued to expand the use of [Sharesource](#), our digital health platform for remote patient management. As of the end of 2023, this platform had connected 70,000 patients in 85 countries and helped to facilitate 70 million treatments.

**Moving forward:** Due to the proposed separation of Baxter's Kidney Care business, 2023 will be the final year Baxter reports against this goal, although the Kidney Care business will continue to focus on expanding access to care.



# Consistently 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.

### PERFORMANCE

In 2023, we achieved a 9% improvement\*\* compared with 2022 for our priority area of reducing the rate of leaks for sterilized solutions and sets.

\*\*Based on the 37 sites fully active in the program during the reporting period.

### APPROACH AND PROGRESS

Baxter is committed to patient safety and strives to deliver high-quality, defect-free products. In 2023, we continued our multiyear effort to reduce the rate of leaks for our sterilized solutions and sets, making substantial progress in expanding the program from eight to 37 sites and achieving a 9% reduction in leak defects year over year. We believe there will be further improvements as we implement new capability enhancements across our manufacturing facilities in the coming years.

We remain committed to achieving our goals with a renewed vision and an acute focus on reducing leaks.

**Strengthening our foundation:** Excellence in execution and complying with regulatory requirements are foundational in helping to ensure the quality of our products. Baxter continues to make capital investments to update our facilities and implement new technology systems and analytical tools that help drive robust, data-driven decision-making to strengthen our processes and controls.

**Innovating for the future:** Baxter uses digital solutions to improve products and processes and implements systems to help detect and remove defects. For example, our quality and integrated supply chain teams use tools that provide advanced real-time data analytics and insights for certain of our processes. We also use sensors to proactively monitor equipment health and detect anomalies in real time to help achieve



optimal operating conditions. In addition, we are deploying machine learning devices for condition-based maintenance of critical systems and artificial intelligence systems for enhanced quality control.

**Engagement with regulators:** We continue to work with health authorities around the world to foster innovation and secure regulatory approvals. In 2023, we advanced our parametric release<sup>3</sup> strategy, obtaining approval for seven additional products to use this innovative release program. Furthermore, Baxter received U.S. Food and Drug Administration approval for rapid sterility testing for select aseptic products, through which we can complete sterility testing for finished goods in half of the time. Both of these advancements help us to maintain the same level of product quality, while shortening the time it takes to deliver products to patients and caregivers.

For more information about product safety and quality, see the [Sustainability Accounting Standards Board \(SASB\) Index](#) and the [Data Summary](#) in this report.

# 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 (GHG) emissions 25% by 2030, aligned with a well-below 2° Celsius science-based target. (Base year 2020)

### PERFORMANCE

In 2023, we reduced absolute Scope 1 and 2 GHG emissions by 4.1% compared with 2022 and 4.6% compared with our base year 2020. We estimate that the energy-conservation projects we completed during the year as part of our Climate Action Roadmap will reduce GHG emissions by approximately 21,100 metric tons carbon dioxide equivalent (CO<sub>2</sub>e), nearly double the reduction we achieved with energy projects completed in 2022.

### APPROACH AND PROGRESS



Baxter<sup>4</sup> has a long-standing commitment to reducing GHG emissions, conserving resources and limiting our impact on the environment. Between 2005 and 2015, we reduced our absolute GHG emissions by 19%. We reduced GHG emissions by another 13.6% between 2015 and 2020. Our [Climate Action Roadmap](#) outlines our plans to achieve carbon neutrality for our direct operations by 2040. Further, we [report against the framework](#) established by the Task Force on Climate-related Financial Disclosures (TCFD).

**Scope 1 and 2 emissions:** In 2023, Baxter's total Scope 1 and 2 emissions<sup>5</sup> from operations equaled 570,000 metric tons CO<sub>2</sub>e, a 4.6% decrease in absolute emissions compared with 2020. During the year, in addition to energy-efficiency initiatives, we worked to decrease our GHG emissions through fuel switching, cogeneration, alternative energy systems, on-site renewable energy systems and renewable electricity procurement.

**Energy:** Energy is one of our most significant manufacturing costs, accounting for 99% of Baxter's GHG emissions from operations in 2023. Our Global Energy Program, certified to [ISO 50001](#), applies this standard to the company's facility-level energy management systems (some of which are also certified individually). Through our [Lean Energy Program](#), Baxter's manufacturing facilities advance through four levels (Gold, Silver, Bronze and Prerequisite) by meeting criteria for program and technical requirements and standards of operational excellence. In 2023, we used 3.0 million megawatt hours (MWh) of energy,<sup>6</sup> 0.2% less than in 2022 in absolute terms.

Site-specific energy assessments help us identify opportunities to conserve energy, such as implementing new technologies or adopting best practices, where appropriate. In 2023, we completed 150 energy-conservation projects for an investment of approximately \$25 million across our manufacturing sites. We estimate these projects will save approximately 43,800 MWh of energy and \$10 million in energy-related costs, and will reduce GHG emissions by approximately 21,100 metric tons CO<sub>2</sub>e annually.<sup>7</sup>

By the end of 2023, 33% of our energy use for operations was derived from renewable sources, amounting to 979,000 MWh annually.<sup>8</sup> In addition to our existing on-site renewable energy projects, we completed two on-site solar installations in 2023 that are expected to produce approximately 2,400 MWh and reduce GHG emissions by approximately 860 metric tons CO<sub>2</sub>e annually.<sup>9</sup> In 2023, we purchased 528,000 MWh of electricity generated from 100% certified renewable power.

**Scope 3 emissions:** While our carbon neutrality goal focuses on Scope 1 and 2 emissions, Baxter continues to calculate and focus on Scope 3 GHG emissions<sup>10</sup> across our value chain, including through [supplier engagement](#) and our efforts to reduce emissions from product transport. For example, in 2023, we reduced air freight in favor of less carbon-intensive modes of shipping, and we optimized truck and container loads in the Americas and Europe, Middle East and Africa regions. For additional performance details see the [Appendix](#) of this report.



# 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 2023, we achieved our milestone to use a risk-based approach to identify prioritized locations for strategic water management plans. This included the completion of 17 water risk and resilience assessments during the year, in addition to assessments and surveys conducted in prior years. A total of 14 facilities will move forward with water management plans.

### APPROACH AND PROGRESS



Water is a critical natural resource for our products and for the well-being of the communities where we operate.

**Water review and assessments:** As part of our 2030 water management goal, we undertook a multiyear, comprehensive review of our strategic manufacturing sites to understand the local conditions and considerations of each. This included water risk and resilience assessments, infrastructure assessments and facility surveys. In 2023, we completed 17 water risk and resilience assessments, reaching a total of 21 over a two-year period (representing 75% of Baxter's total water use).

Informed by an external evaluation of assessments conducted in 2022 and 2023, a summary of mitigation measures was developed, categorized by risk and organized by site, along with related cost analysis. As a result, we identified a preliminary list of 14 priority sites for which we will develop strategic water management plans and determine timeframes for the execution of improvement projects.

**Water management:** In 2023, we used approximately 15 million cubic meters<sup>11</sup> of water in total, a 2% increase compared with 2022, due to process changes and an increase in production at some sites.

We consistently focus on implementing conservation and efficiency projects at many of our manufacturing facilities, with an emphasis on sites located in water-stressed areas. For example, in 2023, we upgraded equipment at our facility

in Toongabbie, Australia, and addressed leaks and other maintenance issues at our Irvine, California site. These actions reduced water consumption across the two sites by approximately 12,100 cubic meters in 2023 compared with 2022.

We use the [World Resources Institute Aqueduct Water Risk Atlas version 4.0](#) to map and analyze current and future risks associated with water stress at our manufacturing sites with the most significant water use.<sup>12</sup> Our 59 manufacturing sites with the most significant water use represented 95% of our total water use in 2023. Of these sites, 32 are in medium-high, high and extremely high water-stress areas. [See detail](#).

**Wastewater compliance:** Wastewater discharged from Baxter operations remains an important focus of our compliance program. We take a proactive, systematic approach to identifying, evaluating and managing wastewater issues. In 2023, these activities included refreshing the minimum requirements for facility wastewater-treatment operations, performing compliance assurance assessments at some sites, reviewing permits to understand compliance measures and engaging external consultants to perform evaluations of wastewater-treatment operations at key facilities to identify improvement opportunities.

**Community water projects:** Learn about our partnerships to provide communities access to clean water in Colombia ([Water for All](#), [UNICEF USA](#)), Egypt ([UNICEF USA](#)) and India ([KPMG](#) and [Centre for Environment Education](#)).



# 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 2023, 53% of our suppliers, by spend, committed to Baxter's Ethics & Compliance Standards (through affirmations made in underlying supplier contracts).\*\* We also developed the Baxter Global Supplier Standards Manual, to support conducting supplier corporate responsibility audits in the future.

\*\*The balance of supplier spend is governed by Baxter's purchase order terms and conditions, which help ensure suppliers comply with our guidelines and all applicable laws.

**APPROACH AND PROGRESS**

Baxter drives sustainable practices in our global supply chain and seeks to partner 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 environment, labor and human rights, ethics, and sustainable procurement, alongside factors of cost, quality and delivery.

Our Sustainable Procurement Steering Committee, which oversees our efforts in this area, is chaired by our Chief Procurement Officer and includes leaders from our Supplier Quality, Finance, and Environmental, Health, Safety and Sustainability (EHS&S) teams.

**Managing procurement risks:** We are continuing to integrate our supplier corporate responsibility strategy into our overall supplier management processes and conduct periodic assessments of key suppliers to evaluate cost, delivery, quality and risk.

Our supplier corporate responsibility risk profile includes in-depth risk mapping for applicable Baxter suppliers<sup>13</sup> based on location, performance, and goods and services provided. In addition to providing Baxter with aggregate data about risk across multiple dimensions of corporate responsibility, the profile also gives us visibility to individual supplier reporting in each of these areas. This risk profile helps us identify and prioritize suppliers with the greatest corporate-responsibility-related risks for additional due diligence, corrective action plans and/or on-site audits.

**Supplier corporate responsibility audits:** Expanding our auditing scope will help to improve our understanding of corporate responsibility management and activities within Baxter's supplier base and help identify areas for improvement. In 2023, we continued developing our ability to audit suppliers' corporate responsibility management systems and performance. This process is ongoing, and we plan to use internal auditing resources as well as third-party collaborations. During the year, we also developed the Global Supplier Standards Manual—a foundational document that includes a centralized set of standards, against which we will measure performance. We plan to begin conducting corporate responsibility audits in 2025 for any suppliers we identify as high risk based on supplier risk profiles and supplier corporate responsibility survey scores.

**Supplier corporate responsibility survey:** We collaborate with **EcoVadis**, a globally recognized assessment platform that rates businesses' sustainability practices, to conduct an annual survey of our suppliers' corporate responsibility programs and performance in the areas of environment, labor and human rights, ethics, and sustainable procurement. Through this program, Baxter and participating suppliers can access detailed scorecards with information about strengths, benchmark comparisons and improvement areas. We also leverage the **EcoVadis** system to create corrective action plans for suppliers falling below our performance standards and to determine when on-site audits will be necessary. We plan to include survey scores in business reviews with strategic suppliers in the future.



# 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 2023, we completed comprehensive waste assessments at three manufacturing sites and began a circular economy\*\* pilot at two sites. We also continued to mitigate waste through process efficiency, waste reduction at the source, reuse, recovery, recycling and landfill diversion.

\*\*Circular economy is a model of keeping materials in circulation and avoiding waste.

**APPROACH AND PROGRESS**

Our approach to reducing waste is broad, ranging from product design and materials use to manufacturing and distribution. We are working to identify all waste generation sources at Baxter and prioritize our top waste mitigation opportunities by the end of 2024.

To support this work, in 2023, we conducted three manufacturing site waste assessments. We also initiated a circular economy pilot at our Cali, Colombia, and Cuernavaca, Mexico, facilities. Beginning with education for our employees and an exploration of how circularity principles can be applied to our manufacturing processes, this pilot will help inform our materials and waste management plans at these sites and others.

**Materials use in products and packaging:** Because materials use is a key driver of Baxter's environmental footprint, we work to reduce materials use in products without affecting efficacy, and to avoid or minimize materials of concern.

We also develop products that enable at-home care, which can lower environmental impact compared with hospital care. In 2023, we completed a life cycle assessment and a care pathway study, showing that the self-administration of antibiotics using a Baxter elastomeric pump in the patient's home can reduce waste, climate and water impacts by 91%, 85% and 78% respectively, compared with 22 days of antibiotics administered through inpatient hospital care.<sup>14</sup> Additionally, we strive to reduce materials use in packaging and explore opportunities to substitute with

environmentally preferable alternatives. For example, Baxter is changing the packaging of our **Tissue Guard** products from a jar containing chemical sterilization solution to a double-pouch system, where the patch is terminally sterilized, eliminating the need for solution. The new packaging should reduce materials use by 42% to 67% by weight, depending on the product, saving an estimated 32 metric tons of materials annually.<sup>15</sup> This change will also help to reduce related electricity use and water consumption in the manufacturing process.

**Operations:** In 2023, Baxter produced 78,600 metric tons of total waste (down 2.6% from 2022), 70,100 metric tons of nonhazardous waste (down 3.9% from 2022) and 8,500 metric tons of regulated waste (up 9.2% from 2022).<sup>16</sup> In 2023, 71.8% of our total waste was diverted from landfill, including 62.2% recycled and 9.6% incinerated with energy recovery.

**Product distribution:** Baxter aims to conserve natural resources and reduce waste during product distribution. For example, of the pallets we shipped to European customers in 2023, we recovered 32% for our own reuse and sold another 15% to our carriers for reuse. Of the total pallets we purchased in the Europe, Middle East and Africa region, 26% were preused.

**Product end-of-life:** While Baxter's 2030 waste goal focuses on our integrated supply chain, product end-of-life remains a priority for our company. We have programs to facilitate recycling of disposable products in select locations, and we service and redeploy electromechanical devices for reuse.

## 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 (the Foundation).

#### PERFORMANCE

In 2023, Baxter and the Foundation invested more than \$40 million in underserved communities through strategic partnerships and product donations. Since the beginning of 2021, we have invested more than \$143 million.

#### APPROACH AND PROGRESS

Giving back is central to who we are and furthers Baxter's Mission to Save and Sustain Lives. Through product donations and charitable financial investments from Baxter and the Foundation, we aim to develop impactful partnerships that make a meaningful difference in the communities where our employees live, work and give.

#### Baxter International Foundation financial contributions:

The Foundation partners with nonprofit organizations worldwide to increase access to healthcare for the underserved; bolster science, technology, engineering and math (STEM) education; and promote community resilience, primarily through initiatives around disaster relief and diversity, equity and inclusion (DE&I). The Foundation makes long-term investments in these areas through its [Signature Partnerships worldwide](#).

The Foundation also supports and amplifies the giving and volunteer efforts of Baxter's employees through its [Matching Gift and Dollars for Doers programs](#).

In addition, it awards merit-based scholarships to our employees' children. In 2023, the Foundation's total charitable contributions equaled more than \$10 million.

**Product donations:** In 2023, we broadened our donation portfolio to include select legacy Hillrom products. During the year, we donated products valued at nearly \$27 million.<sup>17</sup> Examples of our ongoing work include:

- Manufacturing products twice a year explicitly for donation to our trusted humanitarian partners, [Americares](#) and [Direct Relief](#), so they can rely on

having Baxter's critically needed, long-dated products year-round

- Supporting U.S. medical teams traveling overseas to provide charitable care to underserved populations through the [Americares Medical Outreach program](#)
- Making chemotherapy drugs available through our U.S. Patient Assistance Program for cancer patients who have financial barriers and/or lack insurance or prescription drug coverage

**Disaster relief:** We invest in disaster preparedness, immediate response efforts and long-term recovery plans. In 2023, we supplemented our existing partnership with Americas and established new global partnerships with [International Health Partners](#), [International Medical Corps](#) and the [UNICEF USA Every Child Fund](#). During the year, Baxter provided partners with support in response to earthquakes in Morocco, Turkey and Syria, flooding in Libya and wildfires in Hawaii, among other natural disasters. We also provided humanitarian aid for Gaza, Israel and Ukraine.

**Corporate financial contributions:**<sup>18</sup> Our strategic corporate giving includes financial donations to increase access to patient care through education and advocacy support. We also support cultural institutions in the United States to create meaningful engagement opportunities for local employees and enhance business interests through professional membership associations.

See the [Data Summary](#) for full philanthropic giving data. Learn more about how [Baxter Gives Back](#) to communities worldwide.



## 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

In 2023, Baxter's total recordable incident rate ranked in the top quartile, achieving our goal for the year.\*\*

\*\*Compared with 2022 top quartile data, which was the most recent data available from the U.S. Bureau of Labor Statistics on Jan. 1, 2023 (the beginning of the reporting period).

#### APPROACH AND PROGRESS



At Baxter we aim for a zero-harm workplace. We prioritize injury risk reduction<sup>19</sup> through ongoing initiatives, including digital analytics and employee training and engagement, to drive consistent improvement.

Baxter follows a management systems approach guided by our global EHS&S requirements. We define the responsibilities of corporate, geographical and facility-level occupational health and safety professionals and communicate progress against our goals to senior leadership and manufacturing and supply chain management through regular touch points that cover safety performance, trends and actions. We regularly engage cross-functional teams to analyze incidents and trends and to formulate mitigation strategies, which are shared broadly across the organization.

In 2023, we continued engaging our operational workforce to improve hazard/near-miss identification and assign corrective actions where appropriate. We also focused on powered industrial truck operations and machine safety practices, which included training, best practice sharing and related investments to reduce risk. In addition, we continue our efforts to reduce our most commonly occurring incidents, which relate to ergonomics and slips, trips and falls.

**Injuries and illnesses:** We continue to rank in the top quartile, reducing our total recordable incident rate<sup>20</sup> from 0.40 in 2022 to 0.35 in 2023. Zero major and 11 severe workplace incidents<sup>21</sup> occurred at Baxter during the year.



compared with one major and 16 severe workplace incidents in 2022. We continue to share lessons learned about employee injury trends, implement actions across the Baxter network to drive improvement and engage operational leaders in an effort to reduce injury and illness rates and improve workplace safety performance.

**BeWell@Baxter:** Through [BeWell@Baxter](#), our global employee health and wellness program, we promote healthy lifestyles. In 2023, our Wellness Days focused on topics such as mental health, financial wellness, stress management, career wellness and environmental wellness. During the year, 78% of facilities participated in the Exercise Challenge. In addition, 95% of facilities worldwide took part in Healthy Eating Month, an annual campaign focused on making informed food choices and promoting the importance of a balanced diet and exercise.

See the [Data Summary](#) for health and wellness metrics, as well as workplace safety data by region.



# 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%.\*

\*Assuming labor market conditions continue to support the goal. Leadership role is defined as director and above. (See [endnote 23](#) for additional detail.)

## PERFORMANCE

As of Dec. 31, 2023, 37% of people in leadership roles at Baxter globally were women, up from 35% in 2022.

## APPROACH AND PROGRESS

**Diversity metrics and goals:** One critical way Baxter supports DE&I is through a holistic and comprehensive analysis of workforce diversity metrics. We track the representation of women globally and underrepresented minorities in the United States at every career level throughout the employee life cycle from hiring through exit.

While all forms of diversity at every career level are important to Baxter, our 2030 Corporate Responsibility Goals focus on women (globally) and ethnic minorities (United States) in leadership roles<sup>22, 23</sup> because they provide the greatest opportunities for us to measure meaningful change. We have robust, multiyear data sets for these groups, as well as mechanisms to continue gathering and verifying data moving forward. See the [Data Summary](#) for additional diversity data.

We aim to achieve our diversity representation goals by continuing our efforts to attract, retain and develop diverse talent and foster an inclusive workplace.

**Inclusive culture:** In addition to our aspirational diversity representation goals, we are equally focused on advancing an inclusive culture where all people feel they belong and feel seen, heard and valued. Inclusion is a critical component of our company culture and helps to drive employee engagement and belonging.

## 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 22 and 23](#) for additional detail.)

## PERFORMANCE

As of Dec. 31, 2023, 23% of people in leadership roles at Baxter in the United States were ethnic minorities, up from 22% in 2022.





## Cross-Cutting Commitments

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

**PHOTO:** Our efforts to reduce Baxter's greenhouse gas emissions included the installation of this cogeneration facility at our Aibonito, Puerto Rico, location.

# Ethics and Compliance

Baxter drives a culture of the highest ethical behavior, emphasizing personal accountability and integrity. We prioritize following legal requirements, being honest and fair, encouraging questions and valuing discussion. In 2023, we updated our policies and procedures to adhere to evolving laws, regulations and sanctions globally.

**Companywide accountability:** Ethics and Compliance activities are reviewed and overseen by the Audit and the Quality and Regulatory Compliance Committees of our Board of Directors. Our Code of Conduct and related policies<sup>1</sup> apply to Baxter's Board of Directors and all of our employees, including the company's Chief Executive Officer (CEO) and other senior management, and define the core principles that govern employee behavior and how we conduct business.

At the management level, our Supervisory Ethics and Compliance Committee, chaired by the Chief Compliance & Trust Officer, meets periodically with members of Baxter's senior leadership and our CEO to discuss the status of various ethics and compliance matters.

In addition, Baxter has compliance committees for select global functions and each country or cluster of countries where we operate. We hold mandatory meetings at least quarterly to facilitate discussion among local leadership about key issues, challenges and risks.

**Training:** In 2023, 97% of employees completed Code of Conduct training. In addition, we required training for relevant employees, including new hires, on our Conflicts of Interest Policy, Global Interactions Policy and Global Third Party Anticorruption Policy.

Baxter's strict prohibition of off-label promotion is included in our annual training to the Sales organization. In addition, we provide training to all third parties that undergo our due diligence process.

**Third Party Program:** Our Third Party Program outlines the standards and processes used to review, retain and monitor new and existing third parties for compliance with our anticorruption expectations. In 2023, we updated the program to refine our risk-based approach and increase our efficient and effective use of resources.

**Compliance assessments and audits:** On an ongoing basis, Baxter completes internal risk-based compliance assessments, which cover antibribery, anticorruption and third-party due diligence, among other topics, as well as compliance audits of our distributors.<sup>2</sup>

**Compliance monitoring:** Baxter uses a data-analytics-based monitoring system to review compliance risk metrics (e.g. interactions with healthcare professionals and government officials, travel, entertainment, etc.) and facilitate forensic monitoring procedures. Each year, we select representative countries and global business segments for monitoring.<sup>3</sup>

**Global Interactions Policy:** This policy defines the principles and rules governing our interactions with government officials and members of the medical community to help provide assurance that these relationships and the related fair market value payments are for necessary and genuine services. In 2023, we updated the policy to expand it and align it with the current state of Baxter's business.

**Ethics and Compliance Helpline:** Reports received via the Ethics and Compliance Helpline involving allegations of misconduct are promptly triaged for investigation. For substantiated cases closed in 2023, appropriate remediation 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.

# 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.

**Regulations and standards:** We monitor regulations globally, including relevant developments and actions related to both cybersecurity and privacy, such as the EU General Data Protection Regulation (GDPR), the Health Insurance Portability and Accountability Act (HIPAA), the California Consumer Privacy Act, the California Privacy Rights Act and similar laws that are being enacted in other states, as well as China's Personal Information Protection Law and other legal developments in geographies where we do business. In addition to external regulations, we hold ourselves accountable to our own rigorous internal policies and standards.

**Oversight:** In 2023, the Audit Committee of our Board of Directors provided oversight for IT security matters generally (including cybersecurity incidents), and the Quality, Compliance and Technology Committee (recently renamed the Quality and Regulatory Compliance Committee) provided oversight for product cybersecurity matters. Beginning in 2024, the Board reassumed oversight responsibility for the company's IT functions generally, including product-related cybersecurity matters, and the Audit Committee maintained responsibility for the oversight of any cybersecurity incidents, including those related to Baxter products and services.

**Cybersecurity:** The Global IT Security Operations team helps to protect Baxter against cyber incidents using a range of tools to secure our assets, reduce detection time and improve resilience.

- We conduct scenario-based activities with Baxter executives, simulating major enterprise cyber incidents, to test our incident response plan and prepare executives for potential future incidents.

- We conduct both internal and external security audits.
- Post-incident review meetings and reports provide insight into how we can update our response strategies.
- Our proactive threat-hunting process, including the use of third-party tools, helps to protect our systems against evolving security threats.
- We engage with external scanning and testing services to help reduce Baxter's exposure to threats by taking a proactive approach to mitigating attack vectors.
- Periodic updates to our incident response plan help promote orderly and timely response to cyber incidents.
- Our policies and processes for asset management promote proper management of data on retired hardware.
- Our Third Party Risk Management program includes assessment and monitoring of security standards and control procedures for critical external suppliers and vendors.

To further strengthen cybersecurity across our network and portfolio of products, Baxter is a Common Vulnerabilities and Exposures (CVE) Numbering Authority. In addition, we are a member of the Health Information Sharing and Analysis Center.

**Customer communication:** Our customers can access our online Product Security summary to learn about security vulnerabilities that affect Baxter products. In addition, Baxter has Brand Indicators for Message Identification (BIMI), which adds an extra layer of authentication to emails and displays our logo in recipients' inboxes, to demonstrate authenticity.

**Training:** We continue to raise privacy and security awareness with Baxter employees through annual mandatory training<sup>4</sup> and recurring reinforcement through virtual events and updated materials. For example, in 2023, we provided employee training related to the EU GDPR, HIPAA, cybersecurity and privacy.

# Human Rights

Baxter has policies and processes in place to help protect human rights across our value chain, including the rights of our employees, our suppliers' workers, 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, ethical conduct, access to healthcare, and patient, employee and customer privacy.



## Protecting human rights in our supply chain:

Baxter's suppliers must commit to respecting human rights, either in accordance with our Global Human Rights Policy or under their own similar policies. Suppliers with whom Baxter contracts must confirm they agree to comply with our guidelines, which include our Supplier Quality and Ethics and Compliance Standards for Baxter Suppliers and the [Baxter Code of Conduct](#).

In 2023, we published our first annual [Due Diligence Report under the Norwegian Transparency Act of 2022](#). In addition, Baxter publishes a [UK Modern Slavery Statement](#) and an [Australia Modern Slavery Statement](#) each year. In 2023, we conducted mandatory training for our applicable procurement staff on Australia-specific modern slavery legislation in that country. We also have position statements related to the [California Transparency in Supply Chains Act](#) and conflict minerals, and we publish an annual [Conflict Minerals Report](#).

# Diversity, Equity and Inclusion

We work to enhance our company's culture of belonging and to embed diversity, equity and inclusion (DE&I) across all aspects of our business. We focus on four strategic pillars:

**Workforce:** Increasing the diversity of our workforce makes us a more agile and innovative company. This begins with our Board of Directors (including the Compensation and Human Capital Committee) and leadership teams, who influence and inspire our desired culture and drive greater representation throughout the organization. See information regarding Board diversity in [Baxter's 2023 Proxy Statement](#).

Our hiring process includes an inclusive and expansive candidate-sourcing strategy and an aim to create diverse interview panels. Baxter also has processes to help avoid inadvertently overlooking employees for development, sponsorship, succession, advancement and retention opportunities. In addition, many employees establish or continue mentoring relationships, which fosters greater opportunities and networks within the company.

**Workplace:** We embed DE&I across our workplace through inclusive leadership and engagement with employees who advocate for inclusion throughout our company. Examples include:

- **Global Inclusion Council:** These executive leaders are responsible for demonstrating inclusive leadership and driving actions that create a workplace culture where all employees can feel they belong.
- **Business Resource Groups (BRGs):** Nine affinity groups provide forums for employees to build networks, develop skills, experience cultural connections, volunteer and support business initiatives.
- **Activating Change Today (ACT) Council:** Chaired by our CEO, this council supports our multiyear [ACT initiative](#) to drive meaningful, sustainable change and address racial injustice within the workplace and in the communities and markets we serve globally.

• **Transformation Champion Network:** This group of diverse leaders from across Baxter fosters understanding and engagement and champions change by listening, building awareness, advocating for employees and providing critical feedback to inform our inclusion initiatives.

Baxter provides employees with training, tools and resources to build cultural awareness and competence to engage more authentically. To reinforce the value of inclusion throughout the company, we conduct surveys to measure manager effectiveness, including inclusive leadership.

Baxter's total compensation philosophy provides market-competitive pay and benefits globally while rewarding employees for strong individual and business performance. We periodically assess our efforts through pay audits and reviews.

**Communities:** Baxter works to promote inclusion and equity in our communities by driving advocacy in partnership with community organizations. For example, aligned with our ACT initiative, we partnered with Direct Relief to provide Baxter products to nearly 600 community health centers and free-and-charitable clinics and pharmacies in the United States and its territories for the purpose of improving access to healthcare for underserved communities. As of the end of 2023, Baxter had donated \$2.6 million worth of products through this program. In addition, to encourage local community engagement, the Baxter International Foundation provides each of our nine BRGs with a two-year grant to extend to a nonprofit that supports diversity and inclusion initiatives. In 2023, \$450,000 was distributed to organizations focusing on a range of priorities, including increasing access to science, technology, engineering and math (STEM) education for youth in Ireland, delivering healthcare to rural communities in Mexico and championing disability rights through employment and community engagement opportunities in the Chicago, Illinois, area.



Baxter also develops mutually beneficial relationships with small and diverse suppliers as we strive to increase the diversity of our supplier base. In 2023, we spent \$563 million with small businesses, \$148 million with women-owned businesses and \$134 million with minority-owned businesses. A third-party review estimates that our spending with diverse suppliers directly supported \$716 million in economic output as well as \$156 million in employee income and more than 2,000 jobs.<sup>5</sup>

**Marketplace:** We strive to adopt inclusive product design from concept to launch and enhance engagement with diverse healthcare professionals, patients, caregivers and other stakeholders. Our efforts to tackle health disparities include sponsoring community programs that work to improve patient access to healthcare and reduce healthcare provider biases, including promoting a more diverse pipeline of healthcare professionals. This includes support for scholarships at Historically Black Colleges and Universities (HBCUs), as well as universities in Ireland, to assist students pursuing health and science degrees with the goal of increasing the diversity of healthcare providers in the medical community.

In 2023, we hosted educational events for employees to enhance awareness around healthcare disparities. During the year, we also convened a consensus meeting with experts in health disparities and critical care to develop a white paper, which should be published in 2024, to expand awareness and understanding of disparities in critical care research so that researchers and healthcare providers can begin to mitigate related effects.

Baxter also partners with several organizations, including the Congressional Black Caucus Foundation, the Congressional Hispanic Caucus and the National Minority Quality Forum, to advance successful lobbying and advocacy efforts in support of health equity for underserved communities.

# 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 Task Force on Climate-related Financial Disclosures (TCFD), the United Nations Sustainable Development Goals and third-party raters and rankers focused on environmental, social and governance matters.

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 annual [SASB Index](#), based on the SASB Medical Equipment & Supplies Sustainability Accounting Standard. This report also includes our annual [TCFD Index](#).

## FEEDBACK

Readers can send comments or suggestions to: [corporate\\_responsibility\\_report@baxter.com](mailto:corporate_responsibility_report@baxter.com).

## SCOPE OF THIS REPORT

The performance and other data in this report is from calendar year 2023 unless stated otherwise. Some examples and program descriptions may include information from 2024 as relevant.

- This report covers Baxter's global operations, including subsidiaries, unless stated otherwise. Environmental, health, safety and sustainability data includes joint ventures where we have a controlling interest.
- Unless stated otherwise, the 2023 content and data in this report reflect the integration of the Hillrom business, which we acquired in December 2021.
- All currency in this report is in U.S. dollars unless stated otherwise.
- Significant restatements of data from prior years are noted in the sections where they appear.
- The methodologies, assumptions and estimates underlying our corporate sustainability strategy, analysis and data continue to develop and are likely to continue to

change in future periods, including as a result of regulatory or other developments or as a result of our ongoing strategic actions. As a result, the information we present in this report could differ from our prior disclosures, and information in future disclosures may differ from this report. We undertake no obligation to update any statement in this report or future disclosures except as required by law.

- Certain information in this report incorporates or otherwise relies upon data from third parties, which we have not independently verified and may be prepared in ways that are not consistent with our methodologies or practices.
- 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 includes forward-looking statements concerning Baxter, including with respect to compliance, future performance, our 2030 Corporate Responsibility Commitment and Goals and related underlying efforts, as well as other plans and initiatives. These forward-looking 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 company's ability to execute and complete strategic initiatives, asset dispositions and other transactions and development activities, including the proposed separation of the company's Kidney Care business, the company's plans to simplify its manufacturing footprint and the timing for such transactions, the ability to satisfy any applicable conditions and the expected proceeds, consideration and benefits; failure to accurately forecast or achieve the company's short- and long-term financial performance and goals (including with respect to the company's strategic initiatives and other actions) and related impacts on our liquidity; the company's ability to execute on its capital allocation plans, including the company's debt repayment plans, the timing and amount of any dividends, share repurchases and divestiture proceeds and, if the company proceeds with the separation of the Kidney Care business in the

form of a spinoff, the capital structure of the public company that would be formed (and the resulting capital structure for the remaining company); the company's ability to successfully integrate acquisitions; the impact of global economic conditions (including, among other things, inflation levels, interest rates, financial market volatility, banking crises, the potential for a recession, the war in Ukraine, the conflict in the Middle East (including attacks on merchant ships in the Red Sea), tensions amongst China, Taiwan and the U.S., and the potential for escalation of these conflicts, the related economic sanctions being imposed globally in response to the conflicts and potential trade wars and global public health crises, pandemics and epidemics, such as the COVID-19 pandemic, or the anticipation of any of the foregoing, on the company's operations and on the company's employees, customers, suppliers, and foreign governments in countries in which the company operates; downgrades to the company's credit ratings or ratings outlooks, and the impact on the company's funding costs and liquidity; product development risks, including satisfactory clinical performance and obtaining and maintaining required regulatory approvals (including as a result of evolving regulatory requirements or the withdrawal or resubmission of any pending applications), the ability to manufacture at appropriate scale and the general unpredictability associated with the product development cycle; product quality or patient safety issues leading to product recalls, withdrawals, launch delays, warning letters, import bans, sanctions, seizures, litigation or declining sales, including the focus on evaluating product portfolios for the potential presence or formation of nitrosamines; future actions of, or failures to act or delays in acting by, FDA, the European Medicines Agency or any other regulatory body or government authority (including the SEC, Department of Justice or the Attorney General of any State) that could delay, limit or suspend product development, manufacturing or sale or result in seizures, recalls, injunctions, monetary sanctions or criminal or civil liabilities; demand and market acceptance risks for, and competitive pressures related to, new and existing products, challenges with the company's ability to accurately predict changing consumer preferences and future expenditures and inventory levels, and challenges with the company's ability to monetize new and existing products and services, the impact of those products on quality and patient safety concerns and the need for ongoing training and support for our products; breaches, including by cyber-attack, data leakage, unauthorized access or theft, or failures of or vulnerabilities in, the company's information technology systems or products; the continuity, availability and pricing of acceptable raw materials

and component parts, the company's ability to pass some or all of these costs to the company's customers through recent price increases or otherwise, and the related continuity of the company's manufacturing and distribution and those of the company's suppliers; inability to create additional production capacity in a timely manner or the occurrence of other manufacturing, sterilization or supply difficulties, including as a result of natural disaster, war, terrorism, global public health crises and epidemics/pandemics, regulatory actions or otherwise; the company's ability to finance and develop new products or enhancements on commercially acceptable terms or at all; loss of key employees, the occurrence of labor disruptions (including as a result of labor disagreements under bargaining agreements or national trade union agreements or disputes with works councils) or the inability to attract, develop, retain and engage employees; failures with respect to the company's quality, compliance or ethics programs; future actions of third parties, including third-party payers and the company's customers and distributors (including GPOs and IDNs); changes to legislation and regulation and other governmental pressures in United States and globally, including the cost of compliance and potential penalties for purported noncompliance thereof, including new or amended laws, rules and regulations as well as the impact of healthcare reform and its implementation, suspension, repeal, replacement, amendment, modification and other similar actions undertaken by the United States or foreign governments, including with respect to pricing, reimbursement, taxation and rebate policies; the outcome of pending or future litigation; the impact of competitive products and pricing, including generic competition, drug reimportation and disruptive technologies; global regulatory, trade and tax policies, including with respect to climate change and other sustainability matters; the ability to protect or enforce the company's patents or other proprietary rights (including trademarks, copyrights, trade secrets and know-how) or where the patents of third parties prevent or restrict the company's manufacture, sale or use of affected products or technology; the impact of any goodwill, intangible asset or other long-lived asset impairments on the company's operating results; fluctuations in foreign exchange and interest rates; any changes in law concerning the taxation of income (whether with respect to current or future tax reform); actions 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 Findings<sup>1</sup>

For information about the 2022 materiality assessment process we undertook, see page 8 of our [2022 Corporate Responsibility Report](#).

POTENTIAL IMPACT WITHIN BAXTER'S VALUE CHAIN				
ESG TOPICS	DESCRIPTION	Upstream	Baxter Operations	Downstream
<b>Priority ESG Topics</b>				
<b>Business Ethics and Compliance</b>	Risk management around ethical business conduct, including fraud, anticorruption and competitive behavior. Addresses a company's approach to engaging with regulators in places where conflicting corporate and public interests may have long-term adverse effects on environmental or social issues. May relate to alignment of management and investor views of regulatory engagement and compliance at large. Includes compliance with regulations, including those related to ESG, trade, government contracting, Food and Drug Administration (FDA), state and local, etc. <a href="#">Learn more</a> .	●	●	●
<b>Business Model Innovation and Resilience</b>	Ability to meet new market demands and access new customer segments, as well as long-term business model planning and responsiveness to resource and climate constraints. Includes circular economy, cradle to cradle and zero waste frameworks. <a href="#">Learn more</a> .	●	●	●
<b>Diversity, Equity and Inclusion</b>	Efforts to diversify workforce, provide equal access to opportunity and create a sense of belonging. <a href="#">Learn more</a> .	●	●	●
<b>Greenhouse Gas Emissions</b>	Management of Scope 1, Scope 2 and Scope 3 greenhouse gas emissions. Includes energy management across the company's footprint, such as energy consumption, energy efficiency, energy intensity, energy mix, grid resilience, and sourcing and procurement of energy from renewable sources. <a href="#">Learn more</a> .	●	●	●
<b>Patient Safety and Product Quality</b>	Management of patient safety and product quality across the product life cycle through leading practices in design, materials use, manufacturing, communications, surveillance, reporting and senior leader accountability measures such as product safety and quality systems. Includes innovations to advance the company's ability to meet patient needs and ultimately improve health outcomes. <a href="#">Learn more</a> .	●	●	●
<b>Sustainable Product Design and Packaging</b>	Integration of green design principles in product design and packaging. Considers life cycle impacts of products through end-of-life, employing circular design principles that promote end-user recycling and reuse of scrap. Includes ability to maximize resource efficiency in manufacturing and to reduce use of key raw materials where possible. <a href="#">Learn more</a> .	●	●	●
<b>Other Material ESG Topics</b>				
<b>Access and Affordability</b>	Addresses a company's ability to provide broad access to its products and services, especially in the context of underserved markets and/or populations. <a href="#">Learn more</a> .		●	
<b>Biodiversity and Habitat Protection</b>	Management of the company's impacts on ecosystems and biodiversity through its activities, including project development, construction and site location. Impacts may include biodiversity loss, habitat destruction and deforestation. <a href="#">Learn more</a> .	●		
<b>Community Engagement and Philanthropy</b>	Engaging communities to achieve long-term and sustainable outcomes, processes, relationships, discourse, decision-making and implementation. Investment in the broader communities where target beneficiaries are external to the organization, including contributions to charities, nongovernmental organizations and research institutes, funds to support community infrastructure such as recreational facilities, social programs, and arts and educational events. <a href="#">Learn more</a> .	●		
<b>Data Privacy and Cybersecurity</b>	Risk management related to the collection, retention and use of sensitive, confidential and/or proprietary customer or user data. <a href="#">Learn more</a> .	●	●	●
<b>Employee Development and Retention</b>	Investment in continued employee professional development and educational opportunities. Ability of employees to envision and put professional goals into action, leading to career advancement opportunities in a company. <a href="#">Learn more</a> .		●	
<b>Employee Health and Safety</b>	Measures taken to promote employee health and safety within the company's facilities and across the supply chain, including mental health and well-being. <a href="#">Learn more</a> .	●	●	
<b>Human Rights and Labor Practices</b>	Workplace labor standards, basic worker rights, fair wages and benefits, and relationship with organized labor. Includes company and suppliers' direct and indirect impact(s) on core human rights issues and treatment of Indigenous peoples. <a href="#">Learn more</a> .	●	●	
<b>Supply Chain Management</b>	Selection and management of suppliers through practices such as screening, monitoring, follow-up and audits to ensure supplier and contractor compliance are in line with company practices and policies. <a href="#">Learn more</a> .	●		
<b>Waste Management</b>	Waste management at facilities as well as the handling of waste and scrap, including nonhazardous and regulated waste, across the supply chain and throughout project development. Includes recycling programs within company facilities. <a href="#">Learn more</a> .	●	●	
<b>Water Management</b>	Water use, water consumption, water availability, wastewater generation, stormwater management and other impacts of operations on water resources. Includes water management strategies such as water efficiency, intensity, recycling, watershed protection and others. <a href="#">Learn more</a> .		●	

# Appendix: Policies and Standards

## Achieve Carbon Neutrality for Direct Operations by 2040

- [Climate Change & Energy Position Statement](#)
- [The Greenhouse Gas Protocol](#)

## Advance Sustainable Procurement

- [Global Supplier Standards Manual](#)
- [Ethics & Compliance Standards for Baxter Suppliers](#)
- [Global Human Rights Policy](#)

## Invest in Underserved Communities Globally

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

- [World Health Organization Guidelines for Medicine Donations](#)
- [Partnership for Quality Medical Donations guidelines](#)

## Ethics and Compliance

- [Baxter Code of Conduct](#)
- Baxter Conflicts of Interest Policy (internal)
- [Baxter Global Third Party Anticorruption Policy](#)
- [Baxter Global Interactions Policy](#)
- Baxter Global Trade Compliance Policy (internal)
- [AdvaMed Code of Ethics](#)
- [MedTech Europe Code of Ethical Business Practice](#)

## Privacy and Data Protection

- Global Privacy Policy (internal)
- GDPR Policy (internal)
- HIPAA Privacy Policies and Procedures (internal)
- HIPAA Security Policies and Procedures (internal)
- Digital Security Policy (internal)

## Human Rights

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

## Diversity, Equity and Inclusion

- [Statement of Equal Opportunity](#)
- Equal Opportunity Employment Policy (internal)
- Non-discrimination commitment (within our [Global Human Rights Policy](#))
- Prohibition of Workplace Harassment Policy (internal)

## Environment, Health, Safety and Sustainability [EHS&S]

- [EHS&S Policy](#)
- [Proposition 65](#)
- [Registration, Evaluation, Authorization and Restriction of Chemicals \(REACH\) Regulation EC 1907/2006](#)



# Appendix: Data Summary<sup>1</sup>



LRQA 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; Achieve Top Quartile Workplace Safety Performance; and the Supplier Diversity and Economic Impact of Spending with Diverse Suppliers sections of Diversity, Equity and Inclusion.

SECTION AND INDICATOR	2021	2022	2023	SECTION AND INDICATOR	2021	2022	2023	SECTION AND INDICATOR	2021	2022	2023
<b>Financial Performance<sup>2</sup></b>											
Net Sales (\$ millions)	\$12,146	\$14,506	\$14,813	Achieve Carbon Neutrality for Direct Operations by 2040 <sup>7,8</sup> [continued]				Implement Strategic Water Management Plans <sup>2,8</sup>			
U.S. Net Sales (\$ millions)	\$4,938	\$6,955	\$7,000	Electricity Purchased from 100% Renewable Power (thousands of MWh)	383	513	528	Water Usage <sup>16</sup> (thousand cubic meters)	14,528	14,585	14,884
International Net Sales (\$ millions)	\$7,208	\$7,551	\$7,813	Americas	180	315	356	Americas	7,157	7,419	7,981
Net Income (Loss) (\$ millions)	\$1,295	(\$2,421)	\$2,663	EMEA	197	194	162	EMEA	4,226	4,033	4,074
Stock Price (\$ at year end)	\$85.84	\$50.97	\$38.66	Asia Pacific	6	4	10	Asia Pacific	3,145	3,133	2,829
Dividend (\$ per share)	\$1.085	\$1.15	\$1.16	Lean Energy Program Performance <sup>12</sup> [% of program criteria implemented across all manufacturing facilities, at year end]				Water Usage <sup>16</sup> per Million Dollars of Sales <sup>10</sup> (thousand cubic meters)	-	1.01	1.00
Research and Development (\$ millions)	\$531	\$602	\$667	Prerequisite	96%	96%	84%	Water Usage <sup>16</sup> by Availability <sup>17</sup> (thousand cubic meters)	13,913	13,922	14,211
<b>Consistently Improve Manufacturing Capabilities<sup>3</sup></b>				Bronze	91%	93%	81%	Extremely High Water Stress	1,842	1,806	1,883
<b>Total Recalls: Medical Device and Drug</b>				Silver	83%	87%	77%	High Water Stress	1,241	1,230	1,200
Within the United States <sup>4</sup>	10	22	20	Gold	64%	64%	57%	Medium-High Water Stress	2,883	3,040	3,540
Outside the United States	29	27	26	Manufacturing Facilities Meeting ISO 50001 Requirements <sup>12</sup>	22	23	24	Low-Medium Water Stress	970	974	994
<b>Recalls: Medical Device Only</b>				Manufacturing Facilities Meeting ISO 50001 Requirements <sup>12</sup> [%]	47%	49%	46%	Low Water Stress	6,977	6,872	6,593
Within the United States <sup>4</sup>	10	21	16	Energy Assessments Completed <sup>13</sup>	-	14	4	Wastewater Flow <sup>18</sup> (total direct discharge, thousand cubic meters)	3,310	3,342	3,424
U.S. Food and Drug Administration (FDA) Class I Recalls <sup>4</sup>	3	5	3	Americas	-	7	3	BOD <sub>5</sub> (metric tons)	16	12	9
Outside the United States	16	17	16	EMEA	-	7	1	BOD <sub>5</sub> (mg/L)	5	4	3
<b>Recalls: Drug Only</b>				Baxter's Global Greenhouse Gas (GHG) Emissions Footprint (Scope 1, 2, and 3) (metric tons CO <sub>2</sub> e). See <a href="#">Value Chain Energy Usage and GHG Emissions</a> for detail.	3,798,000	4,406,000	4,031,000	COD (metric tons)	41	41	32
Within the United States <sup>4</sup>	0	1	4	GHG Emissions from Baxter Operations <sup>14</sup> (metric tons CO <sub>2</sub> e)	600,000	595,000	570,000	COD (mg/L)	12	12	9
FDA Class I Recalls <sup>4</sup>	0	0	0	Americas	318,000	309,000	297,000	TSS (metric tons)	25	25	24
Outside the United States	13	10	10	EMEA	130,000	131,000	136,000	TSS (mg/L)	8	7	7
Product Recall Rate <sup>5</sup> [% of product codes sold]	1.6%	0.8%	0.9%	Asia Pacific	152,000	155,000	137,000	Advance Sustainable Procurement <sup>19</sup>			
<b>FDA Inspections and Enforcement Actions<sup>6</sup></b>				GHG Emissions from Operations per Million Dollars of Sales <sup>10</sup> (metric tons CO <sub>2</sub> e)	-	41	38	Spend with Suppliers <sup>20</sup> (United States and Puerto Rico) (approximate, \$ billions)	\$2.2	\$3.6	\$4.1
Form 483s Received	2	6	5	Worldwide GHG Emissions from Product Transport, by Mode <sup>15</sup> (metric tons CO <sub>2</sub> e)	459,200	455,700	416,700	Baxter Supplier Audits Related to Product Quality Management Systems	630+	630	689
Warning Letters Open	1	0	1	Air (Scope 3)	95,100	88,400	44,400				
Warning Letters Resolved	0	1	0	Ocean (Scope 3)	54,100	56,700	56,500	Implement Strategic Materials and Waste Management Plans <sup>2,8</sup>			
Warning Letters Received	0	0	1	Rail (Scope 3)	14,200	14,300	16,700	Total Waste <sup>21</sup> (metric tons)	82,300	80,700	78,600
Product Seizure	0	0	0	Road (Scope 1)	17,100	17,600	20,100	Americas	44,900	45,400	42,200
Consent Decree	0	0	0	Road (Scope 3)	278,700	278,600	279,100	EMEA	25,800	24,900	26,900
<b>Achieve Carbon Neutrality for Direct Operations by 2040<sup>7,8</sup></b>				Worldwide GHG Emissions from Product Transport, by Region <sup>15</sup> (metric tons CO <sub>2</sub> e)	459,200	455,700	416,700	Asia Pacific	11,600	10,400	9,500
Energy Usage from Baxter Operations <sup>9</sup> (thousands of MWh)	2,872	2,970	2,964	Americas	268,600	289,500	258,100	Total Waste per Million Dollars of Sales <sup>10</sup> (metric tons)	-	5.6	5.3
Americas	1,574	1,691	1,762	EMEA	94,600	84,800	88,900	Nonhazardous Waste <sup>22</sup> (metric tons)	75,700	72,900	70,100
Europe, Middle East and Africa (EMEA)	837	831	793	Asia Pacific	96,000	81,300	69,700	Americas	42,300	42,300	38,900
Asia Pacific	461	448	408	EMEA				EMEA	22,600	20,900	22,300
Thousands of MWh per Million Dollars of Sales <sup>10</sup>	-	0.20	0.20	Asia Pacific				Asia Pacific	10,800	9,700	8,900
Renewable Energy Usage (thousands of MWh)	846	942	979	Nonhazardous Waste per Million Dollars of Sales <sup>10</sup> (metric tons)	-	4.9	4.7	Nonhazardous Waste Diverted from Landfill <sup>23</sup> (%)	74.0%	80.7%	77.5%
Facility Usage of Renewable Energy <sup>11</sup> (as a % of total energy use)	29%	32%	33%	Nonhazardous Waste Diverted from Landfill <sup>23</sup> (%)	74.0%	80.7%	77.5%				

# Appendix: Data Summary (continued)

SECTION AND INDICATOR	2021	2022	2023	SECTION AND INDICATOR	2021	2022	2023	SECTION AND INDICATOR	2021	2022	2023
<b>Implement Strategic Materials and Waste Management Plans<sup>2,8</sup> [continued]</b>											
<b>Regulated Waste<sup>24</sup> (metric tons)</b>	6,600	7,800	8,500	<b>Environmental, Health, Safety and Sustainability Governance and Additional Disclosures<sup>2</sup> [continued]</b>				<b>Increase Representation of Women and Ethnic Minorities in Leadership Roles<sup>3</sup> [continued]</b>			
Americas	2,600	3,200	3,300	<b>ISO Certifications</b>				<b>Vice President and Above (as a % of total, U.S. and Puerto Rico only)</b>			
EMEA	3,200	3,900	4,600	ISO-Certified Baxter Locations	62	63	63	Asian	8.9%	11.0%	12.4%
Asia Pacific	800	700	600	ISO 14001-Certified Baxter Locations	61	62	62	Black/African American	3.3%	2.8%	2.5%
Regulated Waste per Million Dollars of Sales <sup>10</sup> (metric tons)	-	0.5	0.6	ISO 45001-Certified Baxter Locations	45	46	43	Hispanic/Latino	4.5%	3.7%	5.0%
Regulated Waste Diverted from Landfill <sup>23</sup> (%)	43.9%	54.4%	25.4%	ISO-Certified Baxter Manufacturing Locations <sup>29</sup>	47	46	45	White	82.2%	82.5%	80.2%
<b>Waste Management at Baxter (% of total)</b>				ISO-Certified Baxter Manufacturing Locations <sup>29</sup> (%)	78%	73%	76%	Other <sup>31</sup>	1.1%	0.0%	0.0%
Recycled	65.3%	71.1%	62.2%	<b>Environmental Compliance</b>				<b>Director (as a % of total, U.S. and Puerto Rico only)</b>			
Incinerated with Energy Recovery	13.4%	7.1%	9.6%	Environmental Notices of Violation	12	9	15	Asian	12.4%	11.1%	13.0%
Incinerated	4.7%	2.9%	5.4%	Environmental Fines Paid (\$)	\$0	\$0	\$200	Black/African American	3.0%	2.9%	2.7%
Sent to Landfill	14.3%	13.3%	13.6%	<b>Product Materials</b>				Hispanic/Latino	8.3%	7.0%	6.7%
Other Disposal	2.3%	5.6%	9.2%	Products Tested (cumulative)	173	539	583	White	74.2%	77.2%	75.5%
Electronic Equipment Recovered by Vendors in the EU on Baxter's Behalf <sup>25</sup> (metric tons)	110	83	127	Parts Tested (cumulative)	16,500+	25,300+	30,700+	Other <sup>31</sup>	2.1%	1.8%	2.1%
<b>PVC and Aluminum Recycling Programs for Hospitals and Dialysis Clinics<sup>26</sup></b>											
<b>Australia</b>											
PVC Collected for Recycling (metric tons)	140	97.6	120	<b>Increase Representation of Women and Ethnic Minorities in Leadership Roles<sup>3</sup></b>				<b>Manager (as a % of total, U.S. and Puerto Rico only)</b>			
Participating Hospitals	-	258	197	<b>Global Workforce by Gender (as a % of total)</b>				Asian	14.1%	12.7%	13.2%
Aluminum Bottles Recycled (metric tons)	0.5	1.8	2.4	Women	48.4%	47.2%	47.0%	Black/African American	3.9%	3.7%	3.5%
Participating Hospitals	-	180	69	Men	51.6%	52.8%	53.0%	Hispanic/Latino	7.6%	7.3%	7.5%
<b>New Zealand</b>				<b>Representation of Women by Region (as a % of total)</b>				White	72.8%	74.5%	73.7%
PVC Collected for Recycling (metric tons)	-	10	21	Americas	49.5%	47.3%	47.1%	Other <sup>31</sup>	1.6%	1.8%	2.0%
Participating Hospitals	-	23	30	EMEA	48.9%	48.0%	47.6%	<b>Professional<sup>30</sup> (as a % of total, U.S. and Puerto Rico only)</b>			
Aluminum Bottles Recycled (metric tons)	-	0.2	0.1	Asia Pacific	45.5%	46.1%	46.0%	Asian	8.5%	6.5%	7.1%
Participating Hospitals	-	4	5	<b>Representation of Women by Job Level (as a % of total)</b>				Black/African American	5.8%	11.6%	11.4%
<b>Colombia</b>				Vice President and Above	31.6%	31.3%	34.9%	Hispanic/Latino	15.3%	19.7%	21.3%
PVC Recycled (metric tons)	69.4	44.5	69.2	Director	37.1%	36.1%	37.4%	White	68.0%	59.9%	57.6%
Participating Dialysis Clinics	43	43	27	Manager	42.1%	40.4%	40.2%	Other <sup>31</sup>	2.4%	2.3%	2.6%
PVC Recycled from Home Dialysis Patients (metric tons)	38.4	40.1	41.1	Professional <sup>30</sup>	47.8%	48.3%	48.0%	See the <a href="#">Baxter 2021 Employer Information Report (EEO-1)</a> , <a href="#">Baxter 2022 EEO-1 Report</a> and <a href="#">Baxter 2023 EEO-1 Report</a> for additional workforce diversity data.			
<b>Guatemala</b>				<b>Ethnic Representation (as a % of total, U.S. and Puerto Rico only)</b>				<b>Baxter and the Baxter International Foundation Charitable Giving<sup>19,33</sup> [\$ millions]</b>			
PVC and Other Plastics Recycled (metric tons)	15.3	16.9	17.0	Asian	8.2%	7.5%	8.2%	Total Charitable Giving, by Category	\$55.88	\$55.38	\$46.30
<b>United States</b>				Black/African American	10.0%	10.2%	9.9%	Investments in Underserved Communities Globally	\$51.72	\$51.07	\$40.69
PVC Recycled at Pilot Hospital (metric tons)	1.0	1.3	2.3	Hispanic/Latino	18.8%	17.5%	18.8%	Other Charitable Giving	\$4.16	\$4.31	\$5.61
<b>Environmental, Health, Safety and Sustainability Governance and Additional Disclosures<sup>2</sup></b>				White	60.9%	62.6%	60.6%	Total Charitable Giving, by Type	\$55.88	\$55.38	\$46.30
Baxter Toxics Release Inventory Air Releases <sup>27</sup> (metric tons)	16	14	-	Other <sup>31</sup>	2.1%	2.2%	2.5%	Baxter Product Donations to Aid Organizations <sup>34</sup>	\$36.14	\$35.49	\$26.85
<b>NO<sub>x</sub> and SO<sub>x</sub> Emissions<sup>28</sup> (metric tons)</b>	471	504	468	<b>Ethnic Minority Representation by Job Level<sup>32</sup> (as a % of total, U.S. and Puerto Rico only)</b>	37.6%	36.4%	39.4%	Business and Facility Cash Donations	\$7.71	\$7.81	\$9.19
NO <sub>x</sub>	352	362	365	Vice President and Above	17.0%	16.8%	19.9%	Within the United States (including U.S. Territories)	\$4.85	\$5.35	\$6.82
SO <sub>x</sub>	118	142	103	Director	25.3%	22.3%	24.5%	Outside the United States	\$2.86	\$2.46	\$2.37
NO <sub>x</sub> and SO <sub>x</sub> Emissions per Million Dollars of Sales <sup>10</sup> (kg)	-	35	32	Manager	26.6%	24.9%	26.2%				
Professional <sup>30</sup>				Professional <sup>30</sup>	31.1%	38.9%	42.4%				

## Appendix: Data Summary (continued)

SECTION AND INDICATOR	2021	2022	2023	SECTION AND INDICATOR	2021	2022	2023	SECTION AND INDICATOR	2021	2022	2023
<b>Baxter and the Baxter International Foundation Charitable Giving<sup>18, 33</sup> [\$ millions] (continued)</b>											
<b>The Baxter International Foundation Contributions</b>	\$12.04	\$12.08	\$10.26	<b>Achieve Top Quartile Workplace Safety Performance<sup>3, 37</sup> (continued)</b>				<b>Diversity, Equity and Inclusion<sup>46</sup> (continued)</b>			
Within the United States (including U.S. Territories)	\$11.48	\$11.66	\$9.85	<b>Sources of Recordable Injury and Serious Incidents (as a % of total)</b>				<b>Economic Impact of Spending with Diverse Suppliers<sup>51</sup></b>			
Grants <sup>35</sup>	\$10.13	\$9.91	\$7.69	Ergonomic	22%	22%	24%	Direct: Economic Output (\$ millions)	\$257	\$691	\$716
Matching Gifts and Dollars for Doers	\$0.75	\$0.95	\$1.25	Illness	9%	5%	0%	Direct: Employee Income (\$ millions)	\$72	\$135	\$156
Scholarships	\$0.47	\$0.47	\$0.60	Involving the Body (nonergonomic)	9%	1%	1%	Direct: Jobs	1,190	1,729	2,027
Prize Programs	\$0.13	\$0.33	\$0.31	Punctures	7%	8%	13%	Estimated Indirect and Induced: Economic Output (\$ millions)	\$180	\$327	\$359
Outside the United States	\$0.56	\$0.42	\$0.41	Struck by Object	12%	15%	7%	Estimated Indirect and Induced: Employee Income (\$ millions)	\$68	\$117	\$127
Grants	\$0.24	\$0.08	\$0.00	Slips, Trips and Falls	24%	24%	26%	Estimated Indirect and Induced: Jobs	1,255	1,744	1,915
Scholarships	\$0.32	\$0.34	\$0.41	Caught In, On or Between	7%	12%	14%				
Scholarships Awarded	263	281	349	Forklifts and Other Vehicles	2%	3%	3%				
Employee Volunteer Hours	22,000	16,800	13,700	Other	8%	11%	12%				
Value of Employee Volunteer Hours <sup>36</sup> (\$)	\$659,000	\$534,000	\$459,000	<b>Facilities That Participated in the Exercise Challenge (%)</b>	63%	81%	78%				
<b>Achieve Top Quartile Workplace Safety Performance<sup>3, 37</sup></b>											
<b>Recordable Incident Rate<sup>38</sup></b>	0.33	0.40	0.35	<b>Employees Who Completed a Personal Wellness Profile<sup>43</sup> (%)</b>	32%	27%	22%	<b>Additional Workforce Disclosures<sup>3</sup></b>			
Americas	0.45	0.53	0.45	<b>Virtual Sessions Held Related to Monthly Wellness Days</b>	-	48	42	<b>Global Workforce by Job Level (as a % of total)</b>			
EMEA	0.33	0.34	0.38	<b>Facilities That Took Part in Healthy Eating Month (%)</b>	92%	92%	95%	Vice President and Above	0.3%	0.3%	0.3%
Asia Pacific	0.06	0.12	0.07	<b>Smoke-Free Campuses<sup>44</sup> (%)</b>	100%	99%	99%	Director	1.7%	1.7%	1.7%
<b>Cases with Days Lost Rate<sup>39</sup></b>	0.116	0.140	0.142	<b>Employees Worldwide Who Received Free Seasonal Flu Vaccinations<sup>45</sup></b>	12,000	10,000	8,300	Manager	9.2%	9.8%	9.8%
Americas	0.137	0.168	0.136	<b>Diversity, Equity and Inclusion<sup>46</sup></b>				Professional <sup>30</sup>	26.1%	27.2%	27.2%
EMEA	0.171	0.177	0.276	<b>Board of Directors Diversity<sup>47</sup> (as a % of total)</b>				Technical/Clerical <sup>52</sup>	62.8%	61.0%	61.1%
Asia Pacific	0.023	0.037	0.028	Women	31%	33%	36%				
<b>Days Lost Rate<sup>40</sup></b>	4.15	6.93	5.19	Men	69%	67%	64%	<b>Global Workforce by Region (as a % of total)</b>			
Americas	6.15	9.29	4.44	Ethnically/Racially Diverse	23%	25%	27%	Americas	49.0%	52.9%	54.2%
EMEA	3.96	5.10	11.66	<b>Best Place to Work Survey<sup>53</sup> (inclusion metrics)</b>				EMEA	27.0%	26.1%	25.6%
Asia Pacific	0.30	2.93	0.80	Diverse perspectives are valued at Baxter	75%	76%	-	Asia Pacific	24.0%	21.0%	20.2%
<b>Restricted Days Rate<sup>41</sup></b>	3.89	5.15	5.22	My direct manager does a good job of managing people from diverse backgrounds	80%	80%	-	<b>Best Place to Work Survey<sup>53</sup> (category scores)</b>			
Americas	6.68	8.95	8.58	I am comfortable voicing my ideas and opinions, even if they are different from others	76%	76%	-	Culture	78%	78%	-
EMEA	0.68	0.89	1.55	My direct manager cares about me as a person	78%	79%	-	Development	75%	75%	-
Asia Pacific	1.19	0.00	0.03	I feel I belong at Baxter <sup>49</sup>	-	77%	-	Engagement	80%	79%	79%
<b>Days Away (Lost), Restricted or Transferred Rate (DART)<sup>42</sup></b>	8.04	12.08	10.41	<b>Supplier Diversity<sup>50</sup> (\$ millions)</b>				Inclusion	77%	77%	79%
<b>Employee/Contractor Major or Severe Incidents (total number)</b>	4/0	17/0	11/0	Spend with Small Businesses	\$190	\$598	\$563	Leadership	72%	70%	-
<b>Employee/Contractor Fatalities (total number)</b>	0/0	1/0	0/0	Spend with Small Disadvantaged Businesses	\$2.3	\$3.6	\$3.2	Organization	76%	76%	-
<b>Health and Safety Notices of Violation Settled</b>	1	5	8	Spend with Minority-Owned Businesses	\$73	\$97	\$134	Rewards	64%	61%	-
<b>Health and Safety Fines Paid (\$)</b>	\$7,802	\$14,648	\$50,768	Spend with Women-Owned Businesses	\$90	\$77	\$148	Workplace	78%	78%	-
				Spend with Veteran-Owned Businesses	\$6	\$7.5	\$13	Total Employee/Contractor Training Hours <sup>54</sup>	2,200,000	2,530,000	2,460,000
				Spend with Service-Disabled Veteran-Owned Businesses	\$3.5	\$2.4	\$4.8	Training Hours Per Employee/Contractor <sup>54</sup> (average)	30	30	29
				Spend with HUBZone-Certified Businesses	\$2.6	\$7.3	\$6.8	Voluntary Employee Turnover Rate	14.0%	15.3%	12.8%
								<b>Political Contributions</b>			
								See the <a href="#">Baxter 2023 Political Contributions Report</a> for detailed data.			
								<b>Ethics and Compliance</b>			
								Items Reported to the Ethics and Compliance Helpline (see page 30)			

# Appendix: Value Chain Energy Usage and GHG Emissions



	MWH (thousands)			ENERGY COSTS [\$ millions]			CARBON DIOXIDE EQUIVALENTS <sup>1,2</sup> (thousand metric tons)		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
<b>Baxter Operations<sup>3</sup></b>									
<b>Scope 1—Stationary Sources (facilities)</b>									
Natural Gas	1,377	1,470	1,497	\$34.5	\$55.1	\$59.8	238	254	260
Fuel Oil	63	78	54	\$1.7	\$4.5	\$3.0	16	20	14
Propane and LPG	106	110	104	\$6.0	\$7.6	\$5.8	23	24	22
Biomass <sup>4</sup>	321	290	312	\$5.2	\$5.7	\$5.4	2	2	2
<b>Subtotal</b>	<b>1,867</b>	<b>1,948</b>	<b>1,967</b>	<b>\$47.4</b>	<b>\$72.9</b>	<b>\$74.0</b>	<b>279</b>	<b>300</b>	<b>298</b>
<b>Scope 1—Mobile Sources (Baxter-operated vehicles)<sup>5</sup></b>									
Aviation Fuel	2	4	5	\$0.1	\$0.5	\$0.5	0	1	1
Gasoline	71	75	78	\$6.5	\$7.9	\$7.8	17	17	18
Diesel Fuel	133	116	121	\$11.0	\$13.6	\$11.9	33	29	30
Propane	0	0	0	\$0.0	\$0.0	\$0.0	0	0	0
<b>Subtotal</b>	<b>206</b>	<b>195</b>	<b>204</b>	<b>\$17.7</b>	<b>\$22.1</b>	<b>\$20.3</b>	<b>50</b>	<b>48</b>	<b>50</b>
<b>Refrigerants<sup>6</sup></b>									
Refrigerant Losses (facilities)	n/a	n/a	n/a	n/a	n/a	n/a	6	5	4
<b>Scope 1 Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>334</b>	<b>352</b>	<b>352</b>
<b>Scope 2—Electricity and Purchased Steam</b>									
Electricity (purchased) <sup>7</sup>	972	992	964	\$100.7	\$118.2	\$134.4	242	220	197
Electricity (on-site renewable)	4	5	8	n/a	n/a	n/a	n/a	n/a	n/a
District Heating and Cooling Water	4	3	3	\$0.31	\$0.28	\$0.21	1	1	0
Purchased Steam	26	22	22	\$1.4	\$1.3	\$1.2	23	22	21
<b>Scope 2 Total (market-based)</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>266</b>	<b>242</b>	<b>219</b>
<b>Scope 2 Total (location-based)</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>391</b>	<b>399</b>	<b>384</b>
<b>Baxter Operations Total</b>	<b>3,079</b>	<b>3,165</b>	<b>3,168</b>	<b>\$167.5</b>	<b>\$214.8</b>	<b>\$230.1</b>	<b>600</b>	<b>595</b>	<b>570</b>
<b>Scope 3 Emissions<sup>8</sup></b>									
Purchased Goods and Services (Category 1) <sup>9</sup>	n/a	n/a	n/a	n/a	n/a	n/a	1,380	1,802	1,538
Capital Goods (Category 2) <sup>10</sup>	n/a	n/a	n/a	n/a	n/a	n/a	256	199	154
Fuel- and Energy-Related Activities (Category 3) <sup>11</sup>	n/a	n/a	n/a	n/a	n/a	n/a	150	149	143
Upstream Transportation and Distribution (Category 4) <sup>12</sup>	n/a	n/a	n/a	n/a	n/a	n/a	442	438	397
Waste Generated in Operations (Category 5) <sup>13</sup>	n/a	n/a	n/a	n/a	n/a	n/a	28	26	28
Business Travel (Category 6) <sup>14</sup>	n/a	n/a	n/a	n/a	n/a	n/a	17	27	46
Employee Commuting (Category 7) <sup>15</sup>	n/a	n/a	n/a	n/a	n/a	n/a	35	35	35
Downstream Transportation and Distribution (Category 9) <sup>16</sup>	n/a	n/a	n/a	n/a	n/a	n/a	146	165	144
Use of Sold Products (Category 11) <sup>17</sup>	n/a	n/a	n/a	n/a	n/a	n/a	604	817	818
End-of-Life Treatment of Sold Products (Category 12) <sup>18</sup>	n/a	n/a	n/a	n/a	n/a	n/a	139	151	158
<b>Scope 3 Emissions Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>3,198</b>	<b>3,811</b>	<b>3,461</b>
<b>Total GHG Emissions<sup>18</sup></b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>3,798</b>	<b>4,406</b>	<b>4,031</b>

# Appendix: Facilities with ISO 14001, ISO 45001, ISO 50001 and Green Building Certifications<sup>1,2</sup>



REGION/COUNTRY/ STATE/PROVINCE	CITY	ISO 14001	ISO 45001 <sup>3</sup>	ISO 50001	GREEN BUILDING CERTIFICATION
<b>North America</b>					
Canada, Ontario	Alliston	X	X		
United States, Alabama	Opelika	X	X		
United States, Arkansas	Mountain Home/Midway	X	X		
United States, California	Hayward	X	X		
United States, California	Irvine	X	X		
United States, Illinois	Deerfield Office	X	X		
United States, Illinois	Round Lake, Manufacturing	X		X	
United States, Illinois	Round Lake, R&D				LEED Silver (2013) <sup>4</sup>
United States, Minnesota	St. Paul	X			
United States, Mississippi	Cleveland	X	X	X	
United States, New York	Medina	X			
United States, New York	Skaneateles				LEED Gold (2011) <sup>5</sup>
United States, North Carolina	Marion (North Cove)	X	X		
<b>Latin America</b>					
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			
<b>Europe, Middle East and Africa</b>					
Belgium	Lessines	X	X	X	
Belgium	Lessines, BDCE	X	X	X	
France	Jonage-Lyon	X			BREEAM Good (2011)
France	Meyzieu	X		X	
France	Pluvigner	X		X	
Germany	Bielefeld	X	X		
Germany	Hechingen	X	X	X	
Germany	Saalfeld			X	
Greece	Athens (Herakleio)	X			
Ireland	Castlebar	X	X	X	
Ireland	Swinford	X	X		

REGION/COUNTRY/ STATE/PROVINCE	CITY	ISO 14001	ISO 45001 <sup>3</sup>	ISO 50001	GREEN BUILDING CERTIFICATION
<b>Europe, Middle East and Africa [continued]</b>					
Ireland	Dublin/Blackrock	X			
Ireland	Dublin/Sandyford	X			
Italy	Grosotto	X	X	X	
Italy	Medolla	X	X	X	
Italy	Rome	X	X		LEED Gold (2012)
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	Luleå	X			
Sweden	Lund	X			
Sweden	Rosersberg	X			BREEAM Very Good (2021)
Switzerland	Zurich				Minergie Plus (2010)
Tunisia	Oued Ellil	X	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		
<b>Asia Pacific</b>					
Australia	Toongabbie	X	X	X	
China	Guangzhou	X	X	X	
China	Shanghai	X	X	X	
China	Suzhou	X	X	X	
China	Tianjin	X	X		
Japan	Miyazaki	X		X	
New Zealand	Auckland	X	X		
Philippines	Canlubang	X	X		
Singapore	Woodlands	X	X	X	
Thailand	Amata	X		X	
India	Ahmedabad	X		X	

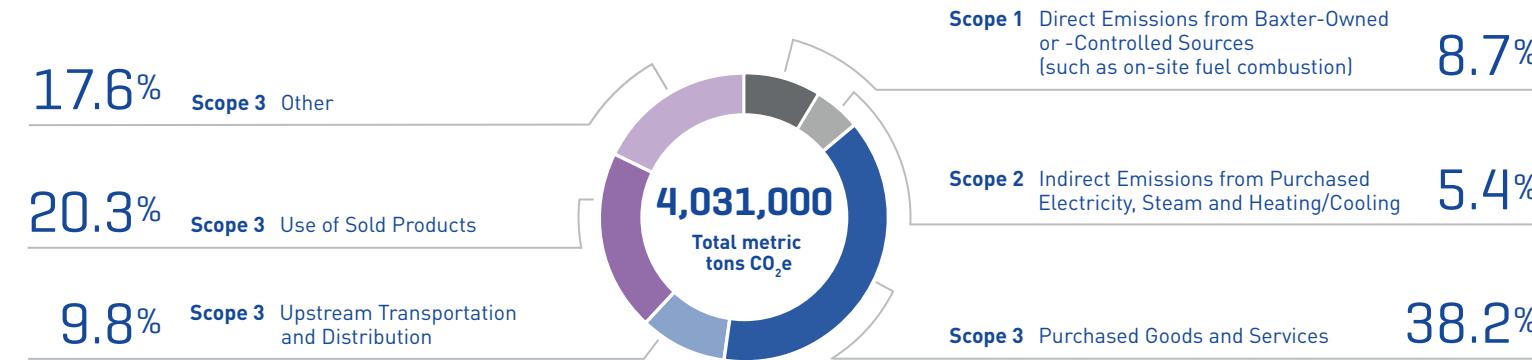
# Appendix: Additional Disclosures



## Achieve Carbon Neutrality for Direct Operations by 2040

### BAXTER GLOBAL GREENHOUSE GAS (GHG) EMISSIONS FOOTPRINT, 2023\*

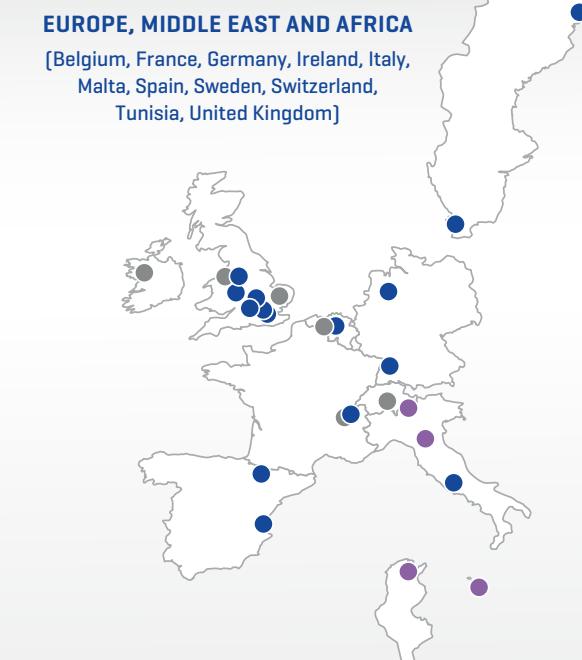
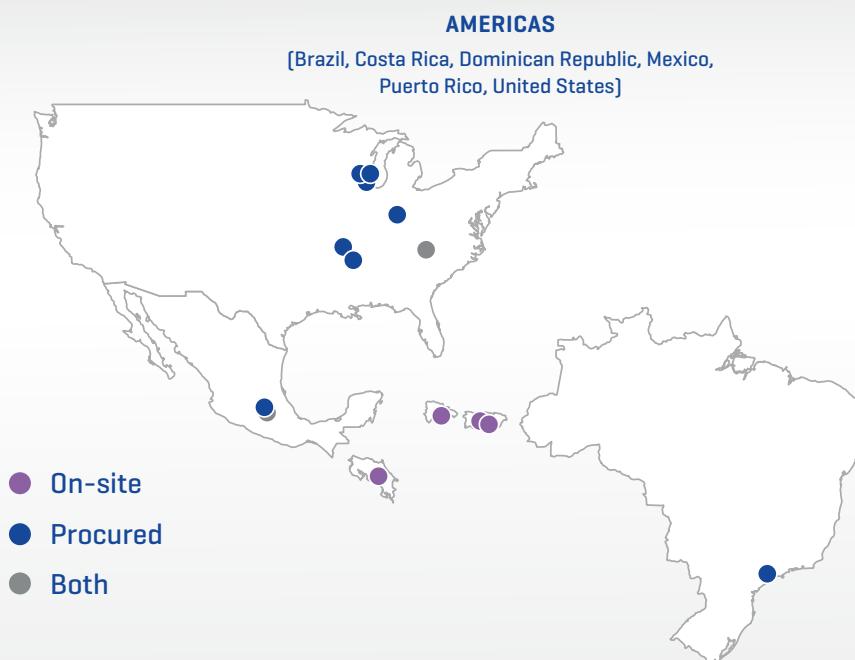
We estimate our 2023 GHG emissions footprint (Scope 1, 2 and 3) at 4,031 million metric tons CO<sub>2</sub>e, down 8.5% from 2022. The largest factor contributing to this reduction was a decrease in GHG emissions from purchased goods and services.



\* Data excludes Baxter's BioPharma Solutions business, which was divested at the end of the third quarter of 2023, except Scope 3 categories 1, 4, 6 and 7. The percentage for Use of Sold Products is lower than in prior-year Baxter Corporate Responsibility Reports due to changes in the calculation methodology, and the percentages for the other categories are higher as a result. See [Value Chain Energy Usage and GHG Emissions](#) for additional detail.

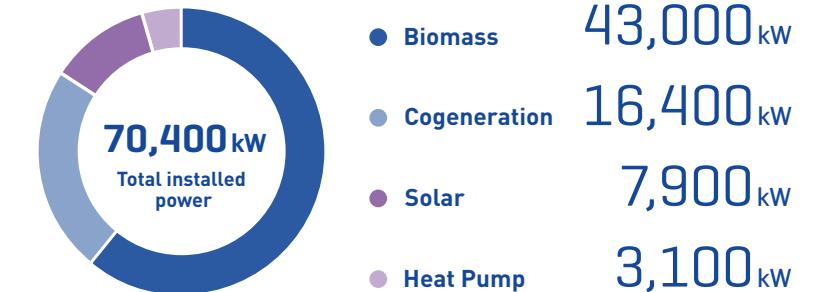
### RENEWABLE AND ALTERNATIVE ENERGY\*

See following page for detail.



\* As of Dec. 31, 2023. Data excludes Baxter's BioPharma Solutions business, which was divested at the end of the third quarter of 2023.

### ON-SITE RENEWABLE AND ALTERNATIVE ENERGY-GENERATION CAPACITY\*



\* As of Dec. 31, 2023. Data excludes Baxter's BioPharma Solutions business, which was divested at the end of the third quarter of 2023.

# Appendix: Additional Disclosures



## Achieve Carbon Neutrality for Direct Operations by 2040 [continued]

RENEWABLE AND ALTERNATIVE ENERGY, DETAILED BREAKDOWN BY SITE\*

REGION/COUNTRY/ STATE/PROVINCE	CITY	Type	ON-SITE INSTALLED		PROCURED**
			Installed Power [kW]	Year Installed	
<b>Americas</b>					
Brazil	São Paulo				X
Costa Rica	Cartago	Solar	690	2023	
Dominican Republic	Haina	Solar	1,000	2021	
Dominican Republic	Haina	Solar	1,000	2023	
Mexico	Atlacomulco				X
Mexico	Cuernavaca	Solar	140	2013	
Mexico	Cuernavaca				X
Puerto Rico	Aibonito	Cogeneration	4,200	2023	
Puerto Rico	Jayuya	Cogeneration	2,800	2023	
United States, Arkansas	Mountain Home				X
United States, Illinois	Deerfield				X
United States, Illinois	Round Lake, Manufacturing				X
United States, Illinois	Round Lake, R&D				X
United States, Illinois	Waukegan				X
United States, Indiana	Batesville				X
United States, Mississippi	Cleveland				X
United States, North Carolina	Marion (North Cove)	Biomass	35,000	1985	
United States, North Carolina	Marion (North Cove)				X
<b>Europe, Middle East and Africa</b>					
Belgium	Braine l'Alleud				X
Belgium	Lessines	Solar	1,200	2021	
Belgium	Lessines				X
Belgium	Lessines, BDCE				X
France	Jonage-Lyon				X
France	Meyzieu	Heat Pump	60	2009	
France	Meyzieu	Heat Pump	270	2013	
France	Meyzieu	Heat Pump	580	2020	
France	Meyzieu	Heat Pump	470	2022	
France	Meyzieu	Heat Pump	1,330	2023	
France	Meyzieu	Heat Pump	170	2023	
France	Meyzieu				X
France	Meyzieu, Distribution Center				X
Germany	Bielefeld				X
Germany	Hechingen				X

\* As of Dec. 31, 2023. Data excludes Baxter's BioPharma Solutions business, which was divested at the end of the third quarter of 2023.

\*\* An X in this column indicates that 100% of a site's purchased electricity in 2023 was renewable. Our Ahmedabad, India, site procured some renewable electricity in 2023, but less than 100%.

REGION/COUNTRY/ STATE/PROVINCE	CITY	Type	ON-SITE INSTALLED		PROCURED**
			Installed Power [kW]	Year Installed	
<b>Europe, Middle East and Africa [continued]</b>					
Ireland	Castlebar/Swinford	Cogeneration	3,100	2010	
Ireland	Castlebar/Swinford				X
Italy	Medolla	Solar	20	2013	
Italy	Medolla	Cogeneration	200	2013	
Italy	Medolla	Cogeneration	1,200	2021	
Italy	Rome				X
Italy	Valtellina	Biomass	8,000	2014	
Italy	Valtellina	Cogeneration	1,200	2019	
Malta	Marsa	Solar	850	2012	
Malta	Marsa	Heat Pump	50	2013	
Spain	Sabiñáigo				X
Spain	Valencia				X
Sweden	Luleå				X
Sweden	Lund				X
Switzerland	San Vittore	Heat Pump	220	2021	
Switzerland	San Vittore				X
Tunisia	Oued Ellil	Solar	50	2022	
United Kingdom	Compton				X
United Kingdom	Elstree				X
United Kingdom	Liverpool				X
United Kingdom	Liverpool	Cogeneration	1,000	2023	
United Kingdom	London				X
United Kingdom	Northampton				X
United Kingdom	Oxford				X
United Kingdom	Stockport				X
United Kingdom	Thetford	Cogeneration	2,700	2020	
United Kingdom	Thetford				X
<b>Asia Pacific</b>					
Australia	Toongabbie	Solar	50	2012	
Australia	Toongabbie	Solar	500	2015	
China	Guangzhou	Solar	480	2017	
China	Guangzhou	Solar	740	2022	
China	Suzhou	Solar	1,000	2022	
China	Shanghai	Solar	180	2022	
India	Ahmedabad				Partial

\* As of Dec. 31, 2023. Data excludes Baxter's BioPharma Solutions business, which was divested at the end of the third quarter of 2023.

# Appendix: Additional Disclosures



## Implement Strategic Water Management Plans

BAXTER MANUFACTURING SITES IN LOCATIONS WITH WATER STRESS RISK, 2023\* (as determined in accordance with the World Resources Institute Aqueduct Water Risk Atlas version 4.0)

See page 12 for additional context about our water management program.

SITE LOCATION	MEDIUM-HIGH	HIGH	EXTREMELY HIGH
Australia	1		
Belgium		1	
Brazil	1		
China	1		3
Germany	1	2	
India		1	
Malta		1	
Mexico	2		3
Philippines	1		
Saudi Arabia		1	
Spain	1		
Thailand	1		
Tunisia	1		
United Kingdom	1		
United States	4	3	2

\* Data excludes Baxter's BioPharma Solutions business, which was divested at the end of the third quarter of 2023.

## Advance Sustainable Procurement

### SUMMARY OF SUPPLIER CORPORATE RESPONSIBILITY SURVEY SCORES, 2021–2023\*

Results in 2023 included data from 1,292 Baxter suppliers, an increase from 1,016 suppliers in 2022. Of the 1,292 participating suppliers in 2023, 61% are from Europe, Central Asia, the Middle East and Africa, 31% are from the Americas and 8% are from Asia Pacific. Data in the table below represents the percentage of participating suppliers that were rated Advanced, Moderate, Partial or Insufficient in each survey category.

	Advanced			Moderate			Partial			Insufficient		
	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
Environment	40%	30%	30%	38%	44%	44%	19%	25%	21%	1%	2%	1%
Labor and Human Rights	28%	25%	29%	51%	57%	57%	20%	17%	14%	1%	1%	1%
Ethics	24%	22%	24%	55%	55%	53%	20%	22%	21%	2%	2%	2%
Sustainable Procurement	20%	13%	16%	37%	39%	36%	36%	42%	43%	7%	6%	5%
Overall	28%	22%	25%	53%	56%	56%	19%	21%	18%	0%	0%	0%
Cross-Industry Average	5%	7%	8%	42%	44%	42%	48%	45%	46%	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 for each year reflects suppliers participating in Baxter's supplier CR survey program as of Jan. 31 of the subsequent year. In some cases, segments may not add up to 100% due to rounding. A minor subset of suppliers with small businesses of 25 employees or fewer do not receive a score. Data for 2021, 2022 and 2023 includes Baxter's BioPharma Solutions business, which was divested at the end of the third quarter of 2023.

## SUPPLIER CORPORATE RESPONSIBILITY RISK PROFILE, 2023

The following table is a summary of corporate responsibility risk profiling of 38,634 Baxter suppliers, based on 2023 analysis using the **EcoVadis** IQ tool.\*

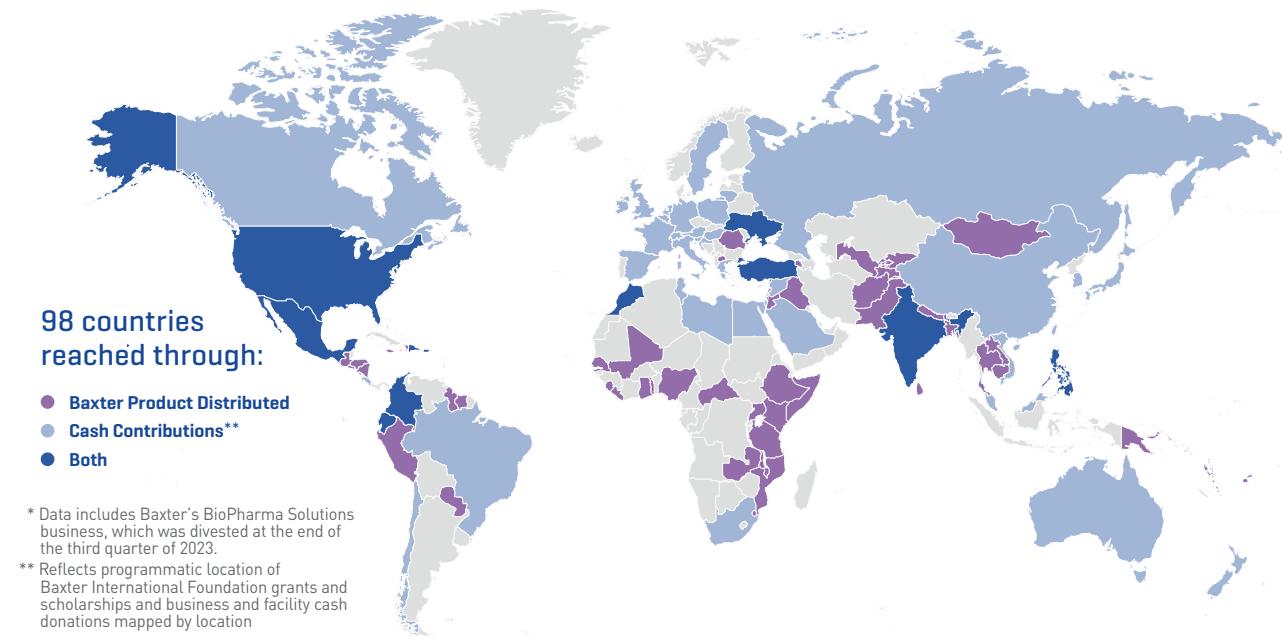
	HIGH RISK	MEDIUM RISK	LOW RISK	UNDEFINED
Environment	6%	58%	30%	7%
Labor and Human Rights	5%	56%	32%	7%
Ethics	19%	63%	11%	7%
Sustainable Procurement	43%	27%	24%	7%
Overall	2%	57%	35%	7%
Total Partners	789	21,912	13,342	2,591

\* The performance of risk categories presented in this table aligns with the **EcoVadis** methodology. Risk levels are based on 1) inherent risk, which is the corporate responsibility risk of a company based on its industry and country or **EcoVadis** rating and 2) procurement risk, which is based on Baxter spend data. "Undefined" refers to companies with 25 employees or fewer that have a Data Universal Numbering System (DUNS) number that cannot be matched to a specific industry and do not receive a score. In some cases, segments may not add up to 100% due to rounding. Data includes Baxter's BioPharma Solutions business, which was divested at the end of the third quarter of 2023.

# Appendix: Additional Disclosures

## Invest in Underserved Communities Globally

BAXTER GLOBAL CHARITABLE GIVING, 2023\*



## BAXTER INTERNATIONAL FOUNDATION SIGNATURE PARTNERSHIPS, 2023

Partner Organization	Grant Program	Location	Duration
American Diabetes Association	Address health disparities in diabetes care and prevention ( <a href="#">Learn more</a> )	United States	2021–2024
Direct Relief	Improve nutrition and diabetes care in underserved communities ( <a href="#">Learn more</a> )	United States	2019–2026
Northwestern University Baxter Center for Science Education	Provide STEM support for educators and K-12 students ( <a href="#">Learn more</a> )	United States	Since 2009
Operation Smile	Advance access to safe surgery with a community-based approach ( <a href="#">Learn more</a> )	India	2019–2025
Partners In Health	Expand access to surgical care for women ( <a href="#">Learn more</a> )	Mexico	2022–2024
Thurgood Marshall College Fund	Support students in STEM at Historically Black Colleges and Universities (HBCUs) ( <a href="#">Learn more</a> )	United States	2022–2025
UNICEF USA	<ul style="list-style-type: none"> <li>Improve water, sanitation and hygiene (WASH) services (<a href="#">Learn more</a>)</li> <li>Improve climate-smart WASH services (<a href="#">Learn more</a>)</li> </ul>	Colombia Egypt	2021–2027 2023–2025

## BAXTER INTERNATIONAL FOUNDATION DISASTER-RELIEF PARTNERS, 2023

In addition to Baxter product donations, the Foundation responds to natural disasters through preparedness initiatives and immediate response support in partnership with the following organizations (right).

Partner Organization	Location	Duration
AmeriCares	Global	2022–2025
International Health Partners	Global	2023–2026
International Medical Corps	Global	2023–2026
UNICEF USA: Every Child Fund	Global	2024–2026

## Ethics and Compliance

ITEMS REPORTED TO THE ETHICS AND COMPLIANCE HELPLINE IN 2023\*

In 2023, Baxter logged 743 reports from 36 countries\*\* into our Ethics and Compliance Helpline system and closed 705 cases that were received through 2023.\*\*\*



\* Data includes Baxter's BioPharma Solutions business, which was divested at the end of the third quarter of 2023.

\*\* Puerto Rico is counted as part of the United States.

\*\*\* Some cases typically remain open at the end of any given year until the corresponding investigation is closed, with the number of cases closed in a year reflecting some cases opened before the beginning of the year.

† HCPs are healthcare professionals. HCOs are healthcare organizations.

†† Percentages may not add up to 100% due to rounding.

## Privacy and Data Protection

### BAXTER DIGITAL SECURITY CERTIFICATIONS

All information Baxter collects and uses is handled in a secure manner. We have obtained certifications for the following internal systems, products and services, based on the location of services and data involved.

Scope*	Certifications and Alignment
<b>INTERNAL SYSTEMS</b>	<ul style="list-style-type: none"> <li>These systems are formally aligned to and internally audited against Baxter's Digital Security Controls Framework. This framework aligns with NIST 800-53 controls.</li> <li>We align our data security controls with additional industry-standard control frameworks such as ISO 27001, NIST CSF and HITRUST (where applicable) and global regulatory requirements.</li> <li>Baxter's cloud service providers and data center colocation providers are certified against multiple standards, including SOC 2 Availability certification.</li> </ul>
<b>PRODUCTS</b>	<ul style="list-style-type: none"> <li><b>PrisMax v3 therapy platform</b></li> <li><b>Novum IQ infusion platform</b></li> <li><b>DCM v1.3.5</b></li> <li><b>Dose IQ software</b></li> <li>UL 2900 certification</li> </ul>
<b>SERVICES</b>	<ul style="list-style-type: none"> <li><b>Sharesource connectivity platform</b></li> <li><b>Epiphany software</b></li> <li><b>RetinaVue Network</b></li> <li><b>BardyDx</b></li> <li><b>DHP/SDC digital health platform</b></li> <li>ISO 27001 certification, French HDH certification</li> <li>ISO 27001 certification</li> <li>Application SOC 2 Type 2, HITRUST r2 validated</li> <li>Application SOC 2 Type 2</li> <li>Application SOC 2 Type 2</li> </ul>

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

# Appendix: LRQA Independent Assurance Statement

## RELATING TO BAXTER'S REPORT FOR THE 2023 CALENDAR YEAR

This Assurance Statement has been prepared for Baxter in accordance with our contract.



### Terms of engagement

LRQA was commissioned by Baxter Healthcare Corporation to provide independent assurance on select sections of data and information in Baxter's 2023 Corporate Responsibility Report ("the Report") against the assurance criteria below. As described below, some sections of the Report were verified to a reasonable level of

assurance and at the materiality of the professional judgement of the verifier, while others were verified to a limited level of assurance and materiality of the professional judgement of the verifier. Our assurance does not extend to any other information included in the Report. The assurance process is conducted using LRQA's verification procedure. LRQA's verification procedure is based on current best practice, is in accordance with ISAE 3000 and ISAE 3410 and uses the principles of inclusivity, materiality, responsiveness, and reliability of performance data.

Our assurance engagement covered data and claims in the Report and associated data in the Report appendix for Baxter's operations and activities in operationally controlled sites worldwide and specifically the following requirements:

- Verifying conformance with:
  - Baxter's internal reporting requirements for facility environmental, health, safety and sustainability performance.
- Evaluating the accuracy and reliability of data and information, to a reasonable level of assurance, for only the selected sections of the Report listed below:
  - Achieve Carbon Neutrality for Direct Operations by 2040
    - Greenhouse gas (GHG) emissions verification is documented under a separate assurance statement.
  - Implement Strategic Water Management Plans
  - Implement Strategic Materials and Waste Management Plans
  - Achieve Top Quartile Workplace Safety Performance
  - The following material in the Report Appendix:
    - Data Summary: Achieve Carbon Neutrality for Direct Operations by 2040; 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.
    - 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 following Additional Disclosures: Achieve Carbon Neutrality for Direct Operations by 2040; Implement Strategic Water Management Plans

Evaluating the accuracy and reliability of data and information, to a limited level of assurance, for only the selected sections of the Report listed below:

- Scope 3 emissions subsection of Achieve Carbon Neutrality for Direct Operations by 2040 section
- Advance Sustainable Procurement
- Protecting Human Rights in Our Supply Chain subsection of Human Rights section
- Supplier Diversity subsection of Diversity, Equity and Inclusion section
- The following material in the Report Appendix:
  - Data Summary: GHG Emissions from Product Transport section of Achieve Carbon Neutrality for Direct Operations by 2040; Advance Sustainable Procurement; Supplier Diversity and Economic Impact of Spending with Diverse Suppliers sections of Diversity, Equity and Inclusion
  - Value Chain Energy Usage and GHG Emissions—Scope 3 emissions
  - Additional Disclosures (Advance Sustainable Procurement)

Our assurance engagement excluded the data and information of Baxter's suppliers, contractors and any third-parties mentioned in the Report.

LRQA's responsibility is only to Baxter. LRQA disclaims any liability or responsibility to others as explained in the end footnote. Baxter's responsibility is for collecting, aggregating, analyzing and presenting all the data and information within the Report and for maintaining effective internal controls over the systems from which the Report is derived. Ultimately, the Report has been approved by, and remains the responsibility of Baxter.

### LRQA's Opinion

Based on LRQA's approach for the categories stated above as verified to reasonable assurance, except for the effect of the matters described in the Basis for Qualified Opinion, we believe that Baxter has, in all material respects:

- Met the requirements above; and
- Disclosed accurate and reliable performance data and information

The opinion expressed is formed on the basis of a reasonable level of assurance and at the materiality of the professional judgement of the verifier.

Based on LRQA's approach for the categories listed above as verified to limited assurance, except for the effect of the matters described in the Basis for Qualified Opinion, nothing has come to our attention that would cause us to believe that Baxter has not, in all material respects:

- Met the requirements above; and
- Disclosed accurate and reliable performance data and information.

The opinion expressed is formed on the basis of a limited level of assurance<sup>1</sup> and at the materiality of the professional judgement of the verifier.

### Basis for Qualified Opinion

Baxter was not able to provide supporting evidence for some of the data and information in the following sections of the Report: Scope 1 and 2 GHG emissions and energy savings values in the Achieve Carbon Neutrality for Direct Operations by 2040 section of the Report and Report appendices; waste quantities in the Implement Strategic Materials and Waste Management Plans section of the Report appendices; and water quantities in the Implement Strategic Water Management Plans section of the Report appendices. This lack of supporting evidence was not material.

### LRQA's approach

LRQA's assurance engagements are carried out in accordance with our verification procedure. The following tasks were undertaken as part of the evidence-gathering process for this assurance engagement:

- Auditing Baxter's data management systems to confirm that there were no significant errors, omissions or mis-statements in the Report. We did this by reviewing the effectiveness of data-handling procedures, instructions and systems, including those for internal verification. We also spoke with those key people responsible for compiling the data and drafting the Report;
- Conducting site tours of select facilities and reviewing processes related to the control and reporting of environmental and safety data and records;
- Interviewing relevant employees of the organization responsible for managing environmental and safety data and records;
- Verifying a sample of historical environmental and safety data and records back to source for the calendar year 2023;
- Verifying a sample of claims made in the Report text for the sections listed above; and
- Verifying a sample of data metrics included in the appendix table for the sections listed above.

### Observations

Further observations and findings, made during the assurance engagement, are:

- Supplier diversity information was only confirmed against a summary report from supplier.io. LRQA did not verify data provided in the summary report.
- LRQA confirmed that Baxter has human rights policies in place, including requirements for their suppliers. LRQA did not perform any social audits. LRQA recommends that Baxter perform a social audit to confirm suppliers are following the policy.

### LRQA's standards, competence and independence

LRQA implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 *Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition* and ISO/IEC 17021 *Conformity assessment – Requirements for bodies providing audit and certification of management systems* that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants.

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification audits is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

LRQA is Baxter's certification body for ISO 9001, ISO 14001 and ISO 45001. The verification and certification audits are the only work undertaken by LRQA for Baxter and as such do not compromise our independence or impartiality.

Dated: 23 May 2024

Signed

Brooke Farrell  
LRQA Lead Verifier  
On behalf of LRQA, Inc.  
810 Seventh Avenue, Suite 1110  
New York, NY 10019

LRQA reference: UQA00002349/6104842

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The English version of this Assurance Statement is the only valid version. LRQA assumes no responsibility for versions translated into other languages.

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<sup>1</sup>The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

# Appendix: GRI Content Index

Baxter has reported the information cited in this GRI content index for the period Jan. 1, 2023 through Dec. 31, 2023 with reference to the GRI Standards. The reported information may meet in part or in full the requirements of each GRI disclosure listed.

DISCLOSURE	2023 REPORTING	DISCLOSURE	2023 REPORTING	DISCLOSURE	2023 REPORTING			
<b>GRI 2: General Disclosures 2021</b>								
2-1	Organizational details  Baxter's corporate headquarters is in Deerfield, Illinois. Baxter International Inc. [BAX] is a publicly traded company listed on the New York Stock Exchange. <a href="#">Baxter 2023 Annual Report on Form 10-K</a>	2-26	Mechanisms for seeking advice and raising concerns  <a href="#">17, 30</a>	205	Management Approach  <a href="#">17</a>			
2-2	Entities included in the organization's sustainability reporting  <a href="#">19</a>	2-27	Compliance with laws and regulations  <a href="#">23, 24, Baxter 2023 Annual Report on Form 10-K</a>	205-1	Operations assessed for risks related to corruption  <a href="#">17</a>			
2-3	Reporting period, frequency and contact point  Frequency: Yearly Contact point: <a href="mailto:corporate_responsibility_report@baxter.com">corporate_responsibility_report@baxter.com</a>	2-28	Membership associations  We engage with external organizations to help drive progress on a broad range of issues. Examples include the Advanced Medical Technology Association, Association of Corporate Citizenship Professionals, Business Roundtable, Catalyst, CEO Action for Diversity & Inclusion, Ceres Company Network, Chicago United, Congressional Hispanic Caucus Institute, Disability:IN, Smart Freight Centre, Congressional Black Caucus Foundation, GRI Community, Healthcare Leadership Council, Healthcare Plastics Recycling Council, National Association for EHS&S Management, National Minority Quality Forum, National Minority Supplier Development Council, National Safety Council, Partnership for Quality Medical Donations, Pharmaceutical Supply Chain Initiative, Serumount, Vinyl Council of Australia and others.	205-2	Communication and training about anticorruption policies and procedures  <a href="#">17</a>			
2-4	Restatements of information  Noted in sections as relevant.	2-29	Approach to stakeholder engagement  <a href="#">8</a>	301	<b>GRI 301: Materials 2016</b>  Management Approach  <a href="#">13</a>			
2-5	External assurance  <a href="#">2</a>	<b>GRI 3: Material Topics 2021</b>						
2-6	Activities, value chain and other business relationships  <a href="#">13, 25, Baxter 2023 Annual Report on Form 10-K</a>	3-1	Process to determine material topics  <a href="#">8</a>	301-3	Reclaimed products and their packaging materials  <a href="#">23</a>			
2-7	Employees  <a href="#">23, 24</a>	3-2	List of material topics  <a href="#">20</a>	<b>GRI 302: Energy 2016</b>				
2-9	Governance structure and composition  <a href="#">Our Governance</a>	3-3	Management of material topics  Included in relevant sections throughout the report.	302-1	Management Approach  <a href="#">12</a>			
2-10	Nomination and selection of the highest governance body  <a href="#">Corporate Governance Guidelines</a>	<b>GRI 303: Water and Effluents 2018</b>						
2-11	Chair of the highest governance body  <a href="#">Our Governance</a>	3-1	Energy consumption within the organization  <a href="#">12, 22, 25, 27, 28</a>	302-3	Management Approach  <a href="#">12</a>			
2-12	Role of the highest governance body in overseeing the management of impacts  <a href="#">7</a>	3-2	Energy intensity  <a href="#">22</a>	303-3	Energy intensity  <a href="#">22</a>			
2-13	Delegation of responsibility for managing impacts  <a href="#">7</a>	3-3	Reduction of energy consumption  <a href="#">12</a>	303-4	Reduction of energy consumption  <a href="#">22</a>			
2-15	Conflicts of interest  <a href="#">Corporate Governance Guidelines</a>	<b>GRI 305: Emissions 2016</b>						
2-16	Communication of critical concerns  <a href="#">Baxter 2023 Proxy Statement</a>	Management Approach  <a href="#">14, 18</a>	Management Approach  <a href="#">12</a>					
2-19	Remuneration policies  <a href="#">Corporate Governance Guidelines, Baxter 2023 Proxy Statement</a>	201-1	Direct economic value generated and distributed  <a href="#">14, 18, 23, 24, 30, Baxter 2023 Annual Report on Form 10-K</a>	305-1	Direct (Scope 1) GHG emissions  <a href="#">25, 27</a>			
2-20	Process to determine remuneration  <a href="#">Corporate Governance Guidelines, Baxter 2023 Proxy Statement</a>	201-2	Financial implications and other risks and opportunities due to climate change  <a href="#">Baxter CDP submission</a>	305-2	Energy indirect (Scope 2) GHG emissions  <a href="#">25, 27</a>			
2-21	Annual total compensation ratio  <a href="#">Baxter 2023 Proxy Statement</a>	<b>GRI 201: Economic Performance 2016</b>						
2-22	Statement on sustainable development strategy  <a href="#">6</a>	Management Approach  <a href="#">11, 14, 18</a>	Management Approach  <a href="#">12</a>					
2-23	Policy commitments  <a href="#">21</a>	203-1	Infrastructure investments and services supported  <a href="#">11, 14, 18</a>	305-3	Other indirect (Scope 3) GHG emissions  <a href="#">25, 27</a>			
		203-2	Significant indirect economic impacts  <a href="#">11, 14, 18, 23, 24, 30</a>	305-4	GHG emissions intensity  <a href="#">22</a>			
				305-5	Reduction of GHG emissions  <a href="#">12</a>			
				305-7	Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ) and other significant air emissions  <a href="#">23</a>			

# Appendix: GRI Content Index [continued]

DISCLOSURE	2023 REPORTING	DISCLOSURE	2023 REPORTING	DISCLOSURE	2023 REPORTING
<b>GRI 306: Waste 2020</b>		<b>GRI 404: Training and Education 2016</b>		<b>GRI 416: Customer Health and Safety 2016</b>	
Management Approach	<a href="#">13</a>	Management Approach	<a href="#">17, 18, Career Development</a>	Management Approach	<a href="#">11</a>
306-3 Waste generated	<a href="#">22, 23</a>	404-1 Average hours of training per year per employee	<a href="#">24</a>	416-1 Assessment of the health and safety impacts of product and service categories	<a href="#">11</a>
306-4 Waste diverted from disposal	<a href="#">23</a>	404-2 Programs for upgrading employee skills and transition assistance programs	<a href="#">Career Development</a>	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	<a href="#">34</a>
306-5 Waste directed to disposal	<a href="#">23</a>				
<b>GRI 307: Environmental Compliance 2016</b>		<b>GRI 405: Diversity and Equal Opportunity 2016</b>		<b>GRI 418: Customer Privacy 2016</b>	
Management Approach	<a href="#">12, 13, 21</a>	Management Approach	<a href="#">15, 18</a>	Management Approach	<a href="#">17</a>
307-1 Non-compliance with environmental laws and regulations	<a href="#">23</a>	405-1 Diversity of governance bodies and employees	<a href="#">15, 23, 24, Our Leadership</a>	<b>GRI 419: Socioeconomic Compliance 2016</b>	
<b>GRI 308: Supplier Environmental Assessment 2016</b>		<b>GRI 408: Child Labor 2016</b>		Management Approach	<a href="#">17</a>
Management Approach	<a href="#">13, 29</a>	Management Approach	<a href="#">13, 29, Baxter Global Human Rights Policy, Baxter Code of Conduct, Global Supplier Standards Manual, Ethics and Compliance Standards for Baxter Suppliers</a>	419-1 Non-compliance with laws and regulations in the social and economic area	<a href="#">35, Baxter 2023 Annual Report on Form 10-K</a>
308-2 Negative environmental impacts in the supply chain and actions taken	<a href="#">12, 13, 25, 29</a>	408-1 Operations and suppliers at significant risk for incidents of child labor	<a href="#">29</a>		
<b>GRI 401: Employment 2016</b>		<b>GRI 409: Forced or Compulsory Labor 2016</b>			
Management Approach	<a href="#">18, Benefits</a>	Management Approach	<a href="#">13, 29, Baxter Global Human Rights Policy, Baxter Code of Conduct, Global Supplier Standards Manual, Ethics and Compliance Standards for Baxter Suppliers, Baxter California Transparency in Supply Chains Act Supplier Disclosure Statement, Baxter UK Modern Slavery Statement, Baxter Australia Modern Slavery Statement, Baxter Conflict Minerals Position Statement</a>		
401-1 New employee hires and employee turnover	<a href="#">24</a>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	<a href="#">29</a>		
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	<a href="#">18, Benefits</a> All benefits are generally provided to full-time and part-time employees.				
<b>GRI 402: Labor/Management Relations 2016</b>		<b>GRI 414: Supplier Social Assessment 2016</b>			
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.	Management Approach	<a href="#">13, 29</a>		
		414-2 Negative social impacts in the supply chain and actions taken	<a href="#">13, 29</a>		
<b>GRI 403: Occupational Health and Safety 2018</b>		<b>GRI 415: Public Policy 2016</b>			
Management Approach	<a href="#">14</a>	Management Approach	<a href="#">Baxter 2023 Political Contributions Report</a>		
403-9 Work-related injuries	<a href="#">24</a>	415-1 Political contributions	<a href="#">Baxter 2023 Political Contributions Report</a>		

# Appendix: Sustainability Accounting Standards Board Index

This index includes and references information related to the Sustainability Accounting Standards Board (SASB) Medical Equipment & Supplies Sustainability Accounting Standard. Data covers calendar year 2023, unless specified otherwise. Aside from SASB metric HC-MS-430a.1, data within the index excludes data associated with Baxter's BioPharma Solutions business, which was divested at the end of the third quarter of 2023.

TOPIC	CODE	SASB METRIC	2023 REPORTING
<b>Affordability &amp; Pricing</b>	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 <a href="#">Contractual Arrangements</a> in <a href="#">Baxter's 2023 Annual Report on Form 10-K</a> 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	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 charge-backs. Our customers include hospitals, governments, kidney dialysis centers and other organizations. Both in and outside the United States, hospitals and other customers have joined purchasing entities, such as group purchasing organizations, integrated delivery networks and public contracting authorities, to enhance purchasing power. See the <a href="#">Contractual Arrangements</a> , <a href="#">Competition and Healthcare Cost Containment</a> and <a href="#">Revenue Recognition</a> sections in Baxter's 2023 Annual Report on Form 10-K.
<b>Product Safety</b>	HC-MS-250a.1	Number of recalls issued, total units recalled	In 2023, Baxter recalled or corrected approximately 34,311,500 units <sup>1</sup> and issued: <ul style="list-style-type: none"><li>• Sixteen medical device product recalls that were reported to U.S. Food and Drug Administration (FDA) and removed from the market or corrected<sup>2</sup></li><li>• Sixteen medical device product recalls that were reported to non-U.S. national regulatory authorities and removed from the market or corrected</li></ul> See <a href="#">Consistently Improve Manufacturing Capabilities</a> and <a href="#">Data Summary</a> for information about the company's product improvements and recall data, inclusive of drug-related recalls.
	HC-MS-250a.2	List of products listed in the FDA's MedWatch Safety Alerts for Human Medical Products database	As of Dec. 31, 2023, the <a href="#">MedWatch Safety Alerts for Human Medical Products</a> database included the following three Baxter medical device products: <ul style="list-style-type: none"><li>• <a href="#">Baxter Issues Urgent Medical Device Correction for Novum IQ Syringe Infusion Pump Due to Potential Impact of Downstream Occlusions on Infusion Volume</a></li><li>• <a href="#">Baxter Healthcare Corporation Recalls SIGMA Spectrum Infusion Pumps with Master Drug Library and Spectrum IQ Infusion Systems with Dose IQ Safety Software for Repeat Upstream Occlusion False Alarms</a></li><li>• <a href="#">Baxter Issues Urgent Medical Device Correction for LIFE2000 Ventilation System Due to Potential for Patient Desaturation When Connected with an Oxygen Concentrator</a></li></ul>
	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: <a href="#">Manufacturer and User Facility Device Experience</a> .
	HC-MS-250a.4	Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type	While not necessarily constituting an enforcement action, in 2023, Baxter received: <ul style="list-style-type: none"><li>• Five Form 483s</li><li>• One warning letter</li><li>• Zero seizures</li><li>• Zero injunctions</li></ul> See <a href="#">Consistently Improve Manufacturing Capabilities</a> , as well as <a href="#">Certain Regulatory Matters</a> in Baxter's 2023 Annual Report on Form 10-K, for related information.
<b>Ethical Marketing</b>	HC-MS-270a.1	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	In 2023, 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 <a href="#">Baxter Code of Conduct</a> and the <a href="#">Baxter Global Interactions Policy</a> . See <a href="#">Ethics and Compliance</a> for information about the company's approach in this area.

# Appendix: Sustainability Accounting Standards Board Index (continued)

TOPIC	CODE	SASB METRIC	2023 REPORTING
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	<p>Baxter's corporate responsibility approach prioritizes compliance with product, chemical, pharmaceutical and medical device regulations. Our global strategies and programs help us to meet product materials restrictions. We use a leading third-party software tool to manage and monitor our use of chemicals. We work to avoid or minimize the use of materials of concern as part of our EHS&amp;S product reviews and by understanding applicable regulations. Working with a third party, we collect data from suppliers to determine their use of materials of high concern. We also continue to leverage third-party testing of chemical content in parts and products.</p> <p>See <a href="#">Materials Use in Products and Packaging</a> for information about the company's approach in this area.</p>
	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 <a href="#">Product End-of-Life and Data Summary</a> for information about the company's approach in this area and product-recovery data.
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	<p>Between 2021 and 2023, approximately 48% of Baxter's total facilities worldwide completed third-party audits based on ISO 13485 (including through the Medical Device Single Audit Program) or ISO 9001; approximately 49% completed ministry of health or equivalent audits (depending on location) related to manufacturing and product quality; and approximately 16% completed safety marking (such as Conformité Européenne [CE] marking<sup>3</sup>) audits.</p> <p>As of Dec. 31, 2023, approximately 27% of Baxter's Tier 1 suppliers had obtained third-party certification. There were approximately 32% of legacy Hillrom suppliers that had obtained third-party ISO certification.</p> <p>See <a href="#">Consistently Improve Manufacturing Capabilities</a> and <a href="#">Supplier Corporate Responsibility Audits</a> for related information.</p>
	HC-MS-430a.2	Description of efforts to maintain traceability within the distribution chain	<p>Baxter has a range of systems and processes to maintain traceability of materials throughout the product supply and distribution chain:</p> <ul style="list-style-type: none"> <li>Traceability of materials from suppliers to Baxter, and throughout the manufacturing process, is maintained utilizing electronic verification systems that detect whether materials are traceable and appropriate for use.</li> <li>Medical device and pharmaceutical products manufactured by Baxter that require product registration and classification are labeled with a unique identifier that is traceable from the manufacturing process to the customer and may utilize barcoding and/or 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 detect whether traceability is maintained within their distribution chains. The product traceability information can be retrieved as needed.</li> <li>Baxter maintains a range of compliance-focused initiatives to help detect whether all products are labeled and tracked as required by local and regional regulations to achieve traceability.</li> </ul> <p>Procedures are in place to define traceability requirements through the product-development process to the end customer.</p> <p>See section 7.11, Product Identification and Traceability of the <a href="#">Baxter Supplier Quality Standard</a> for more information.</p>
	HC-MS-430a.3	Description of the management of risks associated with the use of critical materials	See Baxter's <a href="#">Position Statement on Conflict Minerals</a> and our most recent <a href="#">Conflict Minerals Report</a> .
Business Ethics	HC-MS-510a.1	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	In 2023, 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 <a href="#">Ethics and Compliance</a> 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	<p>See Baxter's <a href="#">Global Interactions Policy</a> and <a href="#">Ethics and Compliance</a> for information about the company's approach in this area. Baxter has country annexes that outline additional restrictions and considerations when interacting with healthcare professionals in each respective country.</p> <p>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 <a href="#">Ethics and Compliance</a> page for information.</p>

# Appendix: Task Force on Climate-related Financial Disclosures Index

The Task Force on Climate-related Financial Disclosures (TCFD) framework, recently incorporated into the International Sustainability Standards Board Standards, is designed to help improve climate-related disclosure that is relevant to investors and other key stakeholders in the areas of governance, strategy, risk management, and metrics and targets. This report builds on [Baxter's more than 30-year history of publishing environmental performance information](#), including extensive reporting of the company's policies, programs and progress addressing climate change. Baxter is committed to transparency and strong disclosure in this area, as we drive progress toward our goal to achieve carbon neutrality for our direct operations by 2040 and reduce absolute Scope 1 and 2 greenhouse gas (GHG) emissions 25% by 2030, aligned with a well-below 2° Celsius science-based target (base year 2020).

This index complements the other content and data in this Corporate Responsibility Report, as well as the company's [Sustainability Accounting Standards Board \(SASB\) Index](#), [Political Contributions Report](#), submissions to [CDP Climate](#) and [CDP Water](#), and other environmental, social and governance (ESG)-related disclosures. We also publish additional ESG-related information on our [Corporate Responsibility website](#).

## 1. Governance

### RECOMMENDED DISCLOSURE

**a] Describe the Board's oversight of climate-related risks and opportunities**

### BAXTER DISCLOSURE

Baxter's Board of Directors, as well as the Board's Quality and Regulatory Compliance Committee (QRC Committee) and Nominating, Corporate Governance and Public Policy Committee (NCGPP Committee), oversee, review and guide strategy related to ESG-related matters, including climate-related risks and opportunities as well as Baxter's 2030 Corporate Responsibility Commitment and Goals. The QRC Committee has oversight of issues related to environmental, health and safety, and sustainability matters that may affect the business operations, performance or public image of the company. The QRC Committee and the NCGPP Committee share oversight of stockholder proposals related to environmental or sustainability matters.

The Board maintains ultimate responsibility for risk oversight at the company. Its process for overseeing climate-related risks and opportunities includes presentations and discussions covering enterprise risk management (ERM) and progress toward Baxter's corporate responsibility goals. The full Board is updated at least annually on corporate responsibility matters, including issues related to climate change. This includes information on climate-related risks and opportunities from the Vice President, Environment, Health, Safety and Sustainability.

**b] Describe management's role in assessing and managing climate-related risks and opportunities**

Baxter's Executive Vice President, Chief Supply Chain Officer has primary accountability and oversight for climate-related risks and opportunities at the company, including assessment and management. The Executive Vice President, Chief Supply Chain Officer reports directly to Baxter's Chair, President and CEO and is on the company's Operating Committee (which includes the Chair, President and CEO's direct reports as well as other key business and functional leaders).

The Executive Vice President, Chief Supply Chain Officer is a member of the cross-functional executive-level Corporate Responsibility Steering Committee. This committee also includes Baxter's Chair, President and CEO; Executive Vice President, Chief Financial Officer; and Senior Vice President, Chief Accounting Officer and Controller, among others. It provides direction and oversight to our corporate responsibility initiatives and advances our corporate responsibility strategy and culture, including climate-related strategies. This committee meets or receives updates 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.

In addition, the Executive Vice President, Chief Supply Chain Officer and this committee provide guidance to Baxter's Corporate Responsibility Council (CRC). The CRC is composed of cross-functional leaders and representatives including Baxter's Vice President, Environment, Health, Safety and Sustainability, who has responsibility for Baxter's climate-related goals and co-chairs the CRC alongside Baxter's Vice President, Corporate Responsibility and Global Philanthropy.

## 2. Strategy

### RECOMMENDED DISCLOSURE

**a] Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term**

### BAXTER DISCLOSURE

Baxter has identified the climate-related risks summarized on the following page. If unmitigated, these have the potential to cause substantive financial or strategic impact to our business and significantly affect Baxter's ability to produce or distribute products throughout the supply chain. These risks do not reflect the impact of Baxter's ongoing strategic actions, including the proposed separation of the company's Kidney Care business.

The company defines short term as one to three years, medium term as three to five years and long term as five to fifteen years.

# Appendix: Task Force on Climate-related Financial Disclosures Index (continued)

## 2. Strategy (continued)

### RECOMMENDED DISCLOSURE

a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term (continued)

### BAXTER DISCLOSURE

#### CLIMATE-RELATED RISKS AT BAXTER

##### Physical—Acute

###### Risk: Increased severity of hurricanes/cyclones/typhoons

- **Time horizon:** Short term, medium term, long term
- **Part of the value chain:** Direct operations
- **Impact on business:** Decreased asset value or asset useful life leading to write-offs, asset impairment or early retirement of existing assets; decreased revenues due to reduced production capacity
- **Management's response:** Baxter maintains business continuity plans at all facilities to prepare for, respond to and recover from extreme weather events and geopolitical crises, among other incidents. See [section 2.c](#) for detail. Mitigation activities to address increased severity of hurricanes/cyclones/typhoons include improving building structural integrity and enhancing overall site resilience and emergency response capabilities to address the impacts of severe storms. We have been optimizing our global manufacturing platform to increase flexibility regarding where critical products are produced for specific markets. We also pre-position critical raw materials outside of forecasted storm zones. Baxter facilities plan and implement energy projects that reduce GHG emissions, improve system redundancy and robustness, and decrease our reliance on local power utilities. Project status is monitored periodically and performance is measured quarterly. At high-risk facilities, the company also maintains robust water-supply systems, including storage tanks, to reduce the risk of impacts on facility operations related to disruptions in local utilities and infrastructure.

###### Risk: Increased water scarcity related to climate change

- **Time horizon:** Short term, medium term, long term
- **Part of the value chain:** Direct operations
- **Impact on business:** Increased difficulty obtaining needed water at certain manufacturing locations
- **Management's response:** During 2022–2023, we performed assessments at manufacturing sites that represented 75% of water usage in manufacturing, to understand the local water conditions and considerations of those locations. See [section 3.a](#) and [Implement Strategic Water Management Plans](#) for additional detail.

##### Transition—Policy and legal

###### Risk: Emerging regulation related to GHG emissions and climate change

- **Time horizon:** Short term, medium term, long term
- **Part of the value chain:** Direct operations
- **Impact on business:** Increased operating costs
- **Management's response:** Our Global Energy Program tracks energy use, costs and GHG emissions for all Baxter manufacturing sites on a monthly basis. The program reports performance to management quarterly, supporting progress toward facility- and company-level energy-efficiency improvement and GHG emissions-reduction goals. Additionally, the program identifies projects (including associated capital requirements, annual projected cost savings and GHG emissions reductions) to prioritize for each facility. Site-specific energy assessments help Baxter identify opportunities to conserve energy, such as implementing new technologies or adopting best practices where appropriate. Our Global Energy Program, which is certified to ISO 50001, applies the ISO 50001 standard to the company's facility-level energy management systems (some of which are [certified individually](#)). Baxter's energy procurement team also works with our suppliers to source renewable and economical energy for our manufacturing facilities. Reductions in GHG emissions help to mitigate risk in this area. This area is rapidly evolving, so to inform our efforts we continually monitor emerging and existing local, state, regional, federal and global legal and regulatory requirements relating to climate change, including regulating GHG emissions and related reporting requirements, alternative energy policies and sustainability initiatives.

##### Transition—Reputation

###### Risk: Increased stakeholder concern regarding Baxter's GHG emissions

- **Time horizon:** Short term, medium term, long term
- **Part of the value chain:** Downstream
- **Impact on business:** Decreased revenues due to reduced demand for products and services
- **Management's response:** Baxter engages with a wide variety of stakeholders to share information about the company's climate-related programs, policies, goals and performance. This engagement includes communications such as our annual Corporate Responsibility Report, SASB Index, CDP Climate and CDP Water submissions, Environmental, Health, Safety and Sustainability (EHS&S) Policy and this TCFD Index, among others. This includes detailed information about action plans and initiatives, such as energy-conservation projects and renewable energy procurement, that support Baxter's GHG emissions-reduction goals. Reductions in GHG emissions help to mitigate risks in this area.

# Appendix: Task Force on Climate-related Financial Disclosures Index (continued)

## 2. Strategy (continued)

RECOMMENDED DISCLOSURE	BAXTER DISCLOSURE
<p>a] Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term (continued)</p>	<p><b>BAXTER DISCLOSURE</b></p> <p>Baxter has identified the climate-related opportunities summarized below.</p> <p><b>CLIMATE-RELATED OPPORTUNITIES AT BAXTER</b></p> <p><b>Opportunity: Improved resource efficiency</b></p> <ul style="list-style-type: none"> <li>• Time horizon: Short term, medium term, long term</li> <li>• Part of the value chain: Direct operations</li> <li>• Impact on business: Reduced operating costs</li> <li>• Management's response: See the description of Baxter's Global Energy Program in the "Emerging regulation related to GHG emissions and climate change" risk described on the previous page, as well as <a href="#">Achieve Carbon Neutrality for Direct Operations by 2040</a>.</li> </ul> <p><b>Opportunity: Transitioning to lower-GHG-emission energy sources</b></p> <ul style="list-style-type: none"> <li>• Time horizon: Short term, medium term, long term</li> <li>• Part of the value chain: Direct operations</li> <li>• Impact on business: Reduced operating costs</li> <li>• Management's response: Our initiatives to reduce GHG emissions and achieve our carbon neutrality goal include fuel switching (including biomass), cogeneration, alternative energy systems, on-site renewable energy systems and renewable electricity procurement. Baxter's energy procurement team sources renewable and economical energy for our manufacturing facilities. Using lower-GHG-emission energy sources helps Baxter reduce exposure to possible fossil fuel price increases and costs related to current and potential future carbon regulations. These efforts help to reduce GHG emissions and help meet the rising expectations of customers and other stakeholders, while enhancing Baxter's reputation and potential to be a preferred low-carbon supplier.</li> </ul> <p><b>Opportunity: Developing innovative new products and services</b></p> <ul style="list-style-type: none"> <li>• Time horizon: Short term, medium term, long term</li> <li>• Part of the value chain: Downstream</li> <li>• Impact on business: Increased revenues resulting from higher demand for products and services</li> <li>• Management's response: Baxter manages these opportunities through the company's four business segments that address long-term business strategies, research and development (R&amp;D), customer corporate responsibility expectations and sustainability strategies and priorities. We consistently review our product portfolio and shift our investments and other capital allocation decisions to help drive innovation where we have compelling opportunities to serve patients and healthcare professionals where such opportunities are aligned with the company's business objectives. The cost to realize this opportunity is a proportion of R&amp;D expenditures focused on lower-carbon, more efficient therapies. See <a href="#">Implement Strategic Materials and Waste Management Plans</a> for more detail.</li> </ul>
<p>b] Describe the impact of the climate-related risks and opportunities on the organization's businesses, strategy, and financial planning</p>	<p>Baxter's capital project management process and corporate planning activities take into account climate-related risks and opportunities (as well as ESG more generally). This supports a broad and integrated approach in these areas.</p> <p><b>Capital governance and stage gate process:</b> To drive standardization, agility and stakeholder collaboration in the capital project management process, Baxter follows a rigorous stage gate process for all Integrated Supply Chain capital projects valued above preset thresholds. This involves consistent steps both prior to and following project approval. The front-end loading (FEL) document is used for all projects entering this process. The FEL document provides business, quality and design basis information, as well as product safety requirements, related to the capital appropriation. It also delivers a consensus technical recommendation to the project team and includes project performance criteria and identified associated risks. In addition, the report includes information such as project overview, schedule, capital category and cost summary, among other factors.</p> <p>Climate-related risks and opportunities are integrated into the capital projects evaluation process in multiple ways. For relevant projects, the FEL document captures information related to the effects on GHG emissions and how to address related risks and offset possible GHG emissions increases. All capital projects valued above preset thresholds go through a peer review process, which includes project team members as well as subject matter experts and key stakeholders from across the organization, including EHS&amp;S. Those projects require EHS&amp;S sign-off, and the organization conducts a review that includes the potential impact of those projects on Baxter's 2030 Corporate Responsibility Goals.</p>

# Appendix: Task Force on Climate-related Financial Disclosures Index (continued)

## 2. Strategy (continued)

RECOMMENDED DISCLOSURE	BAXTER DISCLOSURE
<p><b>b] Describe the impact of the climate-related risks and opportunities on the organization's businesses, strategy, and financial planning [continued]</b></p>	<p><b>Corporate planning:</b> Baxter's ERM process (see <a href="#">section 3.c</a>) is an important input into the company's annual operating plan (AOP) and long-range plan (LRP). Some of the information that is required for the AOP and LRP processes—such as investment requests, mitigation funding, growth hurdles and related solutions—includes references to the top risks noted in the ERM. Therefore, if a Baxter segment or global function is the owner of a top risk (including climate-related and other ESG risks), it must provide mitigation plans along with its AOP and LRP submissions. ESG projects have a distinct category within our AOP and LRP processes, providing visibility within each business segment and across the company. Funding those projects, which supports progress toward our 2030 Corporate Responsibility Goals, is a priority for Baxter.</p>
<p><b>c] Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario</b></p>	<p>The following activities support the resilience of Baxter's strategy related to climate change.</p> <p><b>Scenario planning and response:</b> Baxter regularly runs exercises across different facilities to assess how they respond to risk scenarios that are outside of their control and identify opportunities for learning and improvement. These scenarios cover a broad range of issues—including geopolitical, financial, supply chain, employment and environmental, among others—that have the potential to impact our facilities in significant ways. Environmental scenarios may include several risks that are related to climate change, such as hurricanes, flooding, fire, tornadoes and drought.</p> <p>Through this process, participants determine how they would respond to and address the scenario presented to them. This helps us understand the resilience of our strategies and processes related to those issues and identify opportunities for improvement that can be applied to all locations as appropriate. Follow-up actions are then determined as appropriate for each site, and inform mitigation efforts and business continuity planning.</p> <p>Baxter also developed our science-based 2030 GHG emissions-reduction goal for direct operations using a well-below 2° Celsius scenario (see <a href="#">section 4.c</a>).</p> <p><b>Crisis response:</b> Baxter's incident response and management tools help the company prepare for, respond to and recover from extreme weather events and geopolitical crises as quickly as possible. This supports employees and key business outcomes, while minimizing downtime.</p> <p>We have various systems in place to support resilience in advance of and during incidents. To keep informed about the broad range of possible incidents across Baxter geographies globally, we subscribe to a third-party, real-time risk-monitoring and feedback tool.</p> <p>Some of our approaches are tailored to specific geographies and risks. For example, every year Baxter facilities in the Caribbean region complete hurricane risk preparedness checklists. If we determine that a hurricane currently underway could impact a specific facility, that location takes action according to a predefined checklist for that imminent event.</p> <p>When a crisis occurs, our incident command system provides a standardized way to communicate and fill specific roles at impacted sites. Appropriate regional and global leaders receive updates from Global Security as needed based on the severity of the incident and the level of impact on Baxter. To support the response and ongoing information exchange, Baxter maintains business continuity plans that provide leaders with the alert management tools and guidance needed to respond to and recover from crises. These incident response resources support communication capabilities, incident analysis and key operational actions. The company also provides regular updates to employees, as appropriate, regarding climate-related risks to our employees and operations, such as hurricanes, flooding and heat waves.</p> <p>Following crisis events, Baxter coordinates and prioritizes resources to help facilities and operations to return to functioning order. We conduct post-incident analysis as an integral part of incident management for continuous improvement.</p>

## 3. Risk Management

RECOMMENDED DISCLOSURE	BAXTER DISCLOSURE
<p><b>a] Describe the organization's processes for identifying and assessing climate-related risks</b></p>	<p>Baxter relies on a range of processes and inputs from across the company to identify and assess climate-related risks.</p> <p><b>Facility risk analysis:</b> Baxter's business segments lead a key part of the company's risk-identification and -assessment processes at each facility. Risks are prioritized by classifying facilities as high, medium or low risk to business continuity based on factors that would significantly impact the company's ability to manufacture and distribute products through the supply chain and ultimately deliver products to patients. Site vulnerability to external forces is assessed, including climate-related physical risks (acute and chronic risk) and climate-related transition risks (policy and legal, technology, market and reputation risk).</p>

# Appendix: Task Force on Climate-related Financial Disclosures Index (continued)

## 3. Risk Management (continued)

### RECOMMENDED DISCLOSURE

a) Describe the organization's processes for identifying and assessing climate-related risks [continued]

### BAXTER DISCLOSURE

**EHS&S risk model:** Baxter uses an EHS&S risk model to identify and assess the relative EHS&S risk presented by each Baxter facility, including risks related to climate change. To model the relative risk of each facility, the model evaluates the inherent hazards of the operation. These are generally hazards that are basic to the type and nature of the facility, including size, complexity, location, type of processes, air emission sources, water discharges, waste generation, safety hazards, industrial hygiene risks and similar factors.

The risk model assesses a multitude of factors in three main categories: facility profile (type of operation, location, etc.), environmental factors and health and safety factors. Each facility is rated as high, medium or low risk for each factor, and factors are weighted in the model to determine an overall score for each facility. Several factors considered in the model relate to climate change, including natural disasters (such as hurricanes, flooding and wildfires), severe weather, water stress, source of water and total water used for manufacturing. Baxter uses the model to summarize relative risk by facility and to assess risk categories or specific risk factors across the portfolio.

Outputs from the risk model, in conjunction with other performance indicators, inform Baxter's decisions about how to most efficiently and effectively allocate resources to manage identified risks, including the number and allocation of EHS&S personnel assigned to different regions or facilities, audit schedules, training and other forms of compliance assistance.

**Environmental management review:** As part of Baxter's ISO 14001 environmental management system certification, the company conducts a management review annually that covers progress against environmental objectives and goals; significant environmental aspects and related impacts; how Baxter is addressing challenges; analysis of the company's EHS&S strengths, weaknesses, opportunities and threats; and other related areas. The management review standard requires us (at the corporate and facility levels) to consider changes in external and internal issues that are relevant to the environmental management system; the needs and expectations of interested parties, including compliance and regulatory obligations; significant environmental aspects; and risks and opportunities, among other factors.

Baxter's EHS&S risk model, annual property loss/risk management reports and other factors inform site selection and scope for environmental assurance reviews each year, as well as the scope of the environmental management system reviews. Energy use, GHG emissions and climate change are an important focus of these reviews, alongside other environmental and safety topics and legal and regulatory compliance. The environmental management review process informs the development of objectives, goals and plans for the following year and drives continuous improvement.

**Water risk assessments:** As part of our 2030 water management goal, we undertook a multiyear, comprehensive review of our strategic manufacturing sites to understand the local conditions and considerations of each. We considered the physical, regulatory and reputational risks associated with water management at our sites, including external boundaries, water accounting, wastewater discharge, compliance obligations and impacts to our current water quality and water supply, among other concerns, as we focused on opportunities to improve water efficiency in our operations, protect watersheds and provide access to clean water within local communities.

These assessments enhance our understanding of current and future water availability and threats to water quality near our sites, and how various climate scenarios might impact Baxter, including stormwater and groundwater assets, so we can take action as appropriate. They also provide information about threats related to dependency (such as well or utility failure), proximity (such as releases from nearby industry), malevolent acts (such as vandalism), natural hazards (such as earthquakes or storms) and operational threats (such as aging infrastructure).

See section 4.c and [Implement Strategic Water Management Plans](#) for additional detail.

**Corporate Responsibility Steering Committee and Corporate Responsibility Council:** Baxter's executive cross-functional Corporate Responsibility Steering Committee and Corporate Responsibility Council play key roles in identifying, assessing and communicating climate-related risks across the company (see [section 1.b](#) for more detail).

**Enterprise risk management:** Top risks identified through the site-level processes described above are escalated to the formal ERM process (see [section 3.c](#)) that is presented to the Chair, President and CEO and the Operating Committee for review, as needed, and to the Board at least once per year.

# Appendix: Task Force on Climate-related Financial Disclosures Index (continued)

## 3. Risk Management (continued)

RECOMMENDED DISCLOSURE	BAXTER DISCLOSURE
<p>b] Describe the organization's processes for managing climate-related risks</p>	<p>In general, similar to other categories of risk that impact the company, Baxter manages identified climate-related risks in the following ways:</p> <ul style="list-style-type: none"> <li>• Risk mitigation (e.g., controls such as policies, procedures and targeted projects/initiatives)</li> <li>• Risk transfer (e.g., insurance purchases)</li> <li>• Risk acceptance (e.g., risks with low expected impact where no immediate action is required)</li> </ul> <p>More specifically, Baxter's approach to addressing climate-related risks includes the following.</p> <p><b>Global facilities:</b> Baxter's business segments lead systematic risk-based mitigation planning for the company's facilities, including for risks related to climate change such as natural disasters, including hurricanes. Business continuity plans, developed for all facilities based on an assessment of local and other risks, include steps to be taken during an event and those needed for recovery, such as employee protection planning and communications planning. These plans are developed by a core team of multiple functions/areas including IT, supply chain, security, EHS&amp;S, procurement and manufacturing. Business continuity plans also include plans to make the company more resilient when risk cannot be mitigated or eliminated.</p> <p><b>Supply chain:</b> For supply chain climate risk management, we analyze our global production capabilities and, when appropriate and feasible, create redundancies to minimize the number of sole sources for critical products. Baxter also identifies opportunities for energy projects such as cogeneration and on-site renewable energy that have the potential to reduce the company's reliance on both the local utility grid and fossil fuels and reduce GHG emissions.</p> <p>See the "Management's response" information in <a href="#">section 2.a</a> for details about how Baxter manages each of those specific risks.</p> <p>See the <a href="#">Baxter Climate Action Roadmap</a>, which we published in 2022, for a summary of planned actions to drive progress toward our 2030 and 2040 GHG emissions-reduction goals.</p>
<p>c] Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management</p>	<p>Baxter integrates identification, assessment and management of climate-related risks into our ERM processes.</p> <p>The company's ERM program is designed to identify, assess and prioritize strategic, financial, operational, technological and reputational risks with the potential to have sustained impact on the company. In connection with the annual refreshment of the company's LRP and finalizing the company's AOP for the coming year, company management (including its internal auditors) revisits these risks and identifies top risks for regular monitoring and for the development of related mitigation plans. Additionally, an executive-level ERM committee composed of cross-functional leadership meets regularly to evaluate and prioritize risks with further escalation and updates to the Chair, President and CEO and the Board as appropriate.</p> <p>Climate-related risks may be identified through the assessment portion of our ERM activities, which includes rolling interviews with key leaders and voting workshops annually with the Operating Committee. Risks are scored and ranked based on the following factors:</p> <ul style="list-style-type: none"> <li>• <b>Impact:</b> Potential effects over the next one to two years in the categories of financial, operational, reputation, strategic and legal/regulatory/compliance.</li> <li>• <b>Likelihood:</b> The probability that the impact(s) will occur, ranging from remote to almost certain.</li> <li>• <b>Management preparedness:</b> The ability of management and control activities to mitigate either the likelihood and/or the impact of a risk.</li> </ul> <p>Mitigation plans are developed for identified risks and summarized in a risk action matrix, which applies both at the site and corporate levels.</p> <p>See sections <a href="#">3.a</a> and <a href="#">3.b</a> (above) for more detail about how climate risk identification, assessment and management are integrated into processes throughout Baxter.</p>

# Appendix: Task Force on Climate-related Financial Disclosures Index (continued)

## 4. Metrics & Targets

RECOMMENDED DISCLOSURE	BAXTER DISCLOSURE
<p>a] Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process</p>	<p>Baxter uses numerous metrics to measure performance and drive ongoing improvement in regard to climate-related risks and opportunities.</p> <p><b>GHG emissions, energy and water metrics:</b></p> <ul style="list-style-type: none"> <li>• Scope 1, 2 and 3 GHG emissions (see section 4.b, below)</li> <li>• GHG emissions from Baxter operations (in absolute terms, per million dollars of sales)</li> <li>• Baxter global GHG emissions footprint (including multiple Scope 3 categories)</li> <li>• Energy usage from Baxter operations (in absolute terms, per million dollars of sales)</li> <li>• Energy costs</li> <li>• Renewable energy usage</li> <li>• Electricity purchased from 100% renewable power</li> <li>• Lean Energy Program performance</li> </ul> <p>See detailed performance data for these metrics in the <a href="#">Appendix</a>.</p> <p><b>Performance assessment and compensation metrics:</b></p> <ul style="list-style-type: none"> <li>• The individual performance assessment under the 2023 Annual Incentive Plan for Baxter's Operating Committee was determined in connection with an assessment of Baxter's performance against preestablished measures for strategic priorities, including those related to ESG.</li> <li>• Baxter's Chair, President and CEO and members of the Operating Committee receive bonuses that are a percentage of their salary, measured according to the company's performance against preestablished measures and targets for strategic priorities, including those related to ESG.</li> </ul>
<p>b] Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks</p>	<p>See Baxter's Scope 1, Scope 2 and Scope 3 GHG emissions for 2021–2023 in <a href="#">Value Chain Energy Usage and GHG Emissions</a>.</p> <p>Baxter uses <b>The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard</b> (revised edition) and <b>The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard</b> to calculate emissions. See <a href="#">detailed information</a> about our calculation methodologies for GHG emissions.</p> <p>Apex Companies, LLC (Apex) verified to a reasonable level Baxter's Scope 1 and Scope 2 GHG emissions for 2020–2022. Apex also verified to a limited level Baxter's methodology for determining Scope 3 GHG emissions for 2020–2022. See the verification statements <a href="#">[2020]</a>, <a href="#">[2021]</a>, <a href="#">[2022]</a>.</p> <p>LRQA verified to a reasonable level Baxter's Scope 1 and Scope 2 GHG emissions for 2023. LRQA also verified to a limited level Baxter's methodology for determining Scope 3 GHG emissions for 2023. See the <a href="#">assurance statement</a>.</p> <p>See the "Transition—Policy and legal" and "Transition—Reputation" risks in <a href="#">section 2.a</a> for detail about risks related to Baxter's GHG emissions.</p>
<p>c] Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets</p>	<p>Baxter's GHG emissions goal is to achieve carbon neutrality for our direct operations by 2040 and reduce absolute Scope 1 and 2 GHG emissions 25% by 2030, aligned with a well-below 2° Celsius science-based target (base year 2020). See <a href="#">progress in 2023</a>.</p> <p>Our water management goal is to implement strategic water management plans at prioritized manufacturing locations by 2030.<sup>1</sup> See <a href="#">progress in 2023</a>.</p> <p>Baxter is working to drive a more sustainable supply chain, including related to climate change. Our sustainable procurement goal is to integrate Baxter's sustainable procurement strategy across 90% of our supplier spend.<sup>2</sup> See <a href="#">progress in 2023</a>.</p>

# Appendix: Endnotes

## CORPORATE RESPONSIBILITY COMMITMENT

<sup>1</sup> Our approach to the disclosures included in this report differs from our approach to the disclosures we include in other reports, including our filings with the SEC. For example, 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 topics that may be significant to our stakeholders and to the company, which we use to inform our corporate responsibility strategy, priorities and goals, and reporting. The topics in the Materiality Assessment Findings table in the Appendix are listed in alphabetical order, grouped by Priority ESG Topics and Other Material ESG Topics. The listing within each category does not reflect the presumed importance or "materiality" of any particular topic to Baxter or our stakeholders.

<sup>2</sup> Ditto.

## 2030 CORPORATE RESPONSIBILITY GOALS

### Reach More Underserved Kidney Patients

<sup>1</sup> Available in 32 languages and 40 countries.

<sup>2</sup> As of Dec. 31, 2023, there were a total of 53 PD Ambassadors, with 41 representing developing countries. Of the 30 countries with PD Ambassadors, 27 were developing countries.

### Consistently Improve Manufacturing Capabilities

<sup>3</sup> Parametric release helps demonstrate that our sterile products maintain high quality standards throughout the entire manufacturing process. We use this program to get products to patients faster while assuring the highest quality.

### Achieve Carbon Neutrality for Direct Operations by 2040

<sup>4</sup> Baxter's carbon-reduction plan covers all Baxter sites, including all legacy Hillrom sites, which are now part of the Baxter Healthcare Systems & Technologies business segment.

<sup>5</sup> 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 energy for owned/controlled facilities. The market-based method is used for Scope 2 unless otherwise stated.

<sup>6</sup> This includes energy consumed by Baxter-operated facilities; it excludes energy related to company-operated vehicles.

<sup>7</sup> Estimated energy and financial savings and GHG emissions reduction are calculated for the 12 months following project implementation. Energy reduction is calculated excluding the impact of new cogeneration installations.

<sup>8</sup> Excludes energy consumption associated with Baxter-operated mobile sources. In 2023, biomass fuel for boilers at two of our locations (one in the United States and one in Italy) accounted for 10.5%, and the renewable energy component of our purchased electricity and renewable energy certificates together represented 22.2%. Additionally, on-site geothermal, solar photovoltaic and solar hot water systems made a small contribution. During the year, emissions from the Baxter-operated biomass boilers equaled 119,000 metric tons CO<sub>2</sub>. 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 CO<sub>2</sub>e emissions from the CH<sub>4</sub> and N<sub>2</sub>O components of biomass combustion in our reported Scope 1 emissions.

<sup>9</sup> Estimated energy savings and GHG emissions avoidance are calculated for the 12 months following project implementation.

<sup>10</sup> 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 [assurance statement](#)). See [Baxter Value Chain Energy Usage and GHG Emissions](#) for detail.

### Implement Strategic Water Management Plans

<sup>11</sup> One cubic meter equals 1,000 liters or 264 gallons.

<sup>12</sup> The World Resources Institute 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

<sup>13</sup> Applicable suppliers are those that have a Data Universal Numbering System (DUNS) number and with which we have historical spend.

### Implement Strategic Materials and Waste Management Plans

<sup>14</sup> Baxter data on file, 2023.

<sup>15</sup> The savings described for the project are calculated on an annualized basis (12 months from each project completion date), though savings should continue beyond one year.

<sup>16</sup> Baxter policies require 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. Regulated waste is waste for which regulations require a special manner of disposal, including hazardous waste.

## 2030 CORPORATE RESPONSIBILITY GOALS (CONTINUED)

### Invest in Underserved Communities Globally

<sup>17</sup> Baxter donates a broad portfolio of medical products, supplies and therapies for acute and chronic conditions. Recipient nonprofit partners determine the reported value of Baxter-donated products at wholesale value or fair market value, depending on the product and country of origin.

<sup>18</sup> Baxter's Global Interactions Policy provides guidance for corporate charitable giving to help promote compliance with applicable 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, in accordance with the Global Interactions Policy, for contribution requests from educational institutions, not-for-profit or charitable healthcare organizations 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.

### Achieve Top Quartile Workplace Safety Performance

<sup>19</sup> High-frequency injuries that Baxter is targeting to reduce in the near term include ergonomics and slips/trips/falls.

<sup>20</sup> 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. Due to privacy regulations in the 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 and are not tracked separately. Independent contractors are not included in Baxter's injury data, because they are supervised by other organizations.

<sup>21</sup> Major incidents are defined as those that result in death of a Baxter employee, contractor or visitor associated with work being performed at a Baxter facility, or are directly caused by visiting a Baxter facility, or associated with work or travel activities while a Baxter employee is away on company business. Severe incidents are defined as those that result in amputations, debilitating injuries that result in permanent loss of use of a body part or other disease to the human body, severe burns, severe fractures (overnight hospitalization or surgery, major leg or arm bones, multiple fractures to hand or foot, fracture of skull), as well as reportable exposure events. Recordable and lost time incidents which result in hospitalization with medical treatment are also classified as severe incidents, regardless of injury type.

### Increase Representation of Women and Ethnic Minorities in Leadership Roles

<sup>22</sup> "Ethnic minorities," within the context of our 2030 goal, refers to the United States Equal Employment Opportunity (EEO) Commission Categories, which include Hispanic or Latino, Black or African American, Native Hawaiian or Other Pacific Islander, Asian, American Indian or Alaska Native, and Two or More Races.

<sup>23</sup> 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

<sup>1</sup> Related policies address conflicts of interest; corporate opportunities; confidentiality; data privacy; proper use of company assets; maintaining accurate business records; compliance with laws, rules and regulations; and reporting of any illegal or unethical behavior, among other items.

<sup>2</sup> The scope of these audits of distributors includes fulfillment of due diligence and contract requirements, services obtained from distributors and payments made to them, as well as the adequacy and accuracy of distributors' books and records in the context of their business with Baxter, among other areas.

<sup>3</sup> In 2023, these included Brazil, Ecuador, Japan, Malaysia, Mexico, Saudi Arabia, Taiwan and the UK.

### Privacy and Data Protection

<sup>4</sup> Training is provided to employees with a Baxter email address. Employees without a Baxter email address, such as those in manufacturing, do not participate.

### Diversity, Equity and Inclusion

<sup>5</sup> "Economic output" includes revenues earned by suppliers and businesses in the company's supply chain and their communities.

## MATERIALITY ASSESSMENT FINDINGS

<sup>1</sup> Our approach to the disclosures included in this report differs from our approach to the disclosures we include in other reports, including our filings with the SEC. For example, 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 topics that may be significant to our stakeholders and to the company, which we use to inform our corporate responsibility strategy, priorities and goals, and reporting. The topics in this table are listed in alphabetical order, grouped by Priority ESG Topics and Other Material ESG Topics. The listing within each category does not reflect the presumed importance or "materiality" of any particular topic to Baxter or our stakeholders.

# Appendix: Endnotes [continued]

## DATA SUMMARY

- <sup>1</sup> Some metrics in this Data Summary relate to the company's 2030 Corporate Responsibility Goals. Other metrics relate to other ESG topics.
- <sup>2</sup> Data in this section for 2021, 2022 and 2023 excludes Baxter's BioPharma Solutions business, which was divested at the end of the third quarter of 2023. Data for 2021 and 2022 is updated from data reported in prior-year Baxter Corporate Responsibility Reports, as relevant.
- <sup>3</sup> Data in this section for 2021 and 2022 includes Baxter's BioPharma Solutions business, which was divested at the end of the third quarter of 2023. Data for 2023 excludes BioPharma Solutions.
- <sup>4</sup> 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) or classification by product group vs. product code (FDA counts each impacted product code within a product family as a distinct recall).
- <sup>5</sup> 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.
- <sup>6</sup> As of 2023, Baxter had 71 FDA-registered establishments available for inspection.
- <sup>7</sup> Data in this section for 2021, 2022 and 2023 excludes Baxter's BioPharma Solutions business, which was divested at the end of the third quarter of 2023. Data for 2021 and 2022 is updated from data reported in prior-year Baxter Corporate Responsibility Reports, as relevant. Exceptions include: Lean Energy Program Performance, Manufacturing Facilities Meeting ISO 50001 Requirements and Energy Assessments Completed include data from Baxter's BioPharma Solutions business for 2021 and 2022; Worldwide GHG Emissions from Product Transport, by Mode and Worldwide GHG Emissions from Product Transport, by Region include data from Baxter's BioPharma Solutions business for all years noted.
- <sup>8</sup> 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 2023. Some data for 2021 and 2022 is updated from data reported in the Baxter 2022 Corporate Responsibility Report to improve accuracy, and in the case of greenhouse gas (GHG) emissions, to reflect updated GHG-emission factors. Some totals may vary from the sum of items in the category, due to rounding.
- <sup>9</sup> Excludes energy consumption associated with Baxter-operated mobile sources and renewable electricity generated on-site.
- <sup>10</sup> 2022 and 2023 data for this metric reflects the integration of the Hillrom business, which Baxter acquired in December 2021. Data for 2021 is not included, due to lack of comparability.
- <sup>11</sup> Excludes energy consumption associated with Baxter-operated mobile sources.
- <sup>12</sup> 2021 and 2022 data excludes legacy Hillrom sites.
- <sup>13</sup> In 2021, we were unable to perform on-site energy assessments due to COVID-19-related travel restrictions.
- <sup>14</sup> In some cases, segments may not add up to 100% due to rounding. Data may differ slightly from the totals stated in the Baxter Operations Total line of the Value Chain Energy Usage and GHG Emissions table due to rounding.
- <sup>15</sup> Number includes Scope 3 emissions plus Scope 1 emissions for product transport. Some totals may vary from the sum of items in the category, due to rounding.
- <sup>16</sup> "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."
- <sup>17</sup> Water usage from Baxter's 59 manufacturing sites with the most significant water usage, representing 95% of the company's total annual water usage. The World Resources Institute 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.
- <sup>18</sup> Estimated total water pollutant levels for treated wastewater discharged directly into waterways, for the six Baxter sites that have direct discharges. BOD<sub>5</sub> refers to five-day biological oxygen demand; COD refers to chemical oxygen demand; TSS refers to total suspended solids. When actual performance data was not available, estimates are based on performance at similar facilities or on other measured performance indicators.
- <sup>19</sup> Data in this section for 2021, 2022 and 2023 includes Baxter's BioPharma Solutions business, which was divested at the end of the third quarter of 2023.
- <sup>20</sup> 2021 data is Oct. 1, 2020 through Sept. 30, 2021. 2022 and 2023 data is calendar year. 2022 data is updated from data reported in the Baxter 2022 Corporate Responsibility Report to align with calendar year.
- <sup>21</sup> 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.
- <sup>22</sup> 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.

## DATA SUMMARY [CONTINUED]

- <sup>23</sup> Includes recycling and incineration with energy recovery.
- <sup>24</sup> 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.
- <sup>25</sup> In compliance with the EU Waste Electrical and Electronic Equipment (WEEE) Directive. Data excludes Hillrom.
- <sup>26</sup> During 2021, PVC Collected for Recycling and Aluminum Bottles Recycled data for Australia also includes New Zealand. In Australia and New Zealand, Baxter's Home Patients PD Recycling Program was suspended in some locations during 2020 due to COVID-19, and reinstated during 2022. Some other data in this section is not available for 2021 due to different presentation in past reports.
- <sup>27</sup> Values correspond to the U.S. Environmental Protection Agency Toxics Release Inventory (TRI) Program data reported for 2021 and 2022. Data includes eight facilities in the continental United States and Puerto Rico only. Data for 2023 is not available as of report publication date.
- <sup>28</sup> 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."
- <sup>29</sup> For the purpose of this calculation, manufacturing includes pharmaceutical locations, and our sites in Sondalo and Grosotto, Italy, and Castlebar and Swinford, Ireland, are counted separately. Outside of manufacturing locations, the balance of 17 ISO-certified sites consists of compounding (six), offices (five), and planning and fulfillment (six).
- <sup>30</sup> "Professional" includes individual contributors.
- <sup>31</sup> "Other" includes American Indian/Alaska Native, Native Hawaiian/Other Pacific Islander and two or more races.
- <sup>32</sup> Calculation methodology for 2023 updated to align the top-level data with the ethnic representation breakdown by Vice President and Above, Director, Manager and Professional in the right column.
- <sup>33</sup> In some cases, segments may not add up to total due to rounding.
- <sup>34</sup> 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, product availability, 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](#).
- <sup>35</sup> Contributions to U.S.-based 501(c)(3) organizations for programs within and outside of the United States.
- <sup>36</sup> Based on hourly rates of \$29.95 per volunteer hour for 2021, \$31.80 per volunteer hour for 2022 and \$33.49 per volunteer hour for 2023, as published by Independent Sector. Volunteer hours are self-reported by Baxter employees.
- <sup>37</sup> The regional breakdown of the data included in this section reflects the structure of the EHS&S organization and the categorization of data in the EHS&S global information management system through 2023.
- <sup>38</sup> 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. Due to privacy regulations in the 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 in this table and are not tracked separately. Independent contractors are not included in Baxter's injury data, because they are supervised by other organizations. 2021 and 2022 data includes 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.
- <sup>39</sup> Work-related injuries or illnesses that cause an employee to lose at least one full day after the date of the incident.
- <sup>40</sup> 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.
- <sup>41</sup> 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.
- <sup>42</sup> Baxter's historical DART rate calculation combines the number of days lost, days restricted and days transferred, as a measure of severity.
- <sup>43</sup> Each year, profiles untouched for the previous three years are removed from the active database.
- <sup>44</sup> This data refers to facilities with 25 or more employees, in locations where smoke-free status is allowed by law.
- <sup>45</sup> Data includes vaccinations given September of the year noted through January of the following year, aligned with the typical flu season for North America.
- <sup>46</sup> Data in this section for 2021 and 2022 includes Baxter's BioPharma Solutions business, which was divested at the end of the third quarter of 2023. Data for Board of Directors Diversity and Best Place to Work Survey for 2023 excludes BioPharma Solutions. Data for 2023 for Supplier Diversity and Economic Impact of Spending with Diverse Suppliers includes BioPharma Solutions.
- <sup>47</sup> 2021 data is as of June 27, 2022. 2022 data is as of June 23, 2023. 2023 data is as of March 7, 2024.
- <sup>48</sup> Scores indicate the percentage of survey participants who responded favorably to statements related to each of the items listed. Data for 2022 reflects the acquisition of Hillrom. Baxter did not administer a Best Place to Work survey in 2023 due to large-scale organizational changes.

# Appendix: Endnotes [continued]

## DATA SUMMARY (CONTINUED)

- <sup>49</sup> New item on Best Place to Work survey in 2022, included in the overall Inclusion index.
- <sup>50</sup> United States and Puerto Rico. Data is calendar year. Accounts payable data is sent to a third party, which categorizes spending. 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. Spend with Small Disadvantaged Businesses data for 2022 is updated from data reported in the Baxter 2022 Corporate Responsibility Report, for accuracy.
- <sup>51</sup> United States and Puerto Rico. Data is calendar year. "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. Data for 2022 is updated from data reported in the Baxter 2022 Corporate Responsibility Report, to include Puerto Rico. Estimated Indirect and Induced data for 2021 and 2022 is updated from data reported in the Baxter 2022 Corporate Responsibility Report, for accuracy.
- <sup>52</sup> "Technical/Clerical" includes employees in operational and administrative/clerical roles.
- <sup>53</sup> 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 2023 due to large-scale organizational changes. Engagement and Inclusion questions were added to the 2023 Manager Effectiveness survey administered in November 2023.
- <sup>54</sup> This data includes training hours for employees and contractors. It does not represent all employee and contractor training and development but does capture a large portion of training for most employees and contractors.

## VALUE CHAIN ENERGY USAGE AND GHG EMISSIONS

- <sup>1</sup> Baxter used the World Resources Institute and World Business Council for Sustainable Development **The Greenhouse Gas Protocol (GHG Protocol)** to calculate emissions data from fossil fuel use. We used country electricity emission factors published by the International Energy Agency and the Association of Issuing Bodies (for residual mixes), and the U.S. Environmental Protection Agency (EPA) E-Grid U.S. and Canada National Inventory Report regional electricity emission factors to calculate GHG emissions related to electricity consumption.
- <sup>2</sup> LRQA verified to a reasonable level Baxter's Scope 1 and Scope 2 GHG emissions. LRQA also verified to a limited level Baxter's Scope 3 GHG emissions.
- <sup>3</sup> Baxter Operations data for 2021, 2022 and 2023 excludes Baxter's BioPharma Solutions business, which was divested at the end of the third quarter of 2023. Some data for 2021 and 2022 is updated from data reported in prior-year Baxter Corporate Responsibility Reports for accuracy and to reflect updated GHG emission factors.
- <sup>4</sup> We used the **GHG 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 123,000, 111,000 and 119,000 metric tons CO<sub>2</sub> in 2021, 2022 and 2023, respectively. CO<sub>2</sub>e emissions from CH<sub>4</sub> and N<sub>2</sub>O components of biomass combustion are included in reported Scope 1 emissions.
- <sup>5</sup> Baxter used the **GHG Protocol** to calculate GHG emissions associated with reported fuel usage by company-managed sales and distribution fleet vehicles and other vehicles. We estimated fuel usage for some international sales vehicles based on regional sales information.
- <sup>6</sup> Refrigerant emissions represent reported HFC and other refrigerant losses by each Baxter location. We calculated associated GHG emissions using emission factors for each reported refrigerant.
- <sup>7</sup> Includes the purchase of electricity generated from 100% certified renewable electricity (Belgium, Brazil, France, Germany, India, Ireland, Italy, Mexico, Spain, Sweden, Switzerland, UK and United States).
- <sup>8</sup> For 2021, 2022 and 2023, Scope 3 categories 1, 4, 6 and 7 include Baxter's BioPharma Solutions business, which was divested at the end of the third quarter of 2023. Scope 3 categories 9, 11 and 12 include BioPharma Solutions for 2021 and 2022 and exclude BioPharma Solutions for 2023. Scope 3 categories 2, 3 and 5 exclude BioPharma Solutions for 2021, 2022 and 2023. Scope 3 categories 8, 10, 13, 14 and 15 are not applicable to Baxter. Emissions associated with category 8 (upstream leased assets) are included in Baxter's Scope 1 and 2 emissions. Category 10 is no longer relevant since Baxter's BioPharma Solutions business was divested at the end of the third quarter of 2023. Baxter does not have significant downstream leased assets (category 13), franchises (category 14) or significant investments (category 15). Some data for 2021 and 2022 is updated from data reported in prior-year Baxter Corporate Responsibility Reports for accuracy and to reflect updated GHG emission factors.
- <sup>9</sup> Estimated based on global expenditures by category and emission factors from Conversion factors kgCO<sub>2</sub> per £ spent, by SIC code 2020, UK Government Department for Environment, Food & Rural Affairs (Defra), 2012.
- <sup>10</sup> Estimated based on capital expenditures and the machinery and equipment emission factor from Conversion factors kgCO<sub>2</sub> per £ spent, by SIC code 2020, Defra, 2012.
- <sup>11</sup> 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.
- <sup>12</sup> Estimated based on shipment of products to our customers using EcoTransIT World software, which is compliant with the **GHG Protocol** and the Global Logistics Emissions Council Framework.
- <sup>13</sup> 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 GHG Emission Factors Hub.
- <sup>14</sup> Estimated emissions from air travel, rental vehicles and hotel room stays provided by Baxter's global travel providers. Also includes emissions from personal vehicle mileage. Emission factors from UK Government GHG Conversion Factors for Company Reporting and U.S. EPA.

## VALUE CHAIN ENERGY USAGE AND GHG EMISSIONS (CONTINUED)

- <sup>15</sup> 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.
- <sup>16</sup> 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.
- <sup>17</sup> 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. Data for 2021 and 2022 is updated from data reported in prior-year Baxter Corporate Responsibility Reports to reflect changes in the calculation methodology. Specifically, we have removed the following gases from the Use of Sold Products category, and have instead disclosed them separately: HFE-236ea2, CHF<sub>2</sub>OCHFCF<sub>3</sub> (Desflurane); HCFC-235da2, CHF<sub>2</sub>OCHClCF<sub>3</sub> (Isoflurane); and HFE-347mmz1, (CF<sub>3</sub>)<sub>2</sub>CHOCH<sub>2</sub>F (Sevoflurane). This is consistent with **The Greenhouse Gas Protocol**: A Corporate Accounting and Reporting Standard (revised edition), **The Greenhouse Gas Protocol**: Corporate Value Chain (Scope 3) Standard and **The Greenhouse Gas Protocol** Accounting and Reporting Standard Amendment. In 2023, the estimated emissions of these optionally reported gases were 1,455,000 metric tons CO<sub>2</sub>e.
- <sup>18</sup> Totals do not include CO<sub>2</sub> emissions from Baxter-owned wood-fired boilers. See endnote 4 to the left for detail.

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

- <sup>1</sup> As of Dec. 31, 2023.
- <sup>2</sup> Data excludes Baxter's BioPharma Solutions business, which was divested at the end of the third quarter of 2023.
- <sup>3</sup> Facilities transitioned to ISO 45001 from OHSAS 18001.
- <sup>4</sup> The building with green certification noted is one of several buildings at the designated location.
- <sup>5</sup> The building with green certification is an extension of an existing building at the designated location.

## SUSTAINABILITY ACCOUNTING STANDARDS BOARD INDEX

- <sup>1</sup> Approximately 98% of recalled or corrected units related to an equipment failure in one specific product.
- <sup>2</sup> 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) or classification by product group vs. product code (FDA counts each impacted product code within a product family as a distinct recall).
- <sup>3</sup> Conformité Européenne (CE) marking appears on products traded on the extended single market in the European Economic Area (EEA).

## TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES INDEX

- <sup>1</sup> Identify prioritized locations using a risk-based approach by the end of 2023.
- <sup>2</sup> As measured by supplier commitment to Baxter's Ethics & Compliance Standards and Baxter's completion of corporate responsibility audits within our supply base.



**PHOTO:**  
Ahlam Ayat from Assiut,  
Egypt, using the safe and  
clean water connection  
that was recently  
installed in her house.

**CREDIT:**  
UNICEF Egypt

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#### Baxter International Inc.

One Baxter Parkway  
Deerfield, Illinois 60015-4625  
USA  
[www.baxter.com](http://www.baxter.com)

## RECOGNITION

Baxter is proud to be recognized by numerous organizations and publications globally. These examples of our recent accomplishments highlight Baxter 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 2024]

- **Climate Change, Score B CDP**
- **Water Security, Score B CDP**
- **FTSE4GOOD Index Series FTSE Russell**
- **America's Most JUST Companies JUST Capital**
- **Dow Jones Sustainability Index (DJSI) North America S&P Global**
- **Management Top 250 The Wall Street Journal**