Baxter

Making a Meaningful Difference

2020 CORPORATE
RESPONSIBILITY REPORT

Contents

ASSURANCE AND VERIFICATION

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

Apex also assured the following sections of the report:

- Product Innovation (except Patient Safety and Quality)
- Employee Health and Safety
- Operations
- Responsible Procurement and Logistics
- Related material in the Appendix: Baxter Data Summary; Baxter Value Chain Energy Usage and GHG Emissions; and Baxter Facilities with ISO 14001, ISO 45001, ISO 50001 and Green Building Certifications

See assurance statements in English and Spanish.

Most of the financial data included in the Baxter Data Summary are taken from the audited consolidated financial statements contained in the Baxter International Inc. 2020 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 Chairman and CEO

2020 was a year like no other, with unforeseen impact on so many aspects of our lives—personally and professionally. For Baxter, the global challenges presented in 2020 also inspired a unique and powerful year in our ongoing journey of corporate responsibility.

I write this letter against the backdrop of a public health crisis that continues to unfold in hot spots worldwide. As a global healthcare company manufacturing medically essential products for patient care, Baxter rapidly emerged on the front lines of the COVID-19 pandemic in 2020. Our first priority was ensuring the health and safety of our employees. They, in turn, embraced our Mission to Save and Sustain Lives in all facets of our operations, from manufacturing and supply chain to clinical education, technical service, corporate philanthropy and well beyond. I remain in awe of my Baxter colleagues and their resolve to make a difference in this relentless battle, and together we are grateful to, and humbled by, caregivers worldwide for their tireless commitment on behalf of their patients.

Our mission came to life in a different manner following the May 2020 murder of George Floyd. This event, and the companywide introspection that followed, led directly to the launch of ACT: Activating Change Today, Baxter's multidisciplinary effort to advance racial justice in our workplace, marketplace and the communities we serve—with an intentional focus on addressing longstanding disparities in healthcare. It represents a new chapter in Baxter's ongoing emphasis on inclusion and diversity.

You will find more about ACT and our response to the ongoing COVID-19 pandemic in the following pages. And these were not the only reasons 2020 was pivotal in Baxter's corporate responsibility efforts. The year also marked the closeout of our 2020 Corporate Responsibility Priorities and Goals. We advanced important efforts across these priorities and made great strides even in areas where we fell short. Among noteworthy accomplishments for the period:

- Since 2015, Baxter reduced absolute greenhouse gas emissions by 13.6% compared with 2015, exceeding our goal.

- Our commitment to the circular economy continued to advance with our PVC recovery and recycling partnerships with more than 375 hospitals and clinics across Australia, New Zealand, Guatemala and Colombia, exceeding our goal.

- We launched six therapies/products that reduced materials use by at least 15% versus those currently on market, exceeding our goal.

- We achieved a 19% decrease in product complaints compared with 2015, exceeding our goal.

- The Baxter International Foundation transformed its giving to focus on long-term strategic investments, establishing its first six Signature Partnerships to drive increased healthcare access around the world.

We also published our first annual Sustainability Accounting Standards Board (SASB) Index, a voluntary public disclosure providing transparent, relevant corporate responsibility information to investors and other key stakeholders.

While drawing our 2020 goals to a close, we reflected on a landscape and expectations that have evolved rapidly over the past five years. This set the stage to establish new goals demonstrating our multifaceted, deeply ingrained commitment to the environmental, social and governance issues that are a priority to Baxter and our stakeholders.

Our 2030 Commitment, formally launched in this report, reflects our responsibility to Empower our Patients, Protect our Planet and Champion our People and Communities. Among our bold goals, Baxter is committing to the following:

- Double the number of patients reached in underserved markets through our peritoneal dialysis (PD) portfolio

- Achieve carbon neutrality for our direct operations by 2040 and reduce absolute Scope 1 and 2 greenhouse gas emissions 25% by 2030, aligned with a well-below 2° Celsius science-based target

- For the first time publicly, aspire to specific levels of representation of women (globally) and ethnic minorities (in the United States) in leadership roles

Our new goals generally span a 10-year horizon. They are expansive and ambitious, yet clear and attainable. They reflect and advance key global frameworks, including Baxter's inaugural alignment with several of the United Nations Sustainable Development Goals.

Today's challenges are complex and present great promise and potential for companies like Baxter to make an impact in our shared quest for a brighter future. I want to thank my more than 50,000 Baxter colleagues worldwide, whose passion fuels our progress as a leading corporate citizen. And most importantly, the Baxter team thanks our stakeholders across the communities we serve for encouraging and inspiring us to reach ever higher.

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

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

The ongoing COVID-19 pandemic has created a worldwide crisis unprecedented in our lifetimes. As a global leader in healthcare, delivering on our mission to save and sustain lives became more vital than ever. We continue to protect the health and safety of our employees; increase the supply of critically necessary products and therapies; share our industry expertise, including partnering in 2021 to manufacture COVID-19 vaccines; and provide philanthropic support to communities in need. **Learn more** about our response.

> **Of course, this COVID-19 situation is scary for us and our loved ones, but our mission to 'save lives' keeps us going. Today, more than ever, we feel like 'super heroes!'"**
>
> **PIERLUIGI**
> FIELD SERVICE ENGINEER, ITALY

OUR PEOPLE

From our front-line workers in manufacturing to our clinical educators, service specialists and more, Baxter colleagues have played an extraordinary role in maintaining and increasing critical product supply to meet patient needs. We also deployed a staged response plan and have introduced new initiatives, benefits, resources and ongoing communications to support the health and safety of all Baxter employees. **See Employee Health and Safety and Workplace Culture.**

OUR PRODUCTS

We have boosted capacity and production to help address the elevated demand for our products around the world. This included creating airbridges and seabridges to expedite delivery of supplies, increasing freight capacity, obtaining emergency use authorizations for a multitude of products, working closely with global governments to ensure ongoing manufacturing, and continuing our manufacture-to-donate program with humanitarian partners. **See Public Policy.**

OUR EXPERTISE

Our medical team is working with global healthcare professionals to understand the unique clinical challenges created by COVID-19. Additionally, Baxter's BioPharma Solutions business is providing fill/finish sterile manufacturing services and supply packaging for the Moderna COVID-19 Vaccine; sterile manufacturing services for NVX-CoV2373, the Novavax COVID-19 recombinant nanoparticle vaccine candidate with **Matrix-M™** adjuvant; and sterile manufacturing services as part of a group of industry partners collaborating with BioNTech on its COVID-19 vaccine.

OUR COMMUNITIES

The Baxter International Foundation is providing financial support to address the needs of patients, healthcare workers and communities. In 2020, the Foundation provided $2.5 million in COVID-19 relief grants, including $1 million to support Save the Children's global relief efforts. We also implemented a 2:1 employee gift match for select organizations focused on COVID-19 relief around the world. **See Innovation That Expands Access to Care.**

Photo credit: Courtesy of Americares.

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Advancing Racial Justice

We are united by our mission to save and sustain lives, which rests on a strong foundation and commitment to inclusion and diversity globally. Racism, intolerance, marginalization and discrimination affect our colleagues, families, friends and communities worldwide in countless forms. In 2020, working in close collaboration with our Baxter Black Alliance business resource group, we launched ACT: Activating Change Today, a multidimensional, multidisciplinary and multiyear initiative to advance inclusion and racial justice within our workplace and the communities and markets we serve.

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

OUR WORKFORCE AND WORKPLACE

We are actively working to build a more inclusive and diverse workforce and workplace through enhanced recruitment, engagement and development strategies, including new listening approaches, addressing unconscious bias in our human resources processes and more. See Workplace Culture.

OUR COMMUNITIES

We are partnering with leading nonprofit organizations to advance racial justice in the United States, including a new Signature Partnership with the American Diabetes Association to address health disparities for people with diabetes in Chicago's underserved Black communities. Additionally, we are expanding our supplier diversity program and strengthening our healthcare disparity advocacy efforts by supporting and deploying relevant programming with leading policy organizations. See Innovation That Expands Access to Care.

THE MARKETPLACE

We are collaborating to promote patient advocacy work, bolster the pipeline of Black healthcare professionals in medicine, ensure the healthcare professionals we engage with have experience treating diverse patient populations and more.

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

NOSA, TERRITORY BUSINESS MANAGER, ADVANCED SURGERY

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

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Company Profile

Every day, millions of patients and caregivers rely on Baxter's leading portfolio of critical care, nutrition, renal, hospital and surgical products. For 90 years, we've been operating at the critical intersection where innovations that save and sustain lives meet the healthcare providers that make it happen. Our corporate responsibility commitment is fundamental to our ability to deliver on this mission as we grow our business sustainably and strive to meet the needs of all our stakeholders, including our employees, our shareholders, the communities where we operate, and the patients, clinicians and caregivers who rely on our products.

Baxter's heritage and global reach provide a distinct perspective on the needs of patients and caregivers around the world. We continue to lead by applying those insights to deliver new and enhanced healthcare solutions, increase access to care and expand our presence across the continuum of care. We have a longstanding commitment to research and development (R&D) and a rich history of medical firsts, from the first commercially manufactured IV solutions to the first portable kidney dialysis machine, and many more. Each of our more than 50,000 employees[1] is dedicated to ensuring that Baxter is there when and where patients need care—from hospitals to clinics and homes, in rural areas and major cities around the world.

We will continue to transform healthcare by supporting educational opportunities that will cultivate the next generation of innovators, investing in the pursuit of new discoveries and research, and partnering with world-renowned institutions to further our impact. We underpin this work with a commitment to conduct our business with integrity, attract and develop a more diverse and inclusive workforce, increase operational efficiency and innovate more sustainable products.

GLOBAL PRESENCE

Baxter's products, technologies and therapies are available in more than 100 countries across three geographic segments: the Americas (including North and South America); Europe, Middle East and Africa (EMEA); and Asia Pacific (APAC). Our corporate headquarters is located in Deerfield, Illinois, in the United States. R&D is conducted at centers in Belgium, China, Germany, India, Israel, Italy, Japan, Malta, Sweden, the UK and the United States. Our products are manufactured in approximately 50 facilities across more than 20 countries.

Each of the company's geographic segments provides a broad portfolio of essential healthcare products, including acute and chronic dialysis therapies; sterile IV solutions; infusion systems and devices; parenteral nutrition therapies; inhaled anesthetics; generic injectable pharmaceuticals; and surgical hemostat and sealant products.

COMPANY OVERVIEW, 2020

Products available in
100+
countries*

50,000+
employees worldwide*

Manufacturing in
20+
countries*

$38 million+
in charitable giving

* As of December 31, 2020.

REVENUE BY GEOGRAPHIC SEGMENT, 2020

21% Asia Pacific
54% Americas
25% Europe, Middle East and Africa

$11.7B
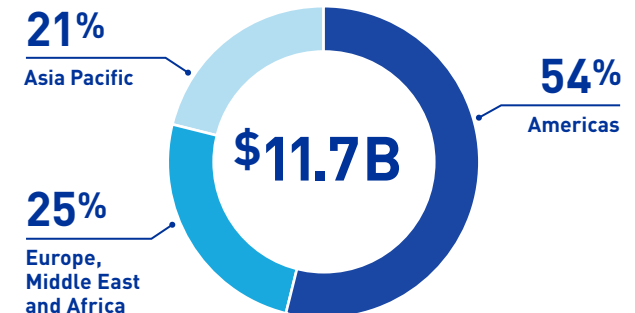
REVENUE BY PRODUCT CATEGORY, 2020*

$3.8B Renal Care

$2.7B Medication Delivery

$2.1B Pharmaceuticals

$0.9B Clinical Nutrition

$0.9B Advanced Surgery

$0.7B Acute Therapies

$0.5B BioPharma Solutions

* Sales and related figures represent fiscal year 2020; other sales represent ~$0.1B.

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INNOVATION

At Baxter, we innovate to bring smarter, more personalized care to the world. Our investments accelerate the introduction of new technologies and therapies for patients and providers. These efforts are bolstered by our partnerships with clinical experts, leaders in digital health and the broader healthcare industry who diversify our discovery process. Baxter's robust product pipeline will help clinicians be more efficient and effective as they treat patients across multiple care settings, including the hospital bedside, operating room and intensive care unit as well as the dialysis clinic and at home.

To fuel our next chapter, we are transforming the way we operate by empowering our people to learn and innovate at scale using digital technology. Our goal is a company-wide digital operating model powering our people, processes and products. This model will help us:

- Operate more efficiently and with increased agility

- Open new avenues for revenue generation through digital solutions

- Improve access to relevant, real-time data to drive effective decision-making

- Provide increased value to customers and earn higher customer loyalty

- Equip employees with the skills and tools they need to thrive in our digital future

We continue partnering with others to find new ways to personalize and increase access to care, improve patient outcomes, prevent complications before they become life-threatening and lessen the overall cost of care. In 2021 and beyond, we expect to introduce several innovations to improve care for patients around the world, including expanded infusion pump offerings, new developments in home dialysis, generic injectable drug offerings in unique delivery platforms and more.

Corporate Responsibility

Corporate responsibility is integral to Baxter's business strategy. Throughout our history, employees worldwide have championed our company's mission to save and sustain lives.

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

- **Patient safety and Quality**

- **Growth through innovation**

- **Best place to work**

- **Industry-leading performance**

This annual Corporate Responsibility Report illustrates our commitment to sound governance and balanced, transparent disclosure. We have reported our environmental performance for nearly 30 years and have consistently broadened and enhanced our reporting on the environmental, social and governance (ESG) issues that are a priority to Baxter and our stakeholders.

PERFORMANCE GOALS

Setting goals across a broad range of corporate responsibility issues demonstrates our commitment, reinforces accountability and drives ongoing improvement. This report states final progress against Baxter's 2020 Corporate Responsibility Priorities and Goals, which cover the period from 2015–2020, with additional details in the relevant report sections.

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This report also introduces Baxter's 2030 Corporate Responsibility Commitment and Goals. Anchored by three pillars—Empower our Patients, Protect our Planet, and Champion our People and Communities—this commitment features a new set of 10 goals. Given the scale and scope of the challenges we face as a society, we chose a 10-year timeframe for most of these goals to advance meaningful progress against substantive issues throughout this critical decade.

To prioritize action in the areas where we can have the greatest positive impact, our goals align with Baxter's material corporate responsibility issues. In the coming year, we expect to conduct a new materiality assessment and continue to evaluate the importance of these issues to our stakeholders and our impact across our value chain. This information will inform the evolution of our 2030 goals.

We developed our 2030 goals through broad engagement with Baxter executives, our Board of Directors, subject matter experts across the company, investors, nongovernmental organizations and other external stakeholders. Industry and cross-industry benchmarking also informed the process.

In parallel, 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. Our business and corporate responsibility initiatives touch various aspects of the UN SDGs, with a critical focus on:

GOAL 3:   Good Health and Well-Being

GOAL 6:   Clean Water and Sanitation

GOAL 12:   Responsible Consumption and Production

ESG: DRIVING BUSINESS VALUE

As a mission-driven company, our corporate responsibility strategy focuses on delivering business value by addressing the ESG issues that matter most to our company and stakeholders. Our strategy also addresses the key risk factors that may impact the long-term sustainability of our business. Following is a representative sample of how advancing our corporate responsibility goals contributes to business value:

Employee attraction and retention   We foster an environment of inclusion and engagement with our employees and listen carefully to their feedback. For example, we seek employee input on critical and timely topics on an ad hoc basis and conduct annual Best Place to Work surveys. (This survey was deferred in 2020 due to COVID-19.) In addition, twice a year we invite employees to provide feedback about their direct managers in the areas of ethical standards, work flexibility, inclusion, recognition and more. Based on feedback from 25,000 employees in November 2020, our overall manager effectiveness score was 82%—eight percentage points above the top quartile benchmark. See Transforming Company Culture.

Operational efficiency   We estimate that new projects we initiated in 2020 to reduce product packaging will save nearly $260,000 on an annualized basis. During 2019 and 2020, we also implemented 340 energy conservation projects. We estimate these projects saved 155 trillion joules of energy and $4.1 million and avoided 13,600 metric tons carbon dioxide equivalent of greenhouse gas (GHG) emissions during 2020.[2] In addition, recycling at Baxter generated $2.3 million in net income during the year. See Packaging, Energy and Waste.

License to operate   Maintaining global strategies and programs to help ensure that we meet privacy regulations such as the EU General Data Protection Regulation; human rights-related legislation such as the California

Transparency in Supply Chains Act of 2010; and product materials restrictions such as the EU RoHS Directive, EU REACH Regulation and EU Medical Devices Regulation supports our continued access to key markets. See Privacy and Data Protection, Protecting Human Rights in Our Supply Chain and Materials of Concern.

Risk reduction   Ongoing reduction in product complaints (down 19% compared with 2015) as well as improvements on other quality-related metrics enhances patient safety and decreases risks of regulatory actions. We also identify and manage climate-related risks as part of our global risk management activities, implement a GHG emissions-reduction strategy and build resiliency across our supply chain. See Patient Safety and Quality and GHG Emissions Across the Value Chain.

PROTECTING HUMAN RIGHTS

Human rights are foundational to Baxter's corporate responsibility strategy. We have policies and processes in place to protect human rights across our value chain, including the rights of our suppliers' workers, our employees, our customers and the patients who rely on our products. As outlined in our Global Human Rights Policy, we respect the human rights, dignity and diverse contributions of all individuals. Fostering human rights takes many forms at our company 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. Also see information about our actions during 2020 related to COVID-19 and racial justice.

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Governance   ESG matters are subject to oversight at the highest levels of Baxter, including our Senior Leadership Team (whose annual incentive compensation is tied, in part, to ESG metrics beginning in 2021) and our Board of Directors (with two committees sharing oversight for ESG matters). The diversity of background and experience represented by our Board of Directors provides key insights for corporate responsibility and strategic initiatives, operational performance and financial control. See Corporate Responsibility Governance and Management and Our Leadership.

Reputation   Maintaining high ethical standards, ensuring strong labor and environmental practices in our supply chain and supporting communities where we have an operational presence all contribute to our reputation as a leading corporate citizen. See Ethics and Compliance, Responsible Procurement and Logistics, Serving Our Communities and Recognition.

Revenue   Innovation to enhance patient safety and product quality drives our ability to meet patient needs and ultimately improve health outcomes. Customers increasingly consider environmental and social performance in proposal reviews and purchasing decisions. In addition, our efforts to expand access to care, particularly in the renal space for underserved markets, unlock new opportunities for revenue growth. See Product Innovation and Innovation That Expands Access to Care.

CORPORATE RESPONSIBILITY GOVERNANCE AND MANAGEMENT

CORPORATE RESPONSIBILITY COUNCIL

Baxter's Corporate Responsibility Council is composed of executives and subject matter experts from across the company. The Council, which meets quarterly, leads our efforts to integrate corporate responsibility throughout our business and ensures high standards of accountability for the management of our corporate responsibility priorities and goals.

The Council's role is to:

- Set and advance our corporate responsibility strategy and culture

- Establish, implement and track progress against our corporate responsibility priorities and goals (as reviewed by our Board of Directors)

- Provide oversight and drive organizational accountability

- Deliver regular progress updates to our Board of Directors

- Solicit and review stakeholder input on Baxter's corporate responsibility programs, priorities, goals and disclosure, as well as broader industry trends

BOARD OF DIRECTORS OVERSIGHT

Our Board of Directors is playing an increased role in corporate responsibility. As of November 2020, the Quality, Compliance and Technology (QCT) Committee and the Nominating, Corporate Governance and Public Policy (NCGPP) Committee of our Board of Directors share oversight for ESG-related matters. The QCT Committee provides oversight for issues related to environmental sustainability and compliance, while the NCGPP Committee provides oversight for other areas related to Baxter's corporate responsibility, including charitable contributions, public policy, access to healthcare and other social and governance issues.

SENIOR LEADER ACCOUNTABILITY

Beginning in 2021, the individual performance assessment for our Senior Leadership Team under our annual incentive plan will be determined in connection with an assessment of our performance against pre-established measures for strategic 2021 priorities, including those related to ESG. For example, these measures include:

- Patient safety and quality, including product safety and quality systems

- Best place to work, including diversity in the workforce, culture, talent, Baxter's ACT initiative, and environmental, health and safety measures

- Growth through innovation, including our ongoing digital transformation

GOVERNANCE AND MANAGEMENT OF CORPORATE RESPONSIBILITY AT BAXTER

Chairman and CEO
Board of Directors Quality, Compliance and Technology Committee   Nominating, Corporate Governance and Public Policy Committee
Executive Co-Sponsors SVP and President, Americas and Global Business Units   SVP, Chief Supply Chain Officer
Co-Chairs VP, Environment, Health, Safety and Sustainability   Senior Director, Global Community Relations
Corporate Responsibility Council Members SVP, Global Communications — General Manager, Medication Delivery — General Manager, Renal Care — VP, Investor Relations Chief Procurement Officer — Deputy General Counsel and Chief Compliance Officer — VP, Finance—Integrated Supply Chain and Quality VP, Global Engineering and Manufacturing Strategy — VP, Global Patient Safety — VP, HR—Americas, GBUs, and R&D — Senior Director, Product Quality — VP, National and Strategic Accounts
Corporate Responsibility Working Group

CORPORATE GOVERNANCE RESOURCES

Visit Baxter's Our Governance webpage for information and links related to:

- Corporate Governance Guidelines
- Board Committees and Charters
- Code of Conduct
- Securities Trading Policy
- Ethics and Compliance Helpline

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

BAXTER'S FIVE PRIMARY STAKEHOLDER GROUPS

Communities

Employees

Governments/Payers

Patients/Healthcare Providers

Shareholders

STAKEHOLDER ENGAGEMENT

Baxter collaborates with a broad range of stakeholders to inform our corporate responsibility strategy, priorities and goals. We identify and engage with stakeholders based on their expertise, level of influence, willingness to collaborate, impact on Baxter and our company's impact on them.

We continue to see increased interest in ESG matters across our stakeholder groups. With these topics growing in importance for many audiences, we work to consistently improve the quality of information we share and how we provide that information.

During 2020, in response to interest from our investors and other stakeholders and to further increase transparency in our reporting, we published our first disclosure based on the Sustainability Accounting Standards Board (SASB) Medical Equipment and Supplies Sustainability Accounting Standard. Our second SASB disclosure is included in this report, and we plan to continue publishing SASB disclosures annually in future Corporate Responsibility Reports. We are assessing the

potential of disclosing against additional frameworks that are valuable to our stakeholders, such as the Task Force on Climate-related Financial Disclosures. Furthermore, in early 2021, Baxter joined the Global Reporting Initiative (GRI) Business Leadership Forum on "Corporate Reporting as a Driver for Achieving the SDGs" to inform our strategy and support of the SDGs.

MATERIALITY

To understand and prioritize issues that are critical to the long-term sustainability of our business, we periodically conduct assessments to identify the corporate responsibility issues that are most relevant to Baxter and our stakeholders. Outcomes from these ongoing assessments inform our corporate responsibility strategy, commitment and goals. See a list of our material corporate responsibility issues (as defined during our 2018 assessment) and their impacts across our value chain. For more information about the process we undertook and the key findings of that assessment, see page 6 of our 2018 Corporate Responsibility Report. We expect to conduct a new materiality assessment in the near future.

Baxter's 2020 Corporate Responsibility Priorities and Goals

This table summarizes progress on our 2020 goals, which were introduced in the 2015 Baxter Corporate Responsibility Report. The baseline is 2015 unless otherwise stated.

PRIORITIES	GOALS	PROGRESS THROUGH 2020	STATUS
PRODUCT INNOVATION *Improve sustainability and performance of products and services*	Enhance product quality and patient safety by achieving a 15% reduction in product complaints, compared to 2015 (aggregate)	The company achieved a 19% decrease in product complaints compared with 2015.	Achieved
	Achieve at least 15% material reduction on three therapies/products compared to those currently on the market, without affecting efficacy	Since 2015, Baxter has launched six therapies/products that reduced materials use by at least 15%, exceeding our goal.	Achieved
	Eliminate 3,000 metric tons of packaging material from Baxter products shipped to customers	We have eliminated 2,128 metric tons of packaging material from products shipped to customers since 2016,[1] including 149 metric tons in 2020.	Not achieved
	Eliminate or minimize the presence of chemicals of concern (as defined by regulations) in new products	Baxter screens all new products under development and changes existing products and processes to eliminate or reduce chemicals of concern. During 2020, this included non-DEHP product launches in all regions.	Achieved
	Partner with organizations to implement recycling of product waste at hospitals and increase participation from 60 hospitals to 200	As of the end of 2020, 377 hospitals and facilities had recycling programs for some of Baxter's products, exceeding our goal.	Achieved
WORKPLACE CULTURE *Promote inclusion, diversity and employee engagement*	Aspire to diversity in leadership at or above benchmarks	During 2020, we remained at or above external benchmarks for women (globally) and ethnic minority representation (in the United States) at most career levels. We continue to work toward closing gender and ethnic minority gaps at executive levels.	Not achieved
	Achieve an employee engagement score comparable to top quartile companies as measured by Baxter's Best Place to Work survey	Due to the COVID-19 pandemic, we did not conduct our annual Best Place to Work (BPTW) survey in 2020. Results from this survey determine our employee engagement score, which rose steadily each year from 2016 to 2019 (and was three percentage points below the top quartile benchmark in 2019). We continue to prioritize engagement with our employees.	Unavailable
ETHICS AND COMPLIANCE *Drive a culture of integrity and the highest ethical behavior*	Drive highest integrity and compliance to achieve zero government enforcement actions over compliance issues	Baxter had zero corruption-related enforcement actions from 2016 through 2020.	Achieved
	Achieve overall compliance culture scores in the top quartile of general industry benchmarks	Baxter did not conduct a BPTW survey in 2020. However, BPTW survey results from 2016 to 2019 demonstrated consistent improvement in the area of ethics and compliance. In 2019, the scores for the two questions related to ethics culture were one percentage point above and two percentage points below top quartile companies, respectively.	Unavailable
EMPLOYEE HEALTH AND SAFETY *Achieve a zero-harm workplace and improve employee well-being*	Achieve the top quartile in total recordable incident rate among global companies across all industries as measured by ORC HSE	In a comparison of 23 companies globally across all industries,[2] Baxter's total recordable incident rate during 2020 ranked thirteenth. Although we did not achieve top quartile performance in 2020, we did in 2018 and 2019.	Not achieved
	Reduce employee health risk by increasing participation from 35% to 45% in BeWell@Baxter health promotion program initiatives and by expanding family participation	We achieved 49% participation across the BeWell@Baxter initiatives, exceeding our goal of 45%.	Achieved

Our 2020 corporate responsibility priorities and goals support Baxter's top quartile goals, which include:

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

Baxter's 2020 Corporate Responsibility Priorities and Goals

This table summarizes progress on our 2020 goals, which were introduced in the 2015 Baxter Corporate Responsibility Report. The baseline is 2015 unless otherwise stated.

PRIORITIES	GOALS	PROGRESS THROUGH 2020	STATUS
OPERATIONS *Reduce environmental footprint through increased efficiency and resource conservation*	Pursue zero waste-to-landfill by achieving a landfill diversion rate of 95% or higher at all manufacturing locations	In 2020, 25 out of 51 manufacturing facilities achieved landfill diversion rates of 95% or more.	⊖ *Not achieved*
	Reduce total energy and water use and total waste generation by 15% indexed to revenue	Through 2020, Baxter reduced energy use, water use and waste generation by 8.2%, 10.4% and 14.7%, respectively, compared with 2015 and indexed to revenue.	⊖ *Not achieved*
	Reduce absolute greenhouse gas (GHG) emissions by 10%	Through 2020, we reduced our absolute GHG emissions from operations by 13.6% compared with 2015, exceeding our goal.	✓ *Achieved*
RESPONSIBLE PROCUREMENT AND LOGISTICS *Implement world-class sustainability practices with key partners*	Increase Baxter's spending with diverse suppliers by 50%, from 4% of relevant spending in 2015 to 6% in 2020[3]	Baxter increased purchases with diverse suppliers to 5.6% of relevant spending during 2020.	⊖ *Not achieved*
	Expand green transport partnerships with government agencies, nongovernmental organizations and/or private companies from one business region to all business regions globally	As of the end of 2020, Baxter was participating in green transport partnerships in all three regions, achieving our goal. In 2020, we also joined two global initiatives focused on responsible logistics: Clean Cargo and the Global Logistics Emissions Council.	✓ *Achieved*
INNOVATION THAT EXPANDS ACCESS TO CARE *Improve access to healthcare for the underserved*	Proactively pre-position Baxter's donated products with donor partners, which will enable them to optimally distribute and be first on scene to address critical medical needs	In 2016, Baxter launched a manufacture-to-donate program, an industry best practice, to pre-position our products and increase our humanitarian partners' response capacity. In 2020, Baxter donated products valued at $24 million. Additionally, our partners distributed our products across 67 countries in response to natural disasters, COVID-19 and to support ongoing humanitarian aid and medical missions.	✓ *Achieved*
	Establish the Baxter International Foundation Partnership Grant program in 2016 to drive increased access to healthcare for an incremental 10,000 patients annually	From 2016 through 2020, we have helped support six Signature Partnerships benefiting hundreds of thousands of people and families globally, exceeding our goal.	✓ *Achieved*
	Launch two new emerging market business models in Baxter's renal business	From 2016 through 2020, we established three **Baxter Renal Care Services** clinics in emerging markets—one in Indonesia and two in China. These clinics operate under two distinct business models.	✓ *Achieved*
SERVING OUR COMMUNITIES *Support communities worldwide in enduring ways*	Complete two projects, including one by 2018, that support access to clean water or enhance sanitation in water-stressed areas where Baxter has an operational presence	We have implemented two projects in support of this goal: a partnership with Fundación Solar in Guatemala (established 2017) and Project Srujal in Ahmedabad, India (established 2018), achieving our goal.	✓ *Achieved*

Our 2020 corporate responsibility priorities and goals support Baxter's top quartile goals, which include:

✓ Patient safety and Quality   ⚡ Growth through innovation   👥 Best place to work   ↗ Industry-leading performance

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Baxter's 2030 Corporate Responsibility Commitment and Goals

The baseline is 2020 unless otherwise stated.

PROTECT OUR PLANET

Prioritize operational excellence and environmental stewardship across our value chain

Achieve carbon neutrality for our direct operations by 2040 and reduce absolute Scope 1 and 2 greenhouse gas emissions 25% by 2030, aligned with a well-below 2° Celsius science-based target.

Implement strategic water management plans at prioritized manufacturing locations.*
*Identify prioritized locations using a risk-based approach by the end of 2023.

Integrate Baxter's sustainable procurement strategy across 90% of our supplier spend.*
*As measured by supplier commitment to Baxter's Supplier Code of Conduct and Baxter's completion of corporate responsibility audits.

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.

EMPOWER OUR PATIENTS

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

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.

Achieve a 10% year-over-year improvement in manufacturing process capability for prioritized products.*
*As measured by the year-over-year decrease in defect rate until each product's process capability goal is met. (Baseline is 2021.)

SUPPORTING THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

SUSTAINABLE DEVELOPMENT GOALS

GOAL 3: Good Health and Well-Being
GOAL 6: Clean Water and Sanitation
GOAL 12: Responsible Consumption and Production

CHAMPION OUR PEOPLE AND COMMUNITIES

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

Invest $275 million in underserved communities through strategic partnerships and product donations from Baxter and the Baxter International Foundation.

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.

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.

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.

ETHICS AND COMPLIANCE • HUMAN RIGHTS • INCLUSION AND DIVERSITY • PRIVACY AND DATA PROTECTION

Product Innovation

Improve sustainability and performance of products and services

2020 HIGHLIGHTS

19% reduction in product complaints*

6 products launched since 2015 that reduce materials use by at least 15%

377 hospitals and facilities with recycling programs for some of Baxter's products

*Compared with 2015.

✓ Apex Companies LLC has provided assurance on the content in this section (except the Patient Safety and Quality subsection).

Baxter develops products that save and sustain lives worldwide, delivering on our mission and representing our most important contribution to society. Our commitment to patient-centered safety and quality is integral to innovations that improve the experiences of patients and caregivers who use our products. By integrating sustainability into our product development approach, we consider the full life cycle of our products from design through end-of-life.

INTEGRATED APPROACH TO PATIENT SAFETY AND QUALITY

- Patient Safety and Product Quality
- Facility Quality and Control
- Quality Systems Performance

PATIENT SAFETY AND QUALITY

Baxter's commitment to patient safety and quality is unwavering, and both are fundamental to fulfilling our mission. We have extensive policies and processes to ensure excellence in these areas, and we continue to innovate new products and services that enhance patient safety and drive improved patient outcomes. We take a holistic, innovative approach to quality across the product life cycle, and our commitment to continuous improvement builds on decades of insight.

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PRODUCT QUALITY METRICS: PROGRESS FROM 2015 TO 2020*

19% reduction
Complaints

28% reduction
Complaint incidents

73% reduction
Medical device reports

88% reduction
Field alert reports

53% reduction
Field actions

* "Complaints" are any allegations related to the identity, quality, durability, reliability, usability, safety, effectiveness or performance of a product. "Complaint incidents" are the number of alleged product defects globally identified within product complaints. "Medical device reports" are reports submitted to U.S. Food and Drug Administration (FDA) of certain medical device malfunctions, serious injuries or deaths associated with the use of a medical device. "Field alert reports" are reports submitted to FDA for a specific drug application and defect category. "Field actions" include both recalled products and nonrecall actions taken on distributed products globally. All data include acquisitions and supplier-related data where integrated.

2020 GOAL
Reduce product complaints by 15%
Achieved

VIEW ALL **2020 GOALS**

As of the end of 2020, we had reduced product complaints by 19% compared with 2015 (surpassing our goal of a 15% reduction) and made strides in several other areas over the same timeframe (see graphic above). With this report, we have expanded our data summary to include information about product recalls.

VIEW THE **DATA SUMMARY** FOR MORE DETAIL.

Collaboration within our company and with regulators helps ensure quality across the product life cycle. Key strategies of our multifaceted approach include:

Manufacturing standards We established a global initiative in 2020 to help us maintain and improve quality standards across our manufacturing sites. This initiative focuses on three primary areas: the physical facilities, critical systems used in the manufacturing of our products and mechanisms to ensure a continual state of control. By improving our process controls to address potential issues upstream, we can optimize our production lines and the effectiveness of equipment, minimize scrap and rework, and more consistently release high-quality products into the marketplace.

Internal reviews We employ multifunctional governing and operating mechanisms that aid us in performing in-depth technical evaluations, identifying necessary improvements to individual products and implementing those improvements across the globe. Our robust strategic reviews provide our cross-functional leadership with improved visibility and a greater understanding of product safety and quality performance across the entire portfolio.

Resolution of Warning Letters Since 2015, we have worked to resolve five U.S. Food and Drug Administration (FDA) Warning Letters covering six facilities. We have one remaining Warning Letter, issued in July 2018, relating to the Ahmedabad, India, facility we acquired from Claris Injectables in July 2017.

Collaboration with FDA Through our strategic engagement with FDA, we continue to pursue collaborative solutions to advance patient safety and ensure our products are of the highest quality, presenting the lowest possible risk to patients. We not only expanded our participation in the FDA Case for Quality Voluntary Improvement Program through the Center for Devices and Radiological Health, but also expanded our collaborative approach across FDA. In 2020, we entered the Quality Management Maturity Program through the FDA Center for Drug Evaluation and Research. Both programs aim to measure and advance the culture of quality at our design and manufacturing sites.

In 2020, drawing on a wide range of internal and external inputs and management processes and systems, we implemented thousands of improvements to Baxter products. These improvements helped enhance product performance and reliability and increase convenience and ease of use to drive improved patient safety.

We Listen
Patients
Healthcare providers
Regulators
Suppliers
Manufacturing
Innovation and trends

Product Development and Innovation
Existing product improvements
New products

We Deliver
Product changes
Performance
Ease of use
Convenience
Education
For patients
For caregivers

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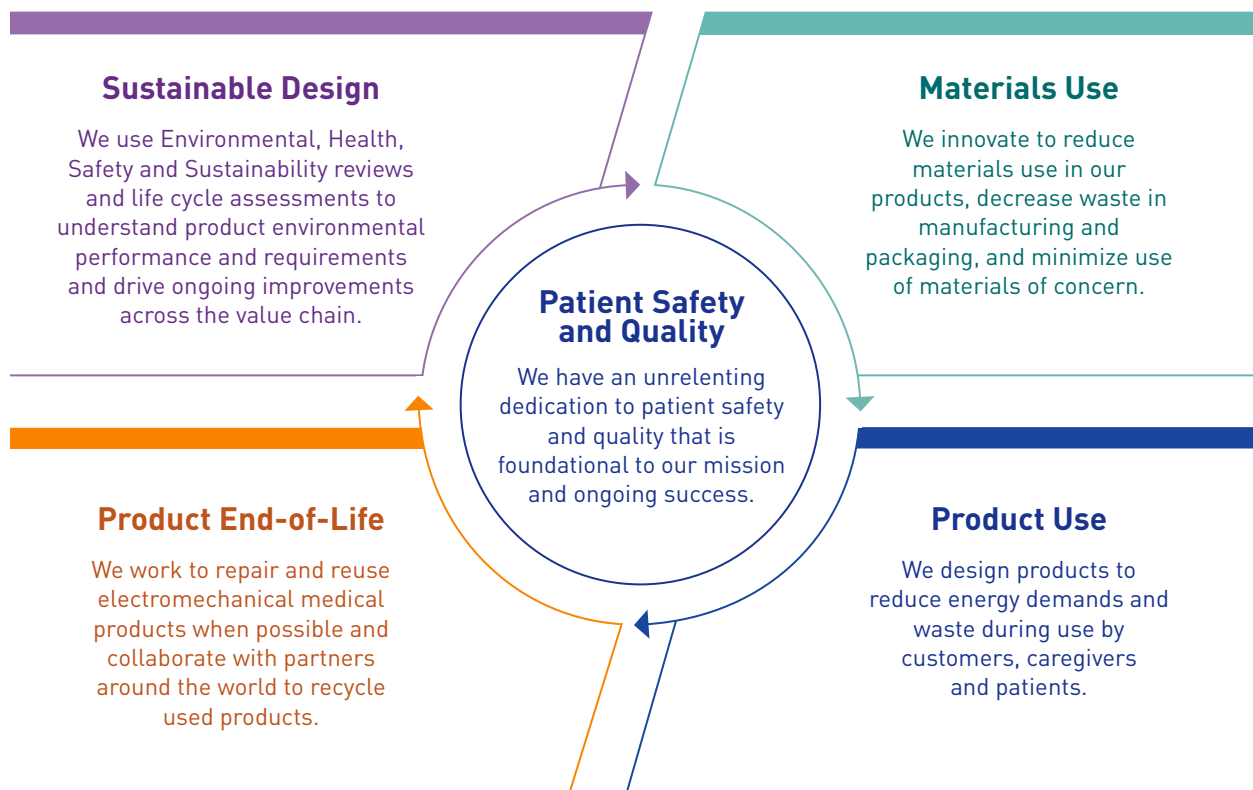
SUSTAINABLE DESIGN

Through the innovative, sustainable design of our products, we minimize our environmental impacts and capture the most value possible from the natural resources needed to manufacture, transport, use and recover our products. We have a long-term objective to transition from a linear approach of "take, make, dispose" to the circular approach illustrated in the graphic below. In addition to decreasing our environmental impact and that of our customers, this

approach has the potential to reduce material costs and support growth by maintaining and expanding access to markets.

We partner with others to understand customer needs and trends related to sustainable healthcare and help drive the industry forward. We are a founding member of the Sustainable Healthcare Coalition, and during 2020 we collaborated to produce a case study based on the life cycle assessment (LCA) we conducted in 2017 of our **Viaflo** 1 Liter Intravenous Solution.

INNOVATING FOR SUSTAINABILITY ACROSS THE PRODUCT LIFE CYCLE

Baxter recognizes the importance of transitioning from a linear to a circular approach that maximizes the value gained from materials, while improving environmental performance and the customer experience. We prioritize sustainability across the life cycle of our products as we aspire to a more circular model.

Sustainable Design

We use Environmental, Health, Safety and Sustainability reviews and life cycle assessments to understand product environmental performance and requirements and drive ongoing improvements across the value chain.

Materials Use

We innovate to reduce materials use in our products, decrease waste in manufacturing and packaging, and minimize use of materials of concern.

Patient Safety and Quality

We have an unrelenting dedication to patient safety and quality that is foundational to our mission and ongoing success.

Product End-of-Life

We work to repair and reuse electromechanical medical products when possible and collaborate with partners around the world to recycle used products.

Product Use

We design products to reduce energy demands and waste during use by customers, caregivers and patients.

PRODUCT ENVIRONMENTAL, HEALTH, SAFETY AND SUSTAINABILITY REVIEW

To support our sustainable design efforts, we require an Environmental, Health, Safety and Sustainability (EHS&S) assessment during the development process for all new products. This assessment evaluates EHS&S and regulatory considerations and requirements across our value chain. It also includes more detailed LCA-based computer modeling of proposed products and may involve comparison with existing products. Key metrics from the reviews demonstrate our progress in avoiding materials of concern, minimizing customer waste and reducing product carbon footprints. The EHS&S review helps us continually improve our operations, meet customer expectations and manage regulatory risk.

For select new and established products, we use full LCAs to evaluate and improve product sustainability performance. See our 2018 Corporate Responsibility Report for information about an LCA of our **Revaclear** and **Theranova** dialyzers.

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MATERIALS USE

2020 GOAL

Reduce material use by 15% on three therapies/products

✓ **Achieved**

VIEW ALL 2020 GOALS

Materials use is a key driver of Baxter's environmental footprint, and getting the most value possible from materials is central to our transition toward a more circular approach. To reduce materials use in products and packaging, we implement innovative projects and initiatives across our value chain. Since 2015, we have launched six products that reduced materials use by at least 15% without affecting efficacy, surpassing our 2020 goal. These include our **Spectrum IQ** Infusion System, **Evo IQ** Infusion System, **Kaguya** automated peritoneal dialysis (APD) system cycler, **Amia** APD system cycler, **Floseal** Hemostatic Matrix and our premixed presentation of eptifibatide (a medication used for treatment of acute coronary syndrome).
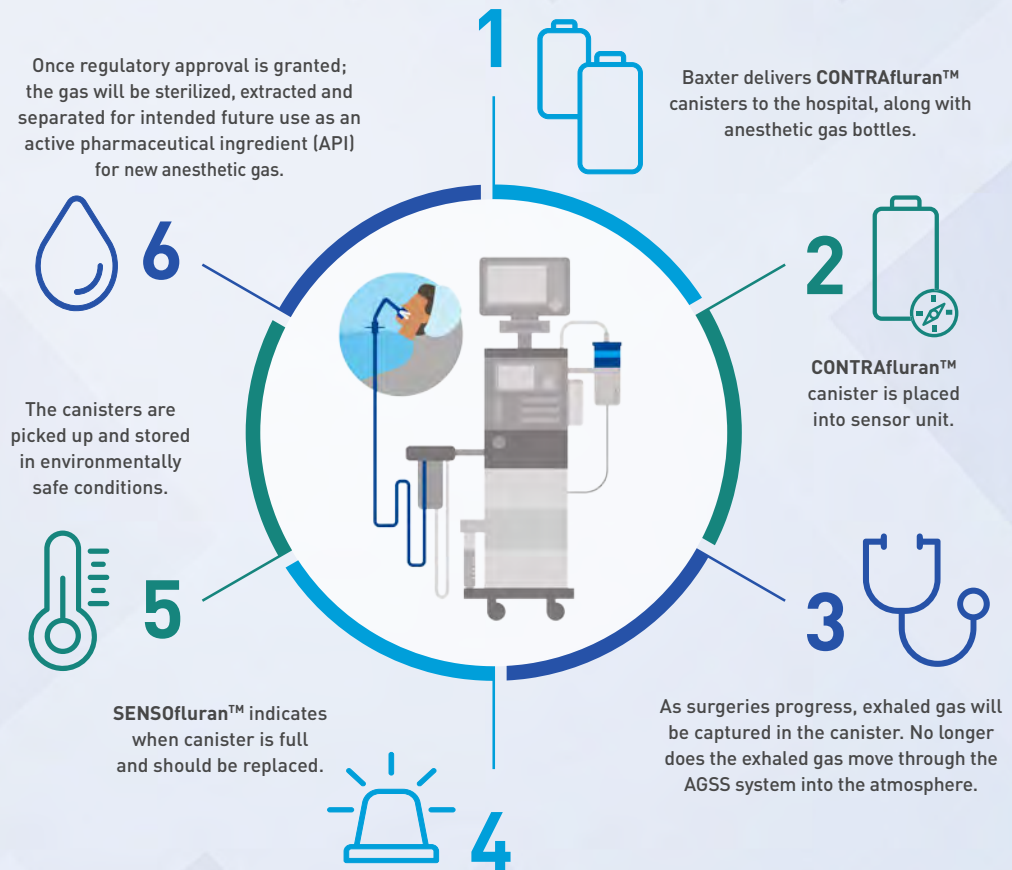
ANESTHETIC GAS CAPTURE SYSTEM REDUCES GREENHOUSE GAS (GHG) EMISSIONS

When patients receive inhaled anesthesia, they only metabolize a fraction of it. The rest is exhaled, contributing to GHG emissions in the atmosphere.

In 2020, Baxter announced a partnership with ZeoSys Medical to pilot the **CONTRAfluran™** Anesthetic Gas Capture system in select European countries. This innovative technology captures 99%[1] of the anesthetic gas exhaled by patients in operating rooms, preventing its release into the atmosphere and reducing hospital GHG emissions. Pending regulatory approval, the captured gas can then be sterilized and used as an active pharmaceutical ingredient for new anesthetic gas—creating a circular system for inhaled anesthetics.

The anesthetics the system uses are packaged in lightweight, recyclable aluminum containers. The system also offers a measurable reduction in energy consumption and costs associated with an Anesthetic Gas Scavenging System (AGSS).[2]

1 Baxter delivers **CONTRAfluran™** canisters to the hospital, along with anesthetic gas bottles.

2 **CONTRAfluran™** canister is placed into sensor unit.

3 As surgeries progress, exhaled gas will be captured in the canister. No longer does the exhaled gas move through the AGSS system into the atmosphere.

4 SENSOfluran™ indicates when canister is full and should be replaced.

5 The canisters are picked up and stored in environmentally safe conditions.

6 Once regulatory approval is granted; the gas will be sterilized, extracted and separated for intended future use as an active pharmaceutical ingredient (API) for new anesthetic gas.

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REDUCING MATERIALS USE AND PLASTIC WASTE

We reduce materials use when possible to decrease our environmental impact. In 2020, a project aimed at reducing materials use was implemented at our Irvine, California, site. The site reduced the dispenser pouch height for the Single Rate Infusor and **Multirate** Infusor Elastomeric devices, saving 3.2 metric tons of raw material and more than $63,000 annually.

Plastic scrap from manufacturing is Baxter's largest waste stream, so we focus our efforts on reducing plastic waste and increasing recycling. In 2020, our facility in Mountain Home, Arkansas, reduced plastic waste by approximately 400 metric tons, despite a 3% increase in production. We accomplished this by reducing scrap in the film extrusion lines and increasing the amount of plastic that is reground back into the product. See Waste for additional information about plastic scrap reduction.

2020 GOAL

Eliminate 3,000 metric tons of packaging material from products shipped to customers

⊖ *Not achieved*

VIEW ALL 2020 GOALS

PACKAGING

Baxter innovates to decrease the environmental impact of product packaging, without adversely affecting product safety or efficacy, by reducing the amount of materials used and substituting with environmentally preferable alternatives. From 2016 to 2020, we reduced packaging globally from products shipped to customers by 2,128 metric tons,[3] missing our 2020 goal. Reducing packaging material will remain a focus of our product sustainability strategy.

During 2020, we initiated several projects to reduce packaging, which we estimate will save nearly $260,000 and 149 metric tons of packaging material on an annualized basis. Examples include:

- Our site in São Paulo, Brazil, reduced the dimensions of the cardboard box needed for IV, renal and irrigation solutions produced at the site by 6.3% and the size of the box divider by 7.7%. These changes resulted in a reduction of 116 metric tons of cardboard and approximately $70,000 in savings in 2020.

- In Cuernavaca, Mexico, the new adhesive we use to seal the cardboard shipping boxes for our peritoneal dialysis **Twin Bag** reduced packaging materials use by 3 metric tons and saved $19,000 during the year.

- In Sabiñánigo, Spain, we reduced the size of the **Viaflo** overpouch, avoiding 25 metric tons of multilayer plastic use and saving $93,000 in 2020.

MATERIALS OF CONCERN

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

- EU REACH Substances of Very High Concern

- EU RoHS Directive

- EU Medical Devices Regulation

- U.S. Toxic Substances Control Act

- U.S. SEC conflict minerals

- California Proposition 65

2020 GOAL

Eliminate or minimize the presence of chemicals of concern (as defined by regulations) in new products

✓ *Achieved*

VIEW ALL 2020 GOALS

During 2020, we launched non-DEHP products in all regions. This includes 83 solution sets, syringe sets and accessories, and irrigation solutions using non-DEHP plasticizers in the Americas; Europe, Middle East and Africa (EMEA); and Asia Pacific (APAC). We also launched the RoHS-compliant **Evo IQ** Syringe Pump in EMEA and APAC. Additionally, in EMEA, Baxter converted eight primary solution sets to use non-DEHP plasticizers and one accessory product to limit perfluorooctanoic acid (PFOA) in accordance with EU regulations.
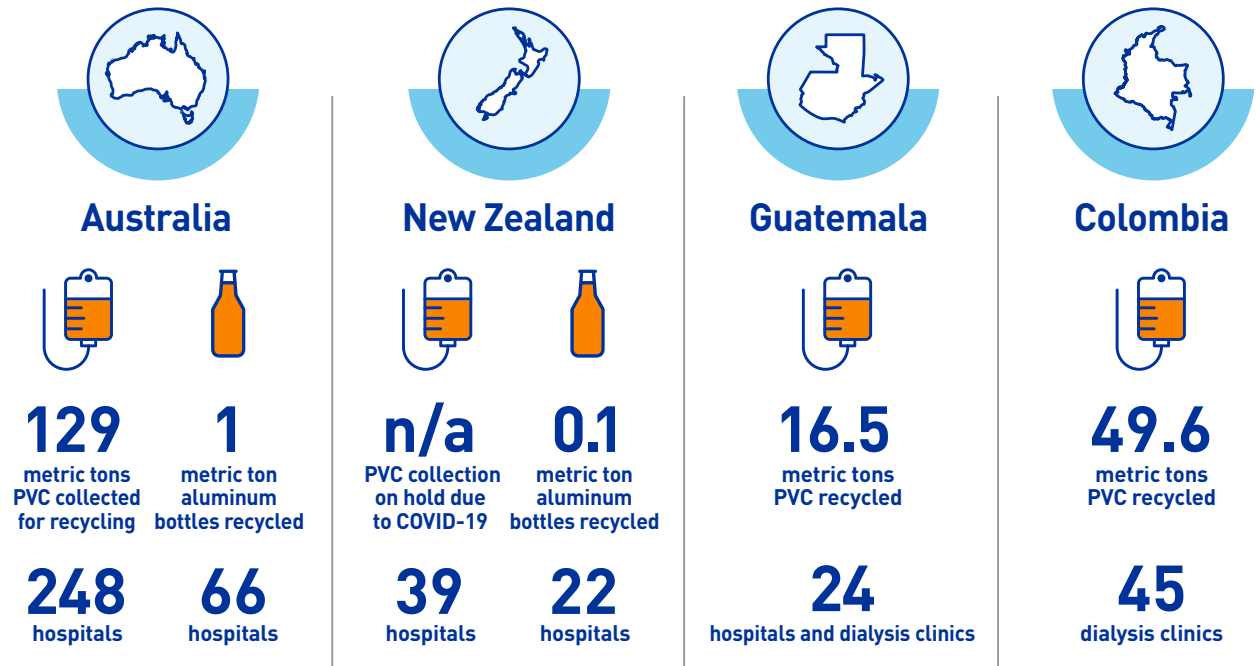
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Other substances we seek to avoid or minimize include endocrine disrupters, latex, phthalates, volatile organic compounds and others that might not be included in the lists above. See Baxter's position statements on Proposition 65, REACH, and conflict minerals, and our most recent Conflict Minerals Report.

STRIVING FOR FULL MATERIALS DISCLOSURE

Baxter's corporate responsibility approach prioritizes compliance with product chemical and medical device regulations. Working with a third party, we collect data from suppliers to determine the use of substances of very high concern (SVHC). This helps us to confirm compliance with global material regulations and assists us in proactively monitoring the impact that changes in global legislation might have on our product portfolio. We also continue to leverage third-party testing, which provides us with full material data and LCAs for many of our devices, helps validate device compliance with chemical legislation and provides information we need to respond to environmental questionnaires from customers. As of the end of 2020, we completed testing for 127 of our products, which covered more than 13,900 parts. This included many of our electromechanical devices, which are the most complex products in our portfolio in terms of number of parts and materials.

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

PVC AND ALUMINUM RECYCLING PROGRAMS FOR HOSPITALS AND DIALYSIS CLINICS, 2020

Australia

129 metric tons PVC collected for recycling

1 metric ton aluminum bottles recycled

248 hospitals

66 hospitals

New Zealand

n/a PVC collection on hold due to COVID-19

0.1 metric ton aluminum bottles recycled

39 hospitals

22 hospitals

Guatemala

16.5 metric tons PVC recycled

24 hospitals and dialysis clinics

Colombia

49.6 metric tons PVC recycled

45 dialysis clinics

PRODUCT END-OF-LIFE

2020 GOAL

Partner to implement recycling of product waste at hospitals and increase participation to 200

✓ *Achieved*

VIEW ALL 2020 GOALS

DISPOSABLE MEDICAL PRODUCTS

Baxter works to recapture valuable materials at the end of product life and has introduced several programs to facilitate recycling for patients and hospitals in Australia, New Zealand, Guatemala and Colombia. During 2020, we increased the number of hospitals and facilities with recycling programs for some Baxter products to 377, up from 349 in 2019.

Baxter collaborates with the Vinyl Council of Australia to offer a program in that country for the recovery of used Baxter PVC fluid bags. We also partner with waste collection companies in New Zealand to recover used Baxter PVC fluid bags, and with waste collection companies in both countries to recover aluminum anesthetic gas bottles. While we were able to increase the number of participating hospitals in 2020, the amounts collected during the year decreased compared with 2019 as hospital PVC recycling programs were suspended in New Zealand and the state of Tasmania in Australia due to COVID-19. In addition to the environmental benefits, we estimate that collection of PVC and aluminum during 2020 saved our customers approximately $102,000 that would have otherwise been spent on disposal.

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We have established a similar program in Guatemala in partnership with Biotrash, a Central American waste management company. Through the program, we collect and recycle PVC and other plastics from hospitals and dialysis clinics. As of the end of 2020, 24 facilities were participating in the program, and Biotrash had recovered 16.5 metric tons of PVC and 2.7 metric tons of polypropylene. Biotrash recycles PVC to make shoe soles and uses recovered polypropylene to manufacture bricks for use in its own facilities.

Our **Baxter Renal Care Services** group in Colombia collects PVC for recycling from dialysis clinics and home dialysis patients. During 2020, we recycled 49.6 metric tons of PVC from 45 dialysis clinics and 14.7 metric tons of PVC from home dialysis patients through this program. We partner with organizations that use the recovered PVC to make chairs, water hoses, accessories for purses, shoe soles and other items.

In Australia and New Zealand, we also assist patients who receive regular home deliveries of dialysis solutions to recycle related waste. As of the end of 2020, approximately 33% of Baxter peritoneal dialysis (PD) home patients in these countries (970 patients, up from 935 in 2019) participated in the Home PD Recycling Program. Despite this increase in participation, overall collection volumes decreased as a result of the suspension of program collections due to COVID-19-related concerns. During 2020, the program collected approximately 8 metric tons of plastic for recycling.
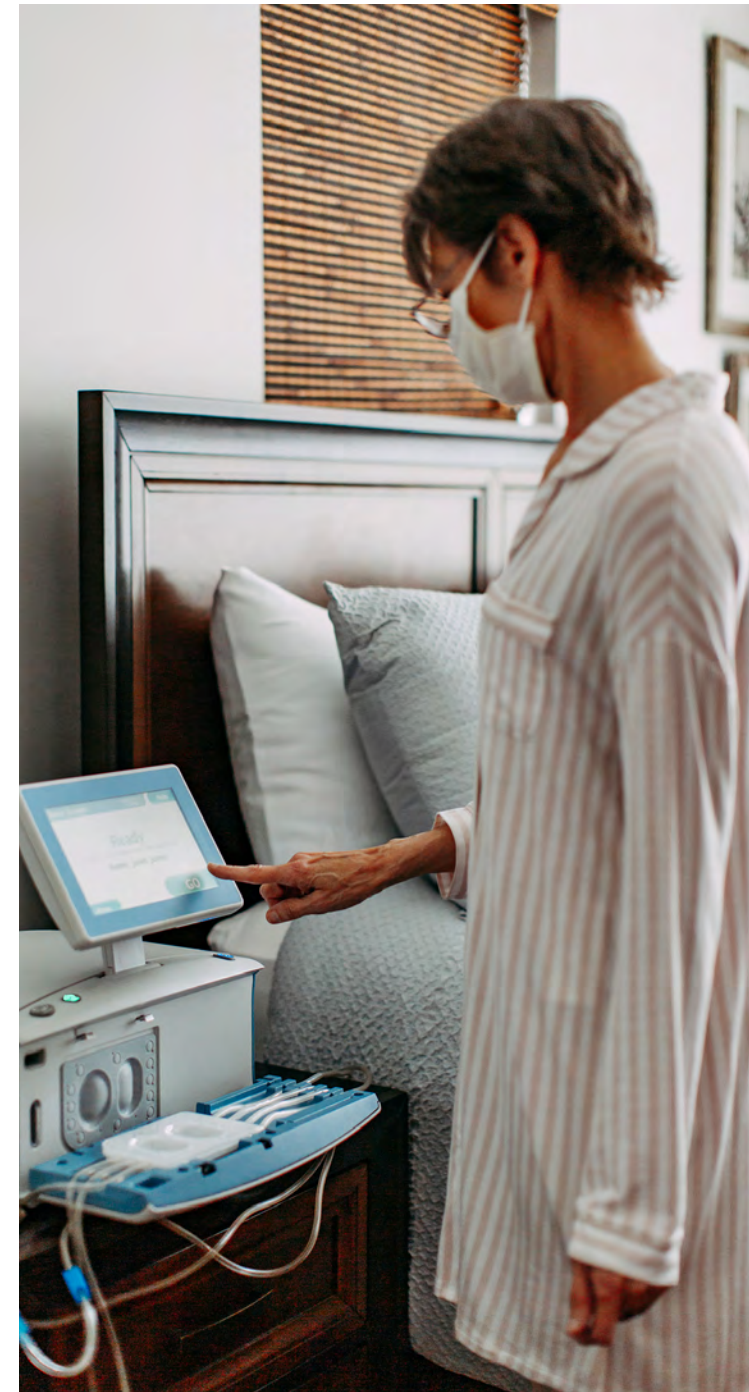
We work with customers, industry peers and recycling and disposal vendors to facilitate the recycling and responsible treatment of disposable medical products. For example, Baxter is a charter member of the Healthcare Plastics Recycling Council (HPRC). During 2020, we collaborated with other HPRC members to research the potential of advanced recycling technologies for the plastic used in healthcare products. This research is summarized in the white paper "Advanced Recycling of Healthcare Plastics—An Opportunity for Circularity." In 2020, HPRC launched the HPRC recycling vendor directory—a free, public, interactive directory designed to facilitate geography-specific collaboration between healthcare facilities and recycling vendors.

ELECTRONIC EQUIPMENT

Some of the electromechanical medical devices we sell, such as renal APD cyclers, support progress toward the circular economy through serviceability, repair and reuse. We lease certain types of electromechanical medical products to customers and patients, which helps ensure they have the technology that best meets their needs and provides more flexibility than owning the devices. This model also ensures those products will be returned to Baxter after use for repair and reuse.

Regulations in many countries worldwide require responsible recycling of electronic products when reuse is no longer an option. For example, the EU Waste Electrical and Electronic Equipment (WEEE) Directive requires manufacturers to arrange for the take-back of electronic products at end-of-life. In 2020, our vendors recovered approximately 180 metric tons of electronic equipment in the region on Baxter's behalf. Our WEEE website provides customers detailed information on how to return or dispose of Baxter products in accordance with the directive.

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Workplace Culture

Promote inclusion, diversity and employee engagement

2020 HIGHLIGHTS

82% overall manager effectiveness score, eight percentage points above the top quartile benchmark

Approximately **950,000** training hours completed, an average of about 18 hours per employee.*

Global mentoring program introduced by business resource groups to connect diverse employees with company leaders

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

Baxter fosters a high-performing, inclusive and diverse organization where our more than 50,000 employees[1] worldwide are valued and pursue rewarding careers bringing the company's mission to life. We listen to our employees and help them realize their full professional potential through our inclusion, diversity and engagement activities plus a wide range of learning and development opportunities.

GLOBAL INCLUSION AND DIVERSITY

We actively create a workplace where all employees are confident that they belong and bring value to Baxter, including women, underrepresented minority groups, veterans, people with disabilities, early career professionals and the LGBTQ+ community. Our focus on attracting, motivating, retaining and championing an inclusive and diverse workforce drives innovation, creates trusted partnerships with customers, suppliers and community partners, and contributes to the success and sustainability of our business.

GLOBAL INCLUSION AND DIVERSITY FOCUS AREAS

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

Workplace   Advance an inclusive culture, where every employee feels valued, respected and safe to be their authentic self.

Communities   Cultivate strategic and diverse supplier and community partnerships.

Marketplace   Consider the needs of customers and patients in all aspects of our business.

These standing priority areas inform our companywide approach to inclusion and diversity and also form the basis of our ACT: Activating Change Today initiative.

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The horrific actions against Black Americans in 2020 underscored the importance of our inclusion and diversity commitment and prompted Baxter to drive meaningful, sustainable action to address racial injustice. Our ACT: Activating Change Today initiative was conceived in partnership with our Baxter Black Alliance business resource group to advance inclusion and racial justice within our workplace and the communities and markets we serve. While prompted by actions in the United States, the lessons and progress we make through ACT will help us address various forms of injustice globally.

Through ACT, we are developing recruiting efforts in partnership with Black professional organizations and Historically Black Colleges and Universities and launching an internship program. We are also listening to employees about their experiences with racism, fostering courageous conversations about race with

our leaders and working to address unconscious biases in our global human resources processes. In 2021, we established Martin Luther King Jr. Day as a paid holiday for U.S. employees and encouraged our employees to use the day for community service.

Find out more about ACT and related activities across our business on our website and in the Introduction of this report.

We prioritize the engagement, retention and advancement of women and underrepresented minorities. One initiative designed to accelerate this commitment is our Sponsorship Program, in which senior leaders actively advocate for and create opportunities for visibility and career growth for these segments of our employee base. In addition, our WoMentoring program supports women who have been newly hired or promoted into roles at the

director level and above through mentoring relationships with other women in leadership.

In 2020, we established Workforce Diversity Reviews for all employees as part of our ongoing talent discussions with company leaders. Through these diversity reviews, we accomplish the following:

- Gain a better understanding of the organization's diversity data and metrics, including gaps and strengths

- Review development plans to ensure the right balance of critical experiences, sponsorship and mentoring relationships as well as networking opportunities and increased visibility to leadership

- Identify and discuss succession plans and candidate pipelines for critical roles

- Review and discuss talent retention plans

SETTING THE TONE

In addition to driving accountability and reinforcing a commitment to inclusion and diversity across our own organization, our CEO has also taken the following steps to engage outside of Baxter:

- **2020:** Became a signatory of the Disability:IN "Are you IN?" campaign to help advance disability inclusion efforts

- **2019:** Signed the CEO Action for Diversity & Inclusion™ pledge—the largest CEO-driven business commitment to advance diversity and inclusion in the workplace

To gain a greater understanding of Baxter's culture of inclusion, we invited employees globally to participate in our first annual inclusion and diversity pulse survey in February 2021.[2]

BAXTER'S INCLUSION AND DIVERSITY SURVEY RESULTS, 2021*			
Baxter is effectively responding to racial/social injustice in the workplace.	78%	I regularly seek out diverse perspectives in my work at Baxter.	81%
Baxter is effectively responding to racial/social injustice in the marketplace.	77%	My direct manager reinforces the importance of valuing differences.	79%
Baxter is effectively responding to racial/social injustice in our communities.	70%	In my work group, we check our personal biases to make the best decisions for Baxter.	75%
I can be my authentic self with my direct manager.	85%	I am satisfied with my access to career advancement opportunities at Baxter.	62%
I feel as if I belong on my team.	85%		

* Data represent the percentage of employees who responded favorably to each statement.

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2020 GOAL

Aspire to diversity in leadership at or above benchmarks

⊖ *Not achieved*

VIEW ALL 2020 GOALS

During 2020, we remained at or above external benchmarks for women (globally) and ethnic minority representation (in the United States) at most career levels. We continue to work toward closing gender and ethnic minority gaps at executive levels. View our workforce data, which we have expanded to include additional detail about ethnic minority representation in the United States.

VIEW THE DATA SUMMARY FOR MORE DETAIL.

BOARD DIVERSITY

We are committed to further increasing the diversity of our Board of Directors through strategic board refreshment efforts. Diversity of background, including diversity of gender, race, ethnic or geographic origin, age and experience (including in business, government and education as well as healthcare, science, technology and other areas relevant to the company's activities), is a relevant factor in the selection process. The last four appointments to our Board of Directors have been women or ethnic minorities. As of the end of 2020, our Board of Directors consisted of 25% women and 25% ethnic minorities. See information regarding board diversity on page 4 of Baxter's 2021 Proxy Statement.

GLOBAL INCLUSION COUNCIL

Baxter's Global Inclusion Council (GIC) members serve as inclusion and diversity champions, advocates and thought leaders across the company. The GIC's mission is to focus on the advancement of women and underrepresented minority groups (including people of different races, ethnicities and sexual orientations as well as veterans and people with disabilities) and to drive inclusive leadership capabilities and culture.

The GIC is responsible for advocating and driving our global inclusion and diversity priorities, as well as developing and implementing local inclusion priorities.

In early 2021, we formally embedded the GIC into Baxter's leadership structure. The GIC now consists of members of our Senior Leadership Team and the executive sponsors of our business resource groups (BRGs). This change reinforces the importance of inclusion and diversity at the highest levels of our company and will help further align the activities of our GIC with those of our BRGs.

BUILDING CULTURAL COMPETENCE

Baxter provides employees with training, tools and resources to build cultural awareness and competence, and engage more authentically with each other. Many employees also work on global teams, enabling them to build cultural competence through daily interactions, and we encourage employees to practice simple acts of inclusiveness in their day-to-day routines.

We work to embed awareness of unconscious bias throughout our company and require all employees to take a self-guided e-learning module about unconscious bias. In addition, we have integrated prompts in key processes, such as talent assessment, succession planning, feedback and hiring, to help employees think about their biases as they undertake these activities. In 2020, we continued to implement "Pause and Discuss" during our hiring process—a structured discussion to help check for unconscious bias in the selection decision before moving forward with an offer. We have also established a target to ensure that at least 30% of the candidates in the interview slates for roles of manager or above are diverse, and we have initiated other checks to mitigate bias in hiring, including an automated process to collect interview feedback, guidance for valuing differences when assessing skills, and integration of a bias check into our global interview guide.

BUSINESS RESOURCE GROUPS

Baxter's BRGs are an important component of creating an inclusive and diverse culture within Baxter and advancing our priorities in the communities where we live

and work. These employee-run affinity groups support the recruitment, retention, engagement and development of diverse employees across Baxter. We have eight established BRGs and encourage all employees to get involved: the Asian Leadership Network, Baxter Black Alliance, Baxter EnAbles, Baxter Equality Network, Baxter Women Leaders, BaxVets, Early Career Professionals and Latinos@Baxter.

During 2020, our BRGs continued to engage employees virtually throughout the COVID-19 pandemic. For instance, the Baxter Equality Network organized a global virtual pride parade and the Baxter Black Alliance hosted a virtual Juneteenth celebration. Baxter EnAbles supported Baxter's first-ever monthly wellness day in October, which focused on mental well-being. Our BRGs also organized a variety of virtual career panels and discussions with executives to support employee development and elevate multicultural awareness.

EQUAL OPPORTUNITY

As an equal opportunity employer, Baxter prohibits employment discrimination or harassment of applicants, employees and third parties due to race, color, religion or religious creed, gender, national origin, ancestry, age, physical or mental disability, medical condition, genetic information, marital status, sex, sexual orientation, gender identity or expression, military or veteran status or any other basis protected by law.

Learn more about inclusion and diversity at Baxter.
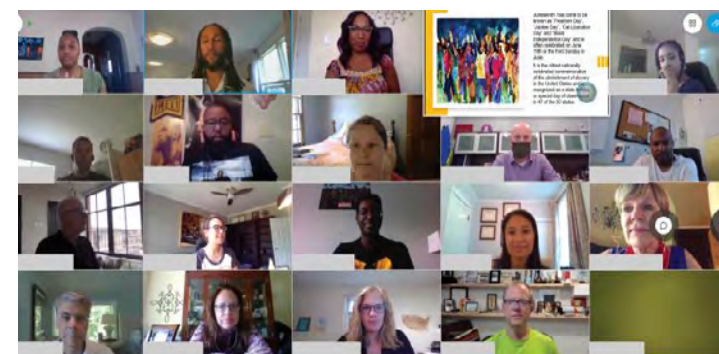
A virtual celebration opened a dialogue about the relevance of Juneteenth and how Baxter can continue to build an inclusive culture.

EMPLOYEE ENGAGEMENT

TRANSFORMING COMPANY CULTURE

Baxter's four culture levers—speed, simplicity, courage and collaboration—form the basis for our cultural transformation. We've embedded the levers into established processes ranging from job interviews to new employee orientations to monthly employee-manager check-ins. During 2020, we continued to emphasize simplicity and employee safety as much of our office-based (nonmanufacturing) staff shifted to remote working environments due to the COVID-19 pandemic. We supported our employees and kept them informed via regular communications, provided resources to help employees work effectively in virtual environments via our new WorkSmart Virtually program and encouraged a sense of community with the launch of monthly Wellness Days that empower employees to prioritize personal wellness.

Between 2016 and 2019, we conducted a Best Place to Work (BPTW) survey each year to measure the effectiveness of our programs and practices across several categories, including culture, professional development, employee engagement, inclusion and leadership, among others. We did not administer the survey in 2020 as we shifted our resources and energy toward the well-being of our employees and our company's response to critical needs during the COVID-19 pandemic.

During the four years we conducted the BPTW survey, our scores held steady or increased across the eight categories we measure. Because employee engagement is a significant priority for Baxter, we set a goal several years ago to achieve top quartile scores in that area by the end of 2020. Between 2016 and 2019, our employee engagement score rose steadily each year. During 2019, the last year for which we have data from the survey, our score in the engagement category was five percentage points

BAXTER'S MANAGER EFFECTIVENESS SURVEY RESULTS, 2020*

	Baxter Results		Top Quartile**
	June 2020	November 2020	
My direct manager demonstrates high ethical standards in what she/he says and does.	87%	88%	78%
My direct manager cares about me as a person.	86%	86%	80%
I have enough flexibility at work to accommodate the needs/demands of my personal life.	83%	83%	73%
My manager gives me helpful feedback.	81%	81%	72%
My direct manager gives me regular feedback.	81%	81%	74%
My direct manager does a good job of managing people from diverse backgrounds.	80%	81%	75%
I am recognized when I do excellent work.	80%	80%	63%
My direct manager motivates me to do the very best I can in my job.	78%	79%	74%
Overall manager effectiveness score	**82%**	**82%**	**74%**

* Baxter data represent the percentage of employees who responded favorably to each statement. The overall manager effectiveness score is the average of the results from the eight manager effectiveness statements. Surveys were administered via email. Employees without a Baxter email address, such as those in manufacturing, did not participate.

** Top quartile data are from IBM Kenexa and represent more than 400 companies and more than 19 million responses.

2020 GOAL

Achieve an employee engagement score comparable to top quartile companies

◎ *Unavailable*

VIEW ALL 2020 GOALS

higher than it was in 2016. It was also five percentage points above the global average and three percentage points below the top quartile benchmark for that year.[3] While we had not yet achieved top quartile scores as of 2019, results demonstrated a positive trajectory, and we continue to prioritize engagement with our employees.

In 2020, in lieu of the BPTW survey, we conducted a number of other employee surveys to help leadership understand how employees were feeling about important and timely topics. For instance, we sent

employees a pulse survey in April to find out how they were feeling about working remotely and another in September to gather input about various issues related to returning to the office.

We also invited employees to participate in two Manager Scorecard surveys to update our people manager effectiveness scores. These scorecards summarize anonymous feedback from employees about the effectiveness of their direct managers. Based on manager eligibility and employee participation, we were able to provide 79% of managers[4] with an individual scorecard in June 2020, and 82% of managers with a scorecard in November 2020. With responses from more than 25,000 Baxter colleagues for the November survey, Baxter's overall manager effectiveness score was 82%, eight percentage points above the threshold for the top quartile benchmark.

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GLOBAL SCHOLARSHIP PROGRAM

Our employees' children can apply for merit-based scholarships, funded by the Baxter International Foundation. A third-party agency evaluates student applications based on academic, extracurricular and employment accomplishments. Recipients receive a cash award, and scholarships may be renewed for up to three additional years.

77
new scholarships

146
renewed scholarships

27
countries worldwide

PERFORMANCE AND CAREER DEVELOPMENT

Instead of annual performance ratings, Baxter embraces a continuous feedback model for performance management, which includes monthly check-ins between employees and their managers that focus on constructive feedback and career development. We've found that employees who take part in monthly check-ins have engagement rates that are 19 percentage points higher than employees who do not, based on our most recent Best Place to Work survey.

Furthermore, to help us better understand our global talent pipeline, we've expanded our talent review and planning process in the last several years to include not only senior leaders, but also managers, supervisors and a subset of our individual contributors. This expansion helps identify high-potential employees, mitigate retention-related risk and be more purposeful with our employee development plans.

In addition to regular performance feedback and discussion, our talent development philosophy emphasizes continuous learning, relationship building, mentoring and enhancing work experiences. We provide virtual, online and classroom offerings worldwide on topics such as business/financial acumen, leadership, management, product knowledge and a wide range of job-specific skills. Throughout 2020, our SmartDevelopment program provided employees with professional development opportunities related to our culture lever of simplicity and strategies for well-being and working effectively while remote. For example, in line with our SmartMeeting guidelines, we introduced the BaxBrief to simplify meeting preparation, increase meeting effectiveness and reduce the overall number of meetings people attend. This one-page, memo-style document is sent before a meeting

begins to outline its purpose, the background of the topic at hand and next steps for discussion or decision.

In 2020, we recorded approximately 950,000 training hours, with an average of about 18 hours per employee.[5]

Mentoring

Baxter offers mentoring opportunities, resources and tools to all employees, including career advice and support, knowledge sharing and situational engagement based on employees' needs. Any employee can participate in more than one mentoring relationship as a mentor or as a mentee. These engagements may include traditional, peer or reverse mentoring as well as mentoring circles conducted in a group setting.

Our BRGs facilitate mentoring opportunities as well. For example, in 2020, Baxter's eight BRGs introduced a new global mentoring program specifically designed to connect their diverse membership with leaders at the company. This program provides development and coaching opportunities for employees from a variety of ethnic backgrounds, genders, sexual orientations, disabilities and generations as well as those with veteran status.

Learn more about talent development at Baxter.

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MANAGER AND LEADERSHIP DEVELOPMENT

During 2020, Baxter continued offering a range of programs to engage our managers and drive effective leadership across the company. This includes programs related to change management, quarterly calls about culture change with Baxter's CEO, development for mid-level leaders that show high potential, curriculum for senior leaders focused on driving cultural transformation through courageous leadership and a development program for manufacturing supervisors. In addition, our People Manager Development Program focuses on increasing manager effectiveness by building a culture of feedback with direct reports, managers and peers. Through this program, managers build critical skills to increase the effectiveness of their monthly check-ins with employees. The program uses a virtual learning approach that blends structured webinars and self-paced learning with real-world application and manager involvement. We incorporate the invaluable knowledge of our leadership team into the webinars by showcasing Baxter leaders sharing best practices based on their own experiences. In 2020, 80% of leaders globally participated in one or more of these leadership development programs.

COMPENSATION AND BENEFITS

Baxter's total compensation philosophy is to provide market-competitive pay and benefits globally while rewarding employees for strong individual and business performance. A 2018 pay equity study of our U.S. salaried workforce found no significant pay differences among men, women and ethnic minorities. In addition, approximately 35% of our employees work in positions (largely in our plant locations) where salary levels are based solely on the job or the job and tenure, eliminating the possibility of pay equity discrepancies.

During 2020, we introduced new benefits to help employees cope with the impacts of COVID-19. For example, we rolled out a meditation app globally to help our employees prioritize mental health and well-being during this stressful time, and we provided employees in the United States with tutoring and childcare resources.

Learn more about employee compensation and benefits and executive compensation.

WORKPLACE FLEXIBILITY

Baxter recognizes the increasing demands on employees to manage their personal and work lives, and respects the need for different approaches to where, how and when work gets done. With tools and resources available for employees and managers to navigate ad hoc or ongoing flexible arrangements, employees are encouraged to discuss with their managers what options might be right for them and their jobs.

During 2020, the majority of our office-based (nonmanufacturing) employees shifted to working from home due to the COVID-19 pandemic. To support this shift, we provided resources to help employees prioritize wellness and work-life balance as well as tips for using Baxter's technology to stay connected and productive. For example, our WorkSmart Virtually resources help employees cultivate habits to work remotely with ease, connect with co-workers, build team effectiveness and lead through crisis with empathy and emotional intelligence.

Building on what we have learned and experienced about remote working during the pandemic, we have introduced a hybrid work arrangement, enabling employees to combine working from home with in-office visits to collaborate and connect in person.

Learn more about workplace flexibility at Baxter.

Baxter

Ethics and Compliance

Drive a culture of integrity and the highest ethical behavior

2020 HIGHLIGHTS

97% of employees completed annual Code of Conduct training

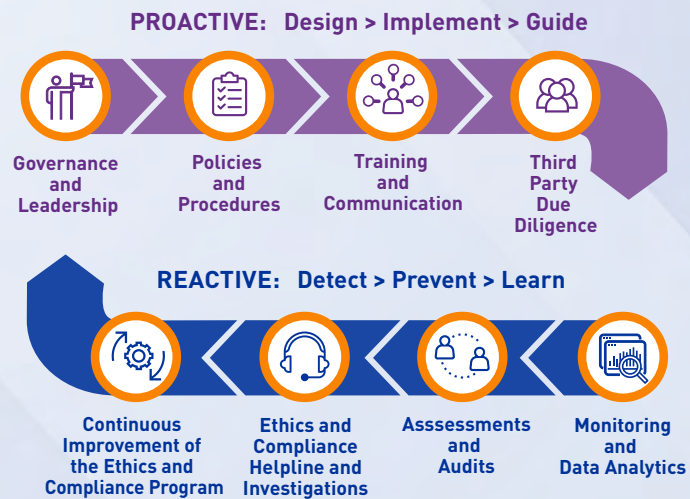Third Party Program training offered in **18** languages

0 corruption-related enforcement actions

As a global healthcare company with products sold in more than 100 countries, ethics and compliance is critical in everything we do. We prioritize being honest and fair, keeping promises, encouraging questions, valuing discussion and following legal requirements—always reinforcing the importance of personal accountability and integrity. Patients, doctors, customers, regulators, investors, communities and our employees count on it.

COMPANYWIDE ACCOUNTABILITY

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

DRIVING A CULTURE OF ETHICS AND COMPLIANCE

PROACTIVE: Design > Implement > Guide

Governance and Leadership → Policies and Procedures → Training and Communication → Third Party Due Diligence

REACTIVE: Detect > Prevent > Learn

Continuous Improvement of the Ethics and Compliance Program ← Ethics and Compliance Helpline and Investigations ← Asssessments and Audits ← Monitoring and Data Analytics

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2020 GOAL

Achieve overall compliance culture scores in the top quartile of general industry benchmarks

Unavailable

VIEW ALL 2020 GOALS

Fostering a culture that values ethics and compliance is of the utmost importance to Baxter. In 2015, we established a goal to achieve top quartile compliance culture scores, which we measure through Baxter's annual Best Place to Work (BPTW) survey. Although we did not conduct a BPTW survey in 2020 due to the COVID-19 pandemic, results from the BPTW surveys conducted from 2016 through 2019 demonstrated consistent improvement in the area of ethics and compliance. During 2019, the most recent year for which we have BPTW survey results, the scores for the two questions related to ethics culture improved, compared with the prior year, and were one percentage point above and two percentage points below top quartile companies, respectively.[1]

While the companywide BPTW survey did not occur, we did survey our global Ethics and Compliance team in 2020 regarding key elements of Baxter's ethics and compliance program, including those that are typically measured by the BPTW survey. The results were positive and consistent with our expectations.

ETHICS AND COMPLIANCE TRAINING

All employees are required to complete Code of Conduct training annually. In 2020, 97% of employees completed the training. Select employees also complete online courses relevant to their jobs every other year on a rotational basis. These courses cover topics addressed in Baxter's Global Interactions Policy and Third Party Program. In addition to the anticorruption content covered by the Code of Conduct and Global Interactions Policy training, our sales force participates in business-led, interactive workshops/trainings related to ethical interactions with the medical community and government officials, including discussion of real-life scenarios.

THIRD PARTY PROGRAM

Baxter is committed to conducting business with integrity and in compliance with the law wherever we operate. Our Third Party Program policy and training outline the standards and processes used to review, retain and monitor new and existing third parties for compliance with our anticorruption expectations. The program and policy apply to Baxter employees, officers and directors involved in the review, retention and monitoring of third parties. We offer related training for Baxter employees in 18 languages.

COMPLIANCE ASSESSMENTS

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

including the medical community, patients and government officials and entities.

In 2020, we conducted two compliance assessments using Global Audit and Ethics and Compliance resources: one in our Europe, Middle East and Africa (EMEA) region and one in Latin America. These assessments were performed remotely as a result of COVID-19. We had also scheduled an assessment for Asia Pacific (APAC) in 2020, which we have deferred to 2021.

Additionally, we performed remote compliance audits of 15 distributors globally during 2020. The audits covered six distributors in EMEA, five in Latin America and four in APAC.

COMPLIANCE MONITORING

Baxter has deployed a data analytics-based monitoring system in 32 key countries around the world, including Brazil, China, India and Russia. This system enables us to perform near-real-time monitoring of metrics related to travel, entertainment and interactions with healthcare professionals and government officials. Transactions identified as potentially problematic are reviewed by the Ethics and Compliance investigation team as appropriate.

Moving forward, our objective is to perform more in-depth, forensic-based monitoring on a select number of higher risk countries. This will be performed on a rotational basis to continue to expand our risk coverage.

2020 GOAL

Achieve zero government enforcement actions over compliance issues.

Achieved

Baxter had zero corruption-related enforcement actions in 2020.

VIEW ALL 2020 GOALS

ITEMS REPORTED TO THE ETHICS AND COMPLIANCE HELPLINE IN 2020

Category	% of total*
Work Environment/Employee Relations	57%
Manufacturing/EHS&S/R&D/Regulatory/Quality	24%
Conflict of Interest	5%
Interactions with Government Officials Including HCPs/HCOs (outside the United States)	4%
Marketing and Sales	4%
Financial Management and Reporting	3%
Asset or Information Misuse or Misappropriation/Confidential Data	2%
Competitive Practices	<1%
Payments/Gifts/Entertainment with HCPs/HCOs (United States)	<1%

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

RELATIONSHIPS WITH HEALTHCARE PROFESSIONALS AND GOVERNMENT OFFICIALS

Baxter is committed to transparent reporting about relationships with the medical community and government officials. This includes the continued implementation of anticorruption programs to ensure that those relationships and the related fair market value payments are for necessary and genuine services. Our Global Interactions Policy defines the principles and rules governing our interactions with government officials and members of the medical community.

The Global Interactions Policy also provides guidance for corporate charitable giving to ensure compliance with the law and with Baxter policy. We have Local Contributions Management Committees in select countries, clusters of countries or regions. Where they

exist, those local committees have decision-making authority for charitable contribution requests from nonprofit and for-profit healthcare and patient organizations. The Baxter International Foundation, the philanthropic arm of Baxter International Inc., is a separate legal entity governed by its own Board of Directors and has distinct grantmaking guidelines that outline policies for charitable contributions to nonprofit organizations.

ETHICS AND COMPLIANCE HELPLINE

In 2020, Baxter logged 727 reports from 41 countries into our Ethics and Compliance Helpline system and closed 700 cases that were received through 2020.[2] All reports received during the year involving allegations of misconduct were promptly triaged for investigation. More than 65 of the reports logged in 2020 raised questions or concerns relating to

COVID-19 and were assigned to other teams (such as Environment, Health, Safety and Sustainability or Human Resources) for resolution or further investigation. Of the substantiated cases closed in 2020, appropriate remediation (e.g., training or adoption of new or changed processes) was or is being implemented where warranted. In substantiated cases involving employee misconduct, employees received appropriate disciplinary action based on the nature of the misconduct and other factors. Disciplinary action can include a range of outcomes, including coaching and training, verbal or written warnings, compensation reduction or termination.

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PRIVACY AND DATA PROTECTION

Baxter is committed to respecting the privacy of our patients, employees and customers. Baxter's Global Privacy Policy defines our privacy standards and guides our global operations to follow similar controls for protecting personal information. During 2020, we closely followed market developments and enforcement actions related to the EU General Data Protection Regulation (GDPR) as we collaborated with our network of privacy experts across the EU to successfully address the regulation. In 2020, we also continued to monitor proposed changes to privacy legislation and regulations in other locations to assess the impact on Baxter and to implement changes to our privacy control framework as we prepared to comply with new privacy requirements.

This included the California Consumer Privacy Act, for which additional amendments and regulations were issued. We also closely monitored privacy issues arising out of the COVID-19 pandemic, including laws and regulations addressing testing and contact tracing, to assess the impact on Baxter as the company took steps to address the pandemic.

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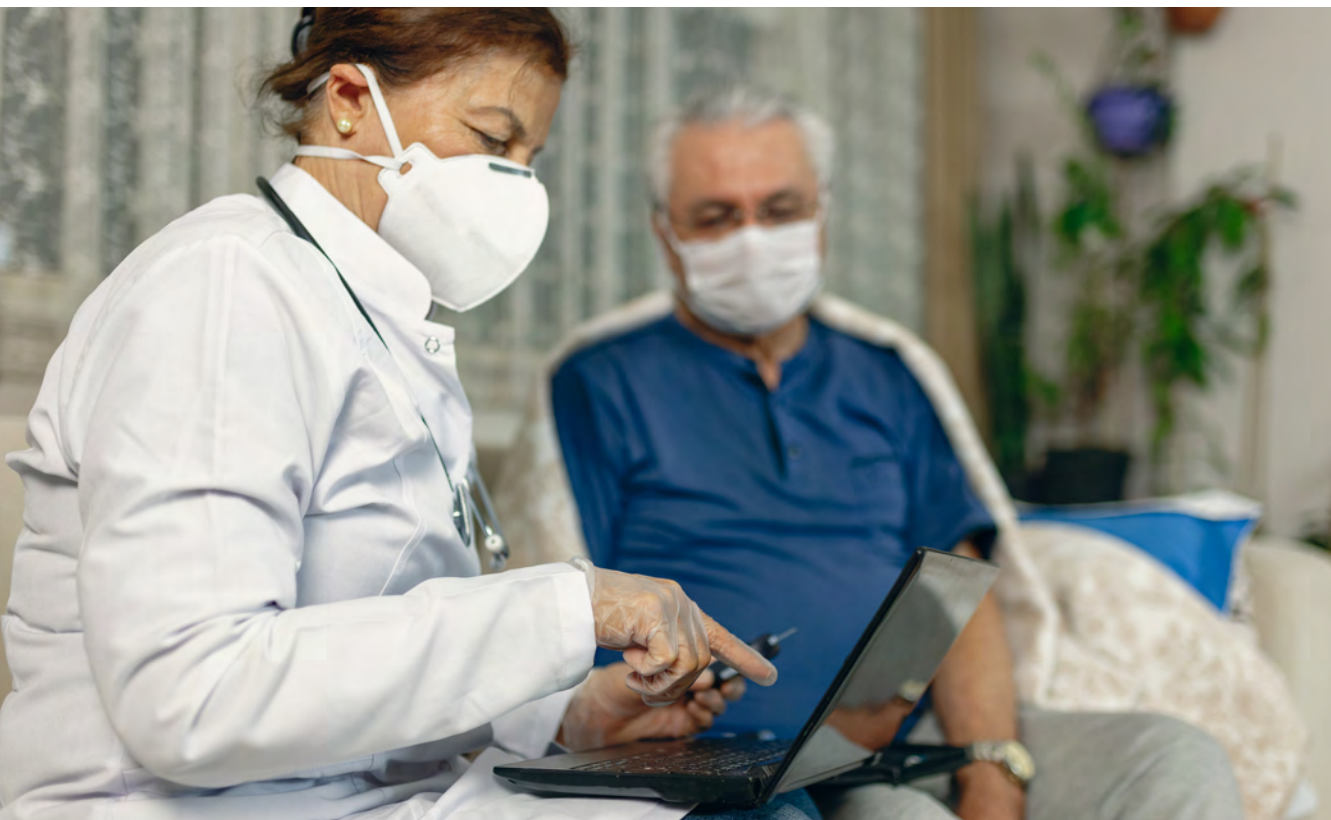
of our Board of Directors oversee our IT security program strategy and efficacy and receive regular updates. The Audit Committee provides oversight for IT security matters generally and the Quality, Compliance and Technology Committee provides oversight for product cybersecurity matters.

Baxter's Digital Security Policy outlines our approach to information security and the standards we require employees and suppliers to follow. We also provide an online Product Security summary that customers can access to learn about security vulnerabilities that might affect Baxter products.

In response to growing and changing cyber threats, we consistently assess and strengthen our cyber defenses and response capabilities. The Global IT Security Operations team helps to protect Baxter against cyberattacks using a range of defenses that secure our assets, reduce detection time and improve recoverability. During 2020, we implemented a new threat hunting process to enhance the protection of our systems against evolving security threats. We also enhanced our Governance Risk and Compliance program to include risk-based reviews and due diligence monitoring.

We continue to raise security awareness with all Baxter users through mandatory training and recurring reinforcement through virtual events and updated materials. We require multifactor authentication and an always-on virtual private network (VPN) system to provide additional safeguards for our employees working remotely. In addition, during 2020, we expanded our Third Party Risk Management program to include review of security standards and procedures for critical external suppliers.

Baxter's Digital Security Controls Framework has been formally documented and conforms to the industry standard NIST 800 and ISO27001 frameworks. Baxter has received ISO27001 certification and renewed the French HDH Certification for **Sharesource** connectivity platform.

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Employee Health and Safety

Achieve a zero-harm workplace and improve employee well-being

2020 HIGHLIGHTS

Restricted days rate
52% ↓ *

Introduced **monthly wellness days** emphasizing physical, mental and social well-being

14,000 employees participated in the virtual BeWell@Baxter Exercise Challenge

*Compared with 2019.

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

In pursuit of Baxter's aspiration to be a Best Place to Work, we provide a safe workplace and the resources employees need to maintain and improve their health and wellness. In 2020, we focused our programs on a robust pandemic response as well as supporting employee participation in health and wellness activities. As we delivered on Baxter's mission to save and sustain lives in facilities around the world, we also prioritized our employees' physical, social and mental well-being.

Baxter follows a management-systems approach guided by our global Environmental, Health, Safety and Sustainability (EHS&S) requirements. For more about Baxter's EHS&S management system, see Operations. We clearly define the responsibilities of corporate, regional and facility-level occupational health and safety professionals and hold leaders accountable for achieving goals and targets. In 2020, the EHS&S organization reported employee safety performance to senior leadership and manufacturing and supply chain management monthly. EHS&S also communicates performance to Baxter's Board of Directors.

2020 GOAL

Achieve the top quartile in total recordable incident rate among global companies across all industries

⊖ *Not achieved*

VIEW ALL **2020 GOALS**

INJURY AND ILLNESS PERFORMANCE[1]

In 2020, due to COVID-19, Baxter experienced an increase in total recordable incident rate (TRIR) and cases with days lost rate from the prior year. In a comparison of 23 companies globally across all industries,[2] Baxter's TRIR during the year ranked thirteenth. Although we did not achieve top quartile performance in 2020, we did in 2018 and 2019.

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INJURIES AND MAJOR INCIDENTS

When a major incident occurs at Baxter, facility management conducts a root-cause analysis and formulates mitigation strategies. We review incidents with a cross-functional team to share knowledge across the organization. Major incidents are defined as those that result in an employee or contractor being hospitalized overnight (for more than observation), sustaining an amputation, or dying.

Twelve major incidents occurred at Baxter in 2020, compared with six in 2019. Baxter attributes the increase to hazards that had not been identified. The company had no fatalities during the year.

RECORDABLE INCIDENT RATE AND CASES WITH DAYS LOST RATE*
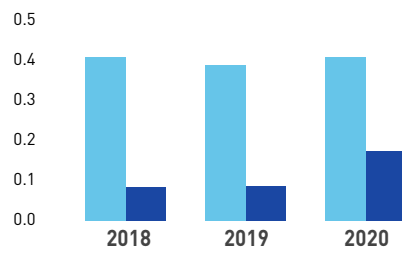
	2018	2019	2020
● **Recordable Incident Rate**	0.41	0.39	0.41
● **Cases With Days Lost Rate**	0.084	0.086	0.174

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

DAYS LOST RATE AND RESTRICTED DAYS RATE
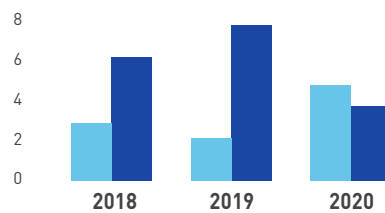
	2018	2019	2020
● **Days Lost Rate**	2.88	2.14	4.80
● **Restricted Days Rate**	6.20	7.83	3.77

VIEW THE DATA SUMMARY FOR MORE DETAIL.

DRIVING A CULTURE OF SAFETY AND ENGAGEMENT

We aspire to achieve a zero-harm-workplace. In 2020, we continued to engage our operational workforce in hazard identification and immediate corrective actions where feasible. Injury and illness metrics coupled with internal EHS&S audits provide focus for Baxter's safety, occupational health and industrial hygiene efforts. We continue to target ergonomics, and slips, trips and falls—two of the primary sources of injury at the company.

In 2020, we continued to focus on high-hazard sources, which are conditions or situations that could cause major injury or death. We analyzed our most severe historical incidents to identify root-cause trends and started holding "stand down" meetings as a forum for operational leaders to engage employees in frontline education concerning specific risks. During these meetings, all other operational activity stops so employees can focus on an emerging trend or specific risk.

HEALTH AND WELLNESS PROGRAM MANAGEMENT AND INITIATIVES

Baxter's occupational health function, in partnership with Human Resources and Global Communications, develops health and wellness strategies for the company. A global team of diverse health professionals and volunteers, known as Local Champions, helps refine and implement these approaches and set priorities.

BEWELL@BAXTER

be well @ Baxter
Doing good by being well.

Healthy employees are more engaged and productive and less vulnerable to safety incidents and injuries. Through BeWell@Baxter, our global employee health and wellness program, we strive to create a culture that raises awareness and promotes healthy lifestyles.

In response to COVID-19, BeWell@Baxter provided a heightened focus on health and wellness and continued to drive engagement, while complying with local regulations.

Health and wellness during the pandemic was more important than ever, so we transitioned our campaigns to virtual and launched monthly wellness days to emphasize the importance of well-being, including physical, mental and social aspects.

The cornerstone of BeWell@Baxter is the Personal Wellness Profile, an online health risk assessment that helps employees understand how lifestyle choices, family history and other factors influence health and related risks. We use this data to focus our health promotion program on the areas of highest health risk for employees. As of the end of 2020, 35% of employees worldwide had completed a Personal Wellness Profile.[3]

In 2020, more than 14,000 employees participated in the virtual BeWell@Baxter Exercise Challenge. In addition, 83% of facilities worldwide took part in Healthy Eating Month.

2020 GOAL

Increase participation from 35% to 45% in BeWell@Baxter health promotion program initiatives

✓ **Achieved**

VIEW ALL 2020 GOALS

During the year, Baxter recorded an average employee participation rate of 49% in BeWell@Baxter health promotion initiatives, exceeding our 2020 goal of 45% participation. BeWell@Baxter initiatives include the Personal Wellness Profile, the Exercise Challenge and Healthy Eating Month.

ADDITIONAL PROGRAMS AND INITIATIVES FOR EMPLOYEE HEALTH

Baxter's occupational health team also works to continually improve the company's performance with the following programs and initiatives:

Flu vaccinations In 2020, we offered free seasonal flu vaccinations to employees working at most sites with 25 or more employees. More than 12,000 employees worldwide received vaccinations through this program.

Smoke-free workplaces In 2020, in countries where smoke-free status is allowed by law, 100% of campuses with 25 or more employees were smoke-free, the same as in 2019.

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Operations

Reduce environmental footprint through increased efficiency and resource conservation

2020 HIGHLIGHTS

8.2% reduction in energy use*

10.4% reduction in water use*

14.7% reduction in waste generation*

13.6% reduction in absolute greenhouse gas emissions**

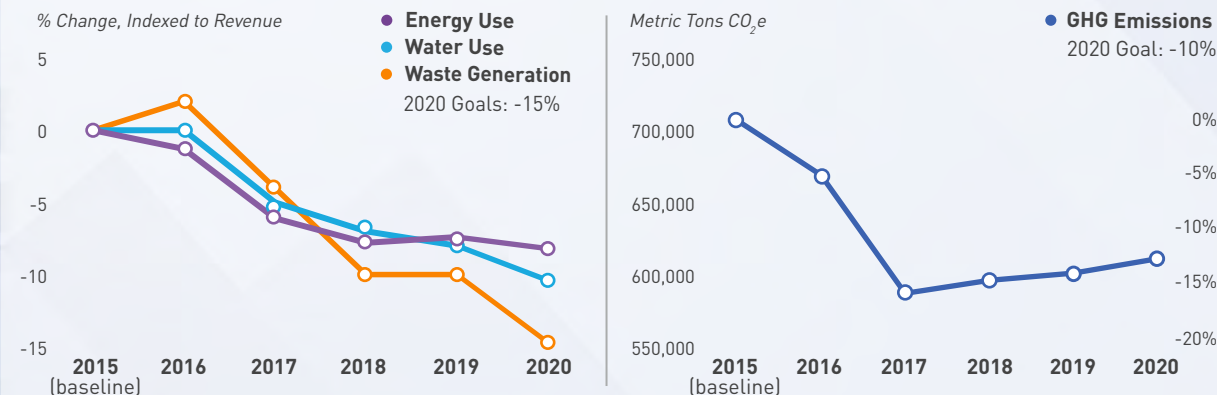*Compared with 2015 and indexed to revenue. **Compared with 2015.

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

At Baxter, we are committed to driving sustainability throughout our global manufacturing operations.[1] We strive to use energy, water and raw materials efficiently, while reducing waste and greenhouse gas (GHG) emissions. This improves environmental performance while saving money and demonstrating environmental leadership.

Our Environmental, Health, Safety and Sustainability (EHS&S) vision is to achieve a sustainable enterprise that creates stakeholder value by advancing superior environmental stewardship, optimum employee health and well-being, and a zero-harm workplace. Baxter's EHS&S Policy outlines our commitments within operations and across the value chain. Our EHS&S governance structure helps us achieve our goals and create long-term business value.

Progress toward our 2020 environmental goals launched in 2015 is shown in the graph below. Related challenges and opportunities are described on the pages that follow.

PROGRESS TOWARD 2020 ENVIRONMENTAL GOALS*

% Change, Indexed to Revenue

● Energy Use
● Water Use
● Waste Generation
2020 Goals: -15%

Metric Tons CO_2e

● GHG Emissions
2020 Goal: -10%

* Energy use and GHG emissions data for 2015–2019 are restated from data reported in the Baxter 2019 Corporate Responsibility Report to improve accuracy and to reflect updated GHG emission factors.

ENVIRONMENTAL, HEALTH AND SAFETY PERFORMANCE

We follow a management-systems approach guided by our global EHS&S requirements. We apply the ISO 14001 standard to manage our environmental aspects and the ISO 45001 standard to manage our health and safety hazards and risks.

As of year-end 2020, 59 Baxter locations met ISO 14001 requirements, of which 44 also achieved ISO 45001. Of these 59 total certified locations, 45 are manufacturing sites (86.5% of total Baxter manufacturing locations[2]).

Baxter's EHS&S audit program helps to ensure that our facilities have programs that satisfy applicable regulatory requirements and are consistent with our EHS&S requirements, objectives and goals. In 2020, third-party EHS&S audits were conducted at 16 facilities.[3]

In 2020, we received six environmental Notices of Violation (NOVs), a decrease from 22 in 2019. All NOVs were received at facilities in North America and Puerto Rico. A fine of $861.16 was related to one NOV at our facility in Marion, North Carolina. We also received two health and safety letters during the year at facilities in the United States. We paid $3,450 for a health and safety fine associated with our Opelika, Alabama facility. Baxter takes incidents of EHS&S noncompliance seriously and is working diligently to address the root causes of these issues.

We also took significant steps during 2020 to re-affirm our commitment to environmental compliance. During the year we filled several key EHS&S roles, including the vice president of EHS&S, as well as other key leadership positions in environmental programs and EHS&S governance. These leaders will provide a foundation for our next-generation transformational journey.

ENERGY

Energy is one of our most significant manufacturing costs, so energy conservation benefits our business as well as the environment. Using energy effectively conserves natural resources, improves environmental performance

and enhances business efficiency. Reducing fossil fuel combustion decreases GHG emissions, improves air quality and decreases fine particulates that contribute to adverse health effects. Renewable energy procurement is also integral to our overarching climate strategy.

The Baxter global energy program applies the ISO 50001 standard to the company's facility-level energy management systems. By the end of 2020, 19 Baxter facilities (40% of participating locations) met ISO 50001 requirements.

Reduce total energy use by 15% indexed to revenue

2020 GOAL

⊖ *Not achieved*

VIEW ALL 2020 GOALS

In 2020, we used 10,101 trillion joules of energy, 8.2% less than in 2015 indexed to revenue, missing our 2020 goal to reduce total energy use by 15% indexed to revenue. Key factors for why we did not me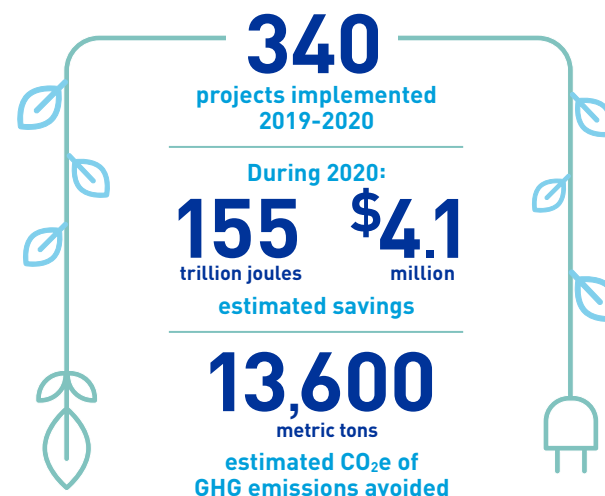et the goal included changes to enhance resilience in manufacturing in order to mitigate supply chain disruption from extreme weather events. We will continue to focus on energy efficiency as part of Baxter's GHG emissions reduction strategy moving forward.

Energy use includes electricity, fuel and purchased steam consumed by Baxter-managed and Baxter-operated facilities; it excludes energy related to company-operated vehicles. In 2020, we increased absolute energy use by 1% compared with 2019, due mainly to facility changes and production increases. During that period, energy use indexed to revenue decreased by 2%.

Our energy costs dropped 2% between 2019 and 2020, down $3 million, due to a significant decrease in natural gas prices, as well as energy efficiency initiatives.

Site-specific energy assessments identify opportunities to conserve energy and to apply and share new technologies and best practices across the company. In 2020, we were unable to perform energy assessments due to COVID-19-related travel restrictions. To continue to identify potential energy projects and drive project performance, we implemented monthly meetings with global energy managers and regional engineering executives, and we conducted cross-facility benchmarking

ENERGY CONSERVATION PROJECTS*

340
projects implemented
2019–2020

During 2020:

155
trillion joules

$4.1
million

estimated savings

13,600
metric tons
estimated CO$_2$e of
GHG emissions avoided

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

exercises focused on energy conservation opportunities within the regions and businesses.

During 2019 and 2020, we implemented 340 energy conservation projects across our manufacturing sites globally. We estimate that these projects saved 155 trillion joules of energy and $4.1 million and avoided 13,600 metric tons carbon dioxide equivalent (CO$_2$e) of GHG emissions during 2020.[4] This was equivalent to 2% of our net GHG emissions from global operations during the year.

We have operated a Lean Energy Program for our manufacturing facilities since 2007. It includes four levels—Prerequisite, Bronze, Silver and Gold—and facilities meet the criteria for lower levels as they advance in pursuit of Gold. Each level includes program requirements, standards of operational excellence and technical requirements. By year-end 2020, 38 of 47 facilities[5] met prerequisite criteria. Of those, 30 also met Bronze, 19 met Silver and 4 met Gold.

VIEW THE DATA SUMMARY AND VALUE CHAIN ENERGY USAGE AND GHG EMISSIONS TABLE FOR MORE DETAIL.

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WATER AND WASTEWATER

Water is a valuable resource, and water issues continue to grow in importance worldwide. Although these concerns are global, they must be addressed at the local and regional levels. Baxter works to better understand the impacts of water use across our value chain and implements conservation and efficiency projects at our manufacturing facilities. See our response to CDP Water Security.

2020 GOAL

Reduce total water use by 15% indexed to revenue

⊖ *Not achieved*

VIEW ALL 2020 GOALS

We reduced water consumption by 10.4% indexed to revenue from 2015 through 2020, missing our 2020 goal of a 15% reduction. Energy use and water processing are closely related in our facilities; therefore, the changes in manufacturing that contributed to missing our energy goal (as described previously) were similar to those for our water goal.

During 2020, we withdrew approximately 14 million cubic meters of water,[6] about the same as in 2019 and a 3% decrease indexed to revenue.

Water is a key raw material for Baxter, and we have implemented numerous water-reduction projects since 2015. As part of our water management strategy going forward, we will assess the physical, regulatory and reputational risks associated with our water use to continue operating successfully and responsibly.

Water issues vary significantly by location. In 2020, we applied the World Resources Institute (WRI) Aqueduct Water Risk Atlas version 3.0 to map and analyze current and future risks associated with water stress at our most significant water-use locations. The WRI water tool defines baseline water stress as total annual water withdrawals (municipal, industrial and agricultural)

BAXTER SITES IN LOCATIONS WITH WATER STRESS RISK

Site Location	Med-High	High	Extremely High
Australia	2		
Belgium			3
Brazil		1	
China	1	2	
Germany	1	3	
India			1
Malta			1
Mexico			3
Spain	1		
Thailand	1		
Tunisia		1	
UK		1	
United States	1	1	1

expressed as a percent of total annual available flow. Higher values indicate more competition among users.[7]

Our 55 most significant water-use locations represented 97% of our total water use in 2020. Of the 55 sites, 25 are located in *medium-high*, *high* and *extremely high* water-stress areas. During the year, facility water use at these sites decreased by 1% in absolute terms and by 3% indexed to revenue compared with 2019.

WASTEWATER

Wastewater discharged from Baxter operations has historically been, and remains, an important focus of our compliance program. In 2020, 70% of Baxter's self-reported environmental incidents were exceedances of permitted wastewater discharge limits; 75% of those were from the Americas region (North America and Latin America) and the remaining 25% from the

Europe, Middle East and Africa region. None of these exceedances resulted in a fine. To manage these matters, Baxter applied both internal and external resources and worked to enhance internal wastewater operational practices, training and other facility engagement opportunities. Baxter also upgraded wastewater pretreatment infrastructure at several facilities in 2020.

As part of our proactive commitment to compliance, Baxter has adopted a more aggressive approach to wastewater operations and enhanced how we identify, evaluate and manage wastewater issues. Our systematic wastewater risk management program identifies emerging issues. In 2020, this involved a holistic review of major manufacturing locations that included the following activities:

- Engaged an expert third party to review compliance measures at the highest priority facilities

- Evaluated effectiveness of facility change management processes for wastewater operations

- Reviewed wastewater compliance history and recent data to identify possible trends

- Assessed wastewater permit compliance procedures and made recommendations

- Validated methods to investigate and remedy causes of upset conditions and ensure their effectiveness

- Affirmed ongoing employee awareness of wastewater operations and roles in assuring compliance

- Conducted supplementary training at various facilities

We will share best practices across our operations based on lessons learned from our highest priority facilities.

VIEW THE DATA SUMMARY FOR MORE DETAIL.

Baxter

WASTE

Baxter identifies leading waste reduction opportunities based on our highest-volume waste streams, facilities that produce the most waste, and sites with strong potential to improve, among other factors. Facilities measure waste at the point of generation to rapidly identify significant sources. We track and analyze waste data from each major facility to assess progress toward waste reduction goals and identify ways to improve processes that generate waste. These and other activities reduce expenses related to raw materials use, waste handling and disposal.

2020 GOAL

Reduce total waste generation by 15% indexed to revenue

⊖ *Not achieved*

VIEW ALL 2020 GOALS

During 2020, our operations generated 69,700 metric tons of total waste, similar to 2015 in absolute terms and down 14.7% indexed to revenue,[8] just short of our goal of a 15% reduction. As part of our future goals, we plan to further assess how waste is generated throughout Baxter's integrated supply chain and to establish management plans to address impacts internally, upstream and downstream.

Our operations generated 63,500 metric tons of nonhazardous waste during 2020, a 1% increase in absolute terms and a 2% decrease indexed to revenue, compared with 2019.

Reducing plastic waste and increasing recycling is a priority for Baxter; plastic scrap from manufacturing is our largest waste stream, representing roughly one third of our nonhazardous waste. In 2020, several facilities implemented projects to reduce plastic scrap. For example, our facility in Cuernavaca, Mexico, reduced PVC and HDPE plastic waste material by 78 metric tons during the year through process improvement techniques such as Six Sigma. See Materials Use for an additional example of reducing plastic scrap.

Baxter also innovates to reduce the environmental impact of product packaging. Read more in Product Innovation.

Regulated waste[9] represented 9% of Baxter's total waste during 2020. Over the course of the year, our operations generated 6,200 metric tons of regulated waste, 32% lower in absolute terms than in 2019, and 34% less indexed to revenue. This reduction was mainly due to a project implemented in 2020 at our facility in Hechingen, Germany, based on a similar project at our facility in Opelika, Alabama. The project modified the solvent recovery process, thereby eliminating the residual ultrafiltration-related waste stream. This reduced regulated waste by more than 2,230 metric tons in 2020 and decreased energy use by 14.4 trillion joules per year.

In 2020, we recycled 79.5% of nonhazardous waste and 49.6% of regulated waste for an overall recycling rate of 76.8%.[10] Recycling at Baxter generated $2.3 million in net income in 2020.

2020 RECYCLING AT BAXTER

79.5% nonhazardous waste recycled

49.6% regulated waste recycled

$2.3 million net income generated

76.8% overall recycling rate
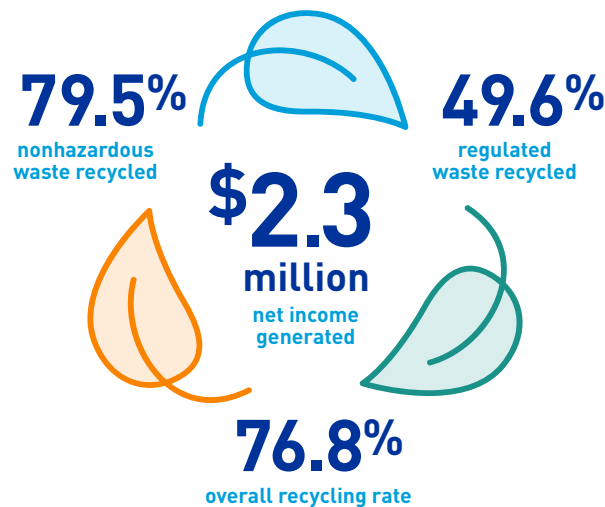
2020 GOAL

Achieve a landfill diversion rate of 95% or higher at all manufacturing locations

⊖ *Not achieved*

VIEW ALL 2020 GOALS

In 2020, 25 manufacturing sites[11] (49% of the total) achieved or exceeded landfill diversion rates of 95%, missing our goal to achieve or exceed that level at all manufacturing sites. Twelve additional sites (25% of the total) achieved diversion rates of 80% or higher. We continue working with outside experts to accelerate progress in the coming years.

📊 **VIEW THE DATA SUMMARY FOR MORE DETAIL.**

GHG EMISSIONS ACROSS THE VALUE CHAIN

Climate change is among the most pressing global challenges facing the world today, posing risks for humans and natural ecosystems. We identify, manage and mitigate Baxter's climate-related risks as part of our global risk management activities. In addition to addressing climate change with an aggressive GHG emissions reduction strategy, we are focused on protecting our stakeholders by building resilience to climate change across our supply chain. For more information on our governance, strategy and risk management as recommended by the Task Force on Climate-related Financial Disclosures, see our response to CDP Climate Change and our Climate Change & Energy Position Statement.

We began reporting our Scope 1, Scope 2 and certain Scope 3 GHG emissions in 1997 and contributed to the development of the initial version of the Greenhouse Gas Protocol.

Baxter

BAXTER'S GLOBAL GHG EMISSIONS FOOTPRINT, 2020

13.6% Scope 3 Other

44.8% Scope 3 Use of Sold Products

4,493,000 metric tons CO_2e

Scope 1 Facility/Vehicle Fuel Usage and Refrigerant Losses **6.9%**

Scope 2 Purchased Energy **6.7%**

Scope 3 Purchased Goods and Services **18.4%**

Scope 3 Upstream Transportation and Distribution **9.6%**
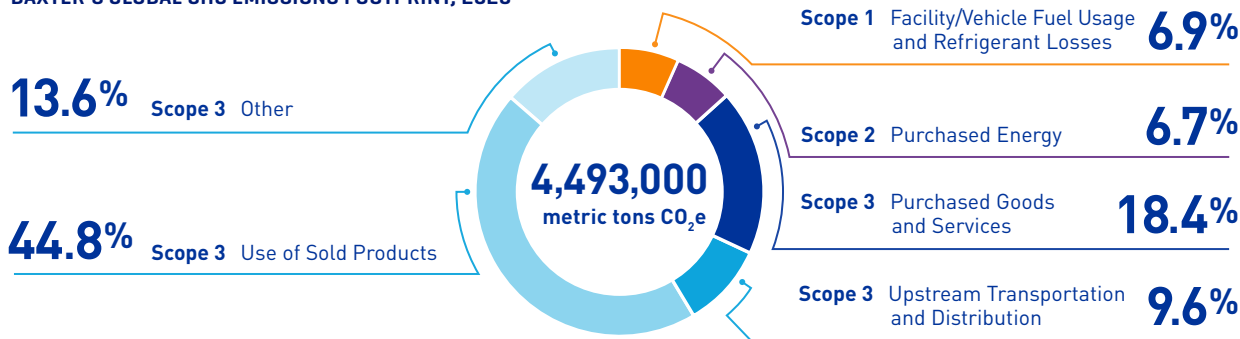
We estimate our 2020 GHG emissions footprint (Scope 1, 2 and 3) at 4.5 million metric tons CO_2e,[12] down 7% from 2019. The main contributing factor to this decrease was reduced sales and production of certain products in 2020.

Since 2015, we have offset GHG emissions related to global business travel with United Airlines through the CarbonChoice program. During 2020, this included 1,300 metric tons CO_2e offset on Baxter's behalf through the Maísa REDD+ – Sustainable Travel International project (reducing GHG emissions associated with deforestation and forest degradation), a Verified Carbon Standard, and a Climate Community & Biodiversity Standards project in the Brazilian Amazon.

VIEW THE DATA SUMMARY AND VALUE CHAIN ENERGY USAGE AND GHG EMISSIONS TABLE FOR MORE DETAIL.

GHG EMISSIONS FROM OPERATIONS

2020 GOAL
Reduce absolute GHG emissions by 10%

✓ Achieved

VIEW ALL 2020 GOALS

Through 2020, we reduced our absolute GHG emissions from operations by 13.6% compared with 2015, exceeding our goal of a 10% reduction. Total emissions from operations equaled 611,000 metric tons CO_2e in 2020.

Reducing energy use is vital to our sustainability strategy, as energy use accounts for 99% of Baxter's GHG emissions from operations. Other tactics to decrease GHG emissions in 2020 included fuel switching, cogeneration, on-site renewable energy systems, renewable power procurement and green buildings.

By the end of 2020, 28% of our energy use for operations was from renewable sources. Biomass fuel for boilers at two of our locations[13] accounted for 10%, and the renewable energy component of purchased electricity and renewable energy certificates together represented 18%. On-site geothermal, solar photovoltaic and solar hot water systems contributed a small amount.
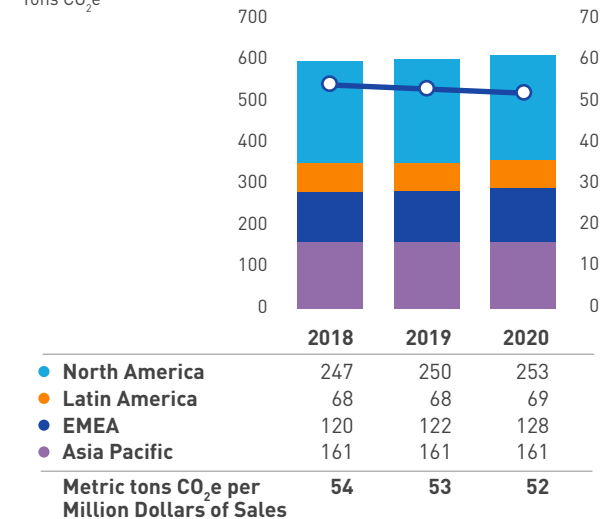
Baxter's energy procurement team works with our suppliers to source sustainable and economical energy for our manufacturing facilities. Globally in 2020, we purchased more than 368,000 MWh of electricity generated from 100% certified renewable power, including all electricity purchased in Illinois.

&EPA GREEN POWER PARTNER

We were recognized as the 35th largest corporate purchaser of renewable energy in the United States during the year.[14] Since 2007, we have maintained carbon neutrality at our headquarters in Deerfield, Illinois, through electricity generated from certified renewable energy sources. We offset facility-related emissions from purchased electricity.

GHG EMISSIONS FROM BAXTER OPERATIONS*

Thousand Metric Tons CO_2e — ○ Metric Tons CO_2e per Million Dollars of Sales

	2018	2019	2020
● North America	247	250	253
● Latin America	68	68	69
● EMEA	120	122	128
● Asia Pacific	161	161	161
Metric tons CO_2e per Million Dollars of Sales	**54**	**53**	**52**

* The regional breakdown of the data included in this graph 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 2020. Some data for 2018 and 2019 are restated from data reported in the Baxter 2019 Corporate Responsibility Report to improve accuracy and to reflect updated GHG emission factors.

VIEW THE DATA SUMMARY AND VALUE CHAIN ENERGY USAGE AND GHG EMISSIONS TABLE FOR MORE DETAIL.

During 2020, we sourced 220,000 MWh of 100% renewable electricity for our European manufacturing sites. This represented 97% of total electricity for manufacturing in the region. In most cases, savings from our energy sourcing strategy in Europe finance the premium for green electricity contracts.

AIR EMISSIONS

Baxter has reduced emissions of hazardous air pollutants significantly during the last several decades as it has been an area of focus since 1988. In 2020, as part of our continuing environmental compliance efforts, we commenced a detailed verification process of air emissions at our manufacturing facilities and are evaluating and implementing upgrades to decrease emissions further.

Responsible Procurement and Logistics

Implement world-class sustainability practices with key partners

2020 HIGHLIGHTS

$64.3 million in spending with minority-owned businesses* and
$84.4 million in spending with women-owned businesses*

77% of participating suppliers earned advanced or moderate scores on our Supplier Corporate Responsibility Survey

100% of UPS shipping outside the United States offset using carbon credits, more than 1,300 metric tons CO_2e of greenhouse gas emissions

*Spending with suppliers that certify for multiple categories is included in the total for each category. United States and Puerto Rico. Fiscal year basis (October 1 through September 30 of the year noted).

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

Baxter is committed to driving sustainable practices in our global supply chain, which extends from the producers of the raw materials we use in manufacturing to our distribution network for delivering products to patients and healthcare providers.

RESPONSIBLE PROCUREMENT

Baxter works to increase the diversity of our suppliers and support sustainable practices across our supply chain. In addition to traditional considerations, such as quality and price, we integrate social and environmental criteria into our requests for proposal and supplier contract templates.

SUPPLIER DIVERSITY

Supplier diversity is a high priority for our company. Baxter develops mutually beneficial relationships with small and diverse suppliers as we strive to increase the diversity of our supplier base. During 2020, our

2020 GOAL

Increase spending with diverse suppliers to 6% of relevant spending

⊖ *Not achieved*

VIEW ALL 2020 GOALS

purchases with diverse suppliers totaled 5.6% of relevant spending.[1] Although this was an increase from 5.2% in 2019, we did not achieve our goal of 6% during 2020. This was largely due to the adoption of a more rigorous approach to how we classify data, which only counts spend with diversity certification confirmed by our third-party data provider. In addition, COVID-19 travel restrictions impacted our ability to engage with diverse suppliers.

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SPENDING WITH DIVERSE SUPPLIERS, 2020*

$143.8 million to small businesses

$64.3 million to minority-owned businesses

$84.4 million to women-owned businesses

$27.5 million to small disadvantaged businesses

$6.3 million to veteran-owned businesses

$0.9 million to HUBZone-certified businesses

$2.5 million to service-disabled-veteran-owned businesses

* Spending with suppliers that certify for multiple categories is included in the total for each category. United States and Puerto Rico. Fiscal year basis (October 1 through September 30 of the year noted).

A third-party review estimates that our spending with diverse suppliers during this same timeframe supported more than 1,000 jobs at those suppliers and over $57 million in associated employee income. Including estimated indirect and induced economic impacts, our spending supported a total of more than 2,000 jobs and $109 million in associated employee income.[2]

As part of Baxter's ACT: Activating Change Today initiative, we are continuing to emphasize a strategic approach to increasing spend and deepening relationships with diverse suppliers. Consequently, in 2020, we participated in the National Minority Supplier Development Council (NMSDC) matchmaker event to connect Baxter team members with minority-owned businesses. We also committed $150,000 to support minority-owned businesses that were impacted by COVID-19 and civil unrest. Learn more about our ACT initiative and related activities across our business on our website and in the Introduction of this report.

We maintain corporate memberships with many organizations that promote and certify diverse suppliers and have served on the NMSDC Board. During 2020, in addition to taking part in the NMSDC matchmaking event, we participated in meetings led by NMSDC with the National Gay and Lesbian Chamber of Commerce and Disability:IN, enabling us to build stronger relationships with these organizations and increase matchmaking opportunities. Fostering relationships with a variety of organizations helps us identify diverse suppliers for inclusion in our supply chain, increase our visibility within the diverse supplier community and advance progress in this area more broadly.

VIEW THE DATA SUMMARY FOR MORE DETAIL.

In 2020, we realigned our procurement organization to improve collaboration with our company's regions and global business units. This resulted in our ability to initiate matchmaking with diverse suppliers of specific categories toward the end of the year. This new approach will help us identify opportunities for and potentially increase our spend with diverse suppliers moving forward.

We also updated our supplier registration portal in 2020 to enable registration for diverse suppliers who are looking for opportunites to work with Baxter. Using the portal, diverse suppliers can upload their certificates and answer questions that will make them more visible to Baxter teams looking for new suppliers through our internal search tool. The portal should also improve communications with our suppliers and help us gather more information related to spending with our Tier II suppliers so we can track and measure it more accurately.

Learn more about supplier diversity at Baxter.

PROTECTING HUMAN RIGHTS IN OUR SUPPLY CHAIN

Baxter's Global Human Rights Policy outlines our commitment to respect human rights across the value chain and our expectation that suppliers do the same, either in accordance with our policy or under their own similar policies. To enable this, we make appropriate training available to targeted suppliers and conduct supplier assessments. In addition, any suppliers who register with Baxter through our supplier registration portal must read our Global Human Rights Policy and indicate whether they agree with the commitments therein.

Baxter adheres to supply chain transparency requirements where applicable, through publicly available statements. In addition to our Global Human Rights Policy, Baxter's UK Modern Slavery Statement declares our commitments and approach to ensuring that our local operations and global supply chain are free from modern slavery practices, including child labor, forced and bonded labor, and human trafficking. We also have a position statement related to the California Transparency in Supply Chains Act of 2010.

In addition, for specific urology products sold in the UK, we have implemented a Labor Standards Assurance System (LSAS). It includes a UK LSAS Policy, a relevant labor standards supply chain risk assessment, management commitment, employee awareness training and key performance indicators. This management system provides us with a clear framework through which to approach human rights and labor standards and improves our ability to manage supply chain risks in these areas. Many elements of this management system approach also help us meet the requirements of the UK Modern Slavery Act. We have a cross-functional team that maintains our LSAS program and integrates it with our supplier sustainability work.

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During 2020, in alignment with our LSAS commitments, we underwent a third-party audit of our management systems by Bureau Veritas. The results of that audit demonstrated ongoing improvement in several audit categories.

MANAGING PROCUREMENT RISKS

Baxter takes a risk-based approach to managing corporate responsibility issues in our supply chain. Our Supplier Quality Standard and Ethics and Compliance Standards for Baxter Suppliers outline expectations and requirements for all our suppliers.

To improve our corporate responsibility performance, we integrate supplier sustainability into our overall supplier management processes and conduct periodic assessments of key suppliers to evaluate cost, delivery, quality and risk. As part of this process we also examine the financial risk of suppliers to ensure we don't have any disruptions in supply. We work with suppliers who receive low scores in the areas of quality and delivery to develop continuous improvement plans. Scores from our annual Supplier Corporate Responsibility Survey feed directly into this assessment.

Using a trusted third-party service, we receive notifications if disruptions occur in areas of the world where our suppliers are located. Such disruptions could include natural disasters, fires, major weather events or geopolitical activity. Using this information, we're able to respond quickly to ensure supply continuity.

SUPPLIER CORPORATE RESPONSIBILITY SURVEY

Baxter conducts an annual survey to better understand the corporate responsibility programs and performance of our suppliers and drive continuous improvement. In 2020, we continued partnering with EcoVadis to use its sustainability ratings platform to survey our supplier base and validate responses in the areas of environment, labor and human rights, ethics, and sustainable procurement. The results included data from 211 Baxter suppliers, including 136 that already had data for 2020 in the EcoVadis platform and 75 that were invited to participate for the first time. Of those 211 suppliers, 45% were from Europe, Middle East and Africa (EMEA); 40% from the Americas; and 15% from Asia Pacific (APAC). Suppliers have access to detailed scorecards regarding their corporate responsibility management practices on the EcoVadis platform, including information about strengths and benchmark comparisons, as well as actionable improvement areas. We use these scorecards to drive ongoing improvement and anticipate an increase in participation as we expand our efforts to engage suppliers in the coming years. In 2020, we also began including the scores from this survey in our business reviews with strategic suppliers for ongoing discussion and monitoring.

SUPPLY CHAIN CORPORATE RESPONSIBILITY MANAGEMENT SYSTEM

Establish Policies

Communicate clear policies and standards	• Supplier Quality Standards • Ethics and Compliance Standards for Baxter Suppliers • Global Human Rights Policy • UK Labor Standards Assurance System

Assess Risk

Identify and prioritize suppliers based on risk	• Identify top suppliers by annual spend • Assess comparative risk based on geographic location, commodity type and other factors • Conduct Supplier Corporate Responsibility Survey

Monitor and Manage Performance

Use established processes and metrics to monitor progress	• Conduct supplier audits • Develop and confirm progress on corrective action plans

Report Performance

Regularly disclose performance and highlight progress	• Supplier Corporate Responsibility Survey report card • Annual Corporate Responsibility Report • Investor surveys • Ratings and rankings

SUMMARY OF SUPPLIER CORPORATE RESPONSIBILITY SURVEY SCORES, 2018–2020*

	Percent of Participating Suppliers											
	Advanced			**Moderate**			**Partial**			**Insufficient**		
	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
Environment	40%	36%	36%	45%	47%	43%	12%	17%	20%	2%	1%	2%
Labor and Human Rights	23%	23%	22%	55%	54%	54%	21%	23%	23%	1%	1%	1%
Ethics	17%	15%	19%	55%	58%	51%	26%	27%	27%	1%	1%	3%
Sustainable Procurement	18%	22%	17%	40%	43%	39%	40%	33%	36%	2%	3%	8%
Overall	25%	27%	27%	60%	55%	50%	14%	18%	23%	1%	1%	1%
Cross-Industry Average	3%	3%	4%	38%	39%	41%	55%	54%	51%	3%	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. Evidence in certain cases of misconduct (e.g. pollution, corruption). Data for 2020 reflect a combination of Baxter suppliers that already had 2020 data in the EcoVadis platform, as of March 2, 2021, and those surveyed for the first time. Data from prior years are based only on yearly surveys. In some cases, segments do not add up to 100% due to rounding.

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SUPPLIER AUDITS

In past years, the Baxter Supplier Sustainability team has worked with our Environmental, Health, Safety and Sustainability team to conduct supplier audits, aligned with the Pharmaceutical Supply Chain Initiative (PSCI) protocol, which covers ethics; labor; environment, health and safety; and related management systems. During 2020, we did not conduct any of these audits as we continued to expand our capabilities in this area. We plan to reinstitute these audits in future years.

During 2020, 453 audits of Baxter suppliers were conducted related to management systems for product quality. Learn more about our approach to patient safety and quality. We are evaluating how to incorporate corporate responsibility elements into the quality audit process to more fully integrate our sustainable procurement framework into our supply chain.

INDUSTRY COLLABORATION

Baxter collaborates with other companies and organizations within the healthcare industry to improve efficiency and advance responsible procurement.

We are a member of PSCI and have served on the PSCI advisory panel. In addition, we have taken part in the PSCI Supplier Capability Building Committee and several subcommittees, including the Human Rights and Labor subcommittee. Through this work, we have helped to establish industrywide best practices, including those related to management systems, human rights/labor, and ethics and compliance in the pharmaceutical and healthcare industries.

To establish a secure supply chain, we participate in programs such as the Customs Trade Partnership Against Terrorism (CTPAT) program, which supports a secure and reliable supply of lifesaving medical products.

This includes shipments of raw materials and finished products both to and from various Baxter locations, foreign suppliers, distributors and customers. As an importer and exporter, Baxter has been recognized as a Tier III Partner (the highest level possible) in the program since 2011.

GREEN LOGISTICS

Baxter transports more than 5 million metric tons of raw materials and finished goods each year throughout our global supply chain, primarily in partnership with third-party vendors and carriers. We have processes and initiatives to reduce the environmental impact of our distribution activities and decrease greenhouse gas (GHG) emissions related to product transport.

To minimize emissions associated with our distribution network, we prioritize efficiency through initiatives such as our ocean export consolidation center in EMEA, use of high-capacity containers and by favoring transportation modes with fewer GHG emissions. We also pilot use of nontraditional fuel sources (such as electricity and biofuel) and transportation methods (such as bicycle couriers) to explore the viability of alternatives and evaluate whether we might be able to expand any to a larger scale. To better manage emissions across our distribution network, we have added requirements to our contracts with transport suppliers related to the measurement of GHG emissions, reduction targets and related initiatives.

Our worldwide GHG emissions from product transport totaled 447,400 metric tons CO_2e in 2020.[3] This is equivalent to 89 kilograms CO_2e per metric ton of products transported. During the year, our GHG emissions related to product transport by air increased by 99% compared with 2019. This was primarily due to prioritizing the quick delivery of critical, lifesaving products to hospitals in urgent need of renal supplies and other Baxter products as a result of the COVID-19 pandemic.

In addition, during 2020 we began using EcoTransIT methodology and software, in alignment with the Global Logistics Emissions Council (GLEC) framework, for calculating our GHG emissions across all product transport modes. The emission factors we are now using are more comprehensive and specific, providing a more robust understanding of our product transport-related GHG emissions compared with our previous methodology.

WORLDWIDE GHG EMISSIONS FROM PRODUCT TRANSPORT BY MODE, 2020

- 3% Rail
- 7% Ocean
- 24% Air
- 66% Road
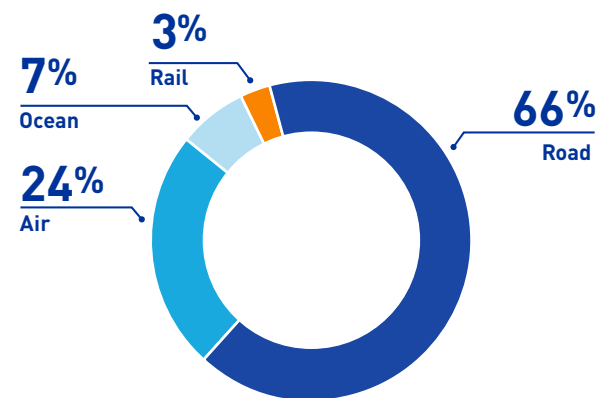
VIEW THE DATA SUMMARY FOR MORE DETAIL.

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

<div style="background:blue">
2020 GOAL

Expand green transport partnerships to all business regions globally

✓ *Achieved*

VIEW ALL <u>2020 GOALS</u>
</div>

Environmentally responsible partnerships

Baxter is one of a select number of companies that participate in the U.S. Environmental Protection Agency's SmartWay program as both a Carrier and Shipper Partner. In addition, we continued using carbon credits to offset our UPS shipping outside the United States. During 2020, we offset more than 1,300 metric tons CO_2e of GHG emissions through this program.

In 2020, we also joined two global initiatives: the GLEC Partnership, which provides a framework for reporting logistics-related GHG emissions, and Clean Cargo, which focuses on environmentally responsible ocean shipping. The Clean Cargo methodology is the industry standard for calculating emissions related to ocean container shipping and will enable us to make more informed purchasing decisions for our ocean freight. We are also using EcoTransIT software and methodology to capture and report our emissions data. These partnerships will help us better calculate our emissions and develop greater insight into the environmental impacts of our product transport.

Technology innovation   We are continuing to pilot and implement transportation methods that decrease emissions, with a focus on deliveries in urban areas. For example, in the UK, Baxter has partnered with Oxford University Hospitals NHS Foundation Trust to use bicycle couriers to deliver patient-specific chemotherapy, antibiotics and intravenous nutrition products from our compounding facility in Oxford to local hospitals. This approach eliminates carbon emissions associated with these deliveries and cuts

the delivery time in half. In addition, we are piloting electric trucks for deliveries in Belgium, and in 2020, we laid the groundwork for a biofuel pilot program in the UK. We also improve efficiency and reduce emissions through regular fleet renewal and vehicle improvements. For instance, in the United States, the vehicles we rent and lease for home deliveries are regularly replaced to ensure we are taking advantage of the latest features to increase fuel efficiency, such as reduced height, aerodynamic noses, speed limiters and idle shutdown. As a result, we saw a 3.5% decrease in fuel consumption per mile for these U.S. delivery trucks in 2020 compared with 2019.

Modal shift   Combining multiple transportation modes for a single shipment—for example, converting road to rail for parts of a route—can decrease costs and overall GHG emissions. In 2020, we continued converting road freight to rail worldwide. To replace air freight with ocean and rail wherever possible, all large, unplanned air shipments must receive senior manager approval.

However, in response to the COVID-19 pandemic, we did increase air shipments in 2020 to accelerate the delivery of urgent, critical products. In some cases, we were able to use ocean shipments, despite the longer lead time, by initiating the customs clearance and import process while the goods were in transit.

Optimizing the distribution network   The use of innovative technologies, such as transport management systems and route optimization tools, saves time and money while improving environmental performance. We have an ocean export consolidation center in Antwerp, Belgium, for the majority of our EMEA export shipments. The center combines shipments from different warehouse locations in Europe and optimizes loads so that containers are less likely to be shipped partially full. This reduces the total number of containers shipped and saves money while increasing supply frequency. We increased the scope of this center in 2020 and started using higher capacity containers for some shipments, which increases the number of pallets per container by 30%. These higher capacity containers enabled us to avoid the use of 137 containers that would have otherwise been shipped during 2020. We are evaluating the possibility of expanding this consolidation center concept to our other regions, including centers in the Americas and Asia Pacific.

Conservation of resources   We conserve natural resources at our distribution facilities, when possible. In 2020, for example, our Marion (North Cove), North Carolina, facility used recycled wood pallets for outbound shipments, which reduces the use of new wooden pallets by 101,500 annually, equivalent to approximately 12,700 trees.[4] Beginning in December 2020, we also use recycled pallets at our ocean export consolidation center in Antwerp, Belgium, and plan to expand this initiative to more sites in the United States in coming years.

Innovation That Expands Access to Care

Improve access to healthcare for the underserved

2020 HIGHLIGHTS

$24 million in products donated

Launched 6 Signature Partnerships that expand access to care since 2016

25,000+ patients in 9 countries served by outpatient dialysis clinics and centers of excellence through **Baxter Renal Care Services**

Guided by our mission and inspired by the millions of patients and caregivers who rely on our products, we are dedicated to nurturing, developing and delivering innovative healthcare solutions. Baxter and the Baxter International Foundation strategically invest in new partnerships with world-renowned organizations, deploying our people, products and grants globally to increase access to care. Additionally, our Government Affairs and Public Policy team works with lawmakers, governments, patient organizations and policy makers as well as entities focused on addressing healthcare disparities in minority populations.

PRODUCT DONATIONS

Making sure that healthcare providers and patients around the world have access to Baxter's lifesaving innovations is essential. Strategically investing in product donations is one way Baxter improves access to care for vulnerable populations with unmet healthcare needs.

2020 GOAL

Pre-position donated products with donor partners to enable optimal distribution and first-on-scene response

✓ **Achieved**

VIEW ALL **2020 GOALS**

HUMANITARIAN ASSISTANCE: MANUFACTURE-TO-DONATE PROGRAM

We manufacture products twice a year specifically for donation to our three trusted humanitarian partners: Americares, Direct Relief and Partners In Health. This manufacture-to-donate strategy, an industry best practice, means our partners can rely on having critically needed, long-dated products year-round—not just during emergency situations. In 2020, we donated products valued at $24 million, enhancing access to care for patients around the world. See Summary of 2020 Giving.

Baxter ≡

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Photo credit: Ana María Ariza/Americares

Our manufacture-to-donate product donation strategy aligns with the guidance established by the World Health Organization guidelines for medicine donations and the Partnership for Quality Medical Donations (PQMD) guidelines. Baxter serves on the board of PQMD to support global best practices in product donations.

Through our longstanding partnership with Americares, we donate products to support U.S. medical outreach teams that travel overseas to provide charitable care to underserved populations. While fewer medical mission trips occurred in 2020 due to the COVID-19 pandemic, Baxter products were distributed in 28 countries as part of 54 medical mission trips during the year. Learn more about Baxter's longstanding partnership with Americares.

U.S. PATIENT ASSISTANCE PROGRAM

Through our U.S. Patient Assistance Program, we make chemotherapy drugs available to cancer patients who have financial barriers to access and who lack insurance or prescription drug coverage. We have offered Cyclophosphamide since the program's inception in 2009, and in 2019, we expanded it to include Doxorubicin (also known as **Doxil**).

DISASTER RELIEF

With several natural disasters and the onset of the COVID-19 pandemic, 2020 was a unique and challenging year. Baxter has a longstanding history of providing disaster relief through investments in preparedness, immediate response and recovery efforts that expand

access to care in collaboration with our humanitarian partners. In 2020, our global disaster relief partners included the American Red Cross, Americares, the Australian Red Cross, Direct Relief and International Medical Corps. Additionally, we provided immediate support to more than one dozen relief organizations working on the front lines of the COVID-19 pandemic to address the needs of patients, health workers and communities around the world. Examples of our disaster relief efforts for the year include:

- To support a global response to COVID-19, the Baxter International Foundation provided $2.5 million in grants to charitable organizations.

- In response to bushfires in Australia, the Baxter International Foundation committed $100,000 to the Australian Red Cross. In addition, our local Baxter colleagues coordinated fundraising campaigns and worked with emergency services personnel and customers to reroute and reschedule deliveries and assist patients who were displaced, evacuated or in high-risk areas.

- Following a series of earthquakes and aftershocks in Puerto Rico, Baxter implemented our emergency preparedness process to maintain a consistent product supply. In 2020, the Baxter International Foundation provided $175,000 through grant commitments and disaster relief financial support to nonprofit partners in Puerto Rico. We also authorized partners to deploy products that we had pre-positioned in the area for use in times of crisis.

Additionally, our Baxter Employee Disaster Relief Fund enables employees to donate funds to help co-workers impacted by disasters globally. The Baxter International Foundation provided seed funding and covers all costs related to management of the fund, which allows 100% of employee donations to reach colleagues-in-need.

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THE BAXTER INTERNATIONAL FOUNDATION

The Baxter International Foundation, the philanthropic arm of Baxter International Inc. partners with organizations around the world to increase access to healthcare for the underserved; bolster science, technology, engineering and math (STEM) education to develop the next generation of healthcare innovators; and promote community resilience where our employees live and work. In 2020, the Foundation provided more than $8 million in cash contributions for programs in 40 countries. The grants funded programs focused on COVID-19 relief efforts, advancing safe surgery, diabetes prevention, nutrition, and STEM education, as well as diversity and inclusion initiatives.

THE BAXTER INTERNATIONAL FOUNDATION: THREE STRATEGIC PILLARS

Our grant strategy focuses on accelerating change and innovation and funding solutions across three key pillars. Our work across these pillars is discussed in detail throughout this section and the Serving Our Communities section.

Increase Access to Healthcare

Promote Community Resilience

Foster Tomorrow's Innovation in STEM
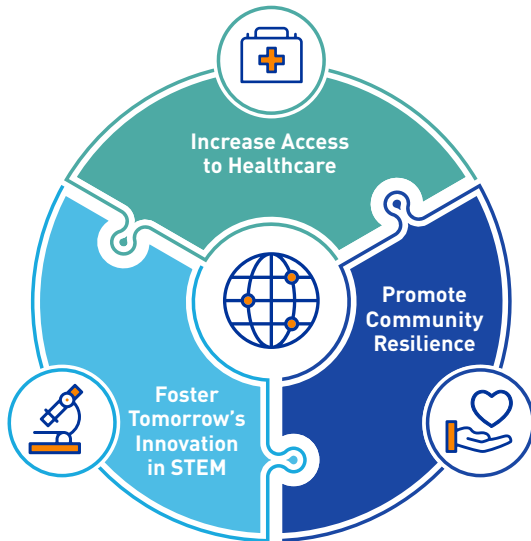
2020 GOAL

Establish the Baxter International Foundation Partnership Grant program in 2016 to drive increased access to healthcare for an incremental 10,000 patients annually.

✓ *Achieved*

VIEW ALL 2020 GOALS

In 2016, we established our first Signature Partnership grant to support Driving Your Health (Manejando Tu Salud)—a free community mobile medical program that expanded access to healthcare in underserved communities throughout greater Mexico City. Informed by the success of this program, the Baxter International Foundation launched a new strategy that emphasizes larger-scale, multiyear partnerships to enhance quality healthcare in underserved communities globally. Through these investments, we focus on increasing access to care in the following areas: diabetes prevention, clean water and nutrition. We accelerate progress in these areas through digital and telehealth innovations.

American Diabetes Association   As part of Baxter's ACT: Activating Change Today initiative, the Baxter International Foundation established a partnership with the American Diabetes Association (ADA) in 2020 to address health disparities for people with diabetes in Chicago's underserved Black communities. Made possible with a three-year, $2 million grant from the Foundation, the community-based program will help remove barriers to diabetes care and promote diabetes prevention for a population that is disproportionally affected by the disease. The Foundation is also matching employee donations to the ADA at a 2:1 ratio throughout the partnership. Learn more.

SIGNATURE PARTNERSHIPS

Over the last five years the Baxter International Foundation has transformed its giving to focus on long-term strategic investments. From 2016 through 2020, we have helped support six Signature Partnerships benefiting hundreds of thousands of people and families globally.

UNICEF USA   The Baxter International Foundation established a three-year, $1.5 million Signature Partnership with UNICEF USA in 2020 to support access to clean water and sanitation for families in La Guajira, Colombia. The initiative intends to bolster the national government's technical expertise and capacity to provide water and hygiene infrastructure to rural areas across the country. Learn more on our UNICEF USA partner webpage. For more about Baxter's work to support access to clean water and enhance sanitation in water-stressed areas where we have facilities, see Serving Our Communities.

Save the Children   In 2020, we made a $1 million grant to support Save the Children's global efforts to provide relief to children and families during the COVID-19 pandemic. Beyond medical supplies, the nonprofit also provides water, sanitation and hygiene resources, nutritional support, education and more. Learn more.

Across Italy, Save the Children employees and local partners distribute basic necessities, such as food and hygiene products, directly to low-income children and families facing increased health, education and safety risks amid COVID-19. Above, Save the Children colleagues prepare for distribution in the city of Sassari in Sardinia. **Photo credit: Marco Sanna for Save the Children**

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Direct Relief   In partnership with Direct Relief, we established the Transformative Innovation Awards for Community Health: Incorporating Nutrition to Improve Diabetes Health Outcomes. This three-year $750,000 initiative, launched in 2019, aims to advance innovation in diabetes patient care at health centers and free and charitable clinics. Through the end of 2020, Direct Relief has provided more than $248,000 in awards to six organizations, reaching nearly 3,000 people directly and 7,500 indirectly. In 2020, the awards focused on clinics in rural communities in Arkansas and Missouri, providing health, nutrition, physical activity education and evidence-based diabetes self-management classes to help people take better control of their diabetes. Classes are made available virtually to address safety concerns from COVID-19. Providers can also access specialist support virtually through telehealth services provided by The MAVEN Project. Learn more.

Operation Smile   In 2019, Baxter established a three-year $2.2 million partnership with Operation Smile to advance safe surgery in underserved communities in India. The partnership supports care centers in Durgapur, Mumbai, Srinagar and Bangalore, operated in collaboration with Inga Health Foundation. The centers treat patients of all ages with cleft conditions and expand opportunities for education and training of local healthcare workers. In response to COVID-19, staff and volunteers at the centers distributed food and hygiene supplies to thousands of families and migrant workers surrounding the Durgapur and Mumbai centers. The teams also continued delivering exceptional virtual patient care and forged new solutions to resume in-person patient care at the centers. As a result of this partnership, surgery has resumed with heightened safety protocols; in 2020, Operation Smile directly reached 7,000 individuals, including serving more than 4,000 patients with surgical and multidisciplinary care. Learn more.

BAXTER INTERNATIONAL FOUNDATION PRIZE PROGRAMS

To support ongoing advancements that benefit patients and expand access to care, Baxter sponsors three prize programs that recognize organizations and individuals who have made outstanding contributions and exhibited leadership in healthcare research and health service delivery. The William B. Graham Prize is the highest distinction that researchers in the health services field can achieve, recognizing global contributions to improving public health through research. The Foster G. McGaw Prize recognizes U.S. healthcare organizations that deliver innovative programs to improve community health and well-being. (Due to COVID-19, this prize was suspended for 2020 as hospitals and health systems responded to the pandemic.) The Episteme Award is bestowed biennially to a nurse who has contributed significantly to discovery, practice and knowledge development in the field of nursing.

COLLABORATING TO IMPROVE HEALTHCARE

Through partnerships, innovative solutions and stakeholder engagement, Baxter works to tackle global health challenges and expand the availability of our treatments, strengthen health systems and support public health worldwide. Our work includes educating patients, training physicians and healthcare professionals, and sharing best practices in manufacturing and treatment. Additionally, we collaborate with governments, companies and nonprofit organizations to promote policies and standards that enhance patient access to therapy and products. Through these efforts we are working to provide transformative solutions to improve healthcare.

SHARING BEST PRACTICES FOR RENAL CARE

Chronic kidney disease affects 10% of the global population.[1] We estimate as many as four million people suffer from renal failure globally, which is the last stage of the disease progression and requires dialysis or a kidney transplant to stay alive. It's further estimated that millions more go undiagnosed and untreated globally. At Baxter, we seek to expand access to care and innovate across renal care therapies to reduce complications, improve outcomes and make dialysis care more efficient and effective.

During 2020, COVID-19 created a significant need to focus on continuity of care for patients with kidney failure that require lifesaving, routine therapy, with special focus on helping them gain access to home dialysis. The pandemic highlighted the need for patients with kidney failure, who also have immune dysfunction, to be able to socially distance themselves to avoid the viral infection. Baxter assembled a global task force to identify and advocate for solutions to barriers resulting from the pandemic and to support local teams as they worked to quickly address unique country-by-country needs.

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Our activities were broad in reach. Following are a few key examples:

- New peritoneal dialysis (PD) patients must have a catheter inserted into their abdominal area to facilitate home treatment. This became challenging during the pandemic, as some facilities deemed this to be an elective procedure. To support access to this essential procedure that enables home dialysis, Baxter worked with healthcare professionals, medical societies and ministries of health globally to advocate for patients' access to the procedure. For example, we worked with the ministries of health in Australia and India to recognize catheter insertion as a non-elective procedure, and even an emergency procedure as needed, removing a roadblock for patients in need of PD care. Baxter also successfully advocated for this in the United States, among other countries.

- In response to the pandemic many healthcare professionals rapidly adjusted practices in their clinics and began supporting an increased number of home patients. As home dialysis rates continue to rise, so does the demand for nurses who have the expertise to successfully manage a PD program. In response, we created programs such as the PD Excellence Academy, a virtual training platform and educational resource center to help nurses develop PD skills for optimal patient care. Baxter designed

> **"** **Freedom is the big thing about being on PD. You don't have to drive for miles, three times a week for in-center hemodialysis treatments. My days are free, so I can do whatever I want; I only do therapy while sleeping. If I keep feeling the way I do now, I plan to do a lot of fishing this summer at the lake."**
>
> **TOM from Canada**

> **"** **The transition from hemodialysis to PD was good for me. It is milder and I feel better, which puts me in a better position to get tested for a transplant."**
>
> **ANIA from Poland**

the PD Excellence Academy training resources to provide standardized, evidence-based and actionable curriculum in a convenient and easily accessible virtual format.

- Around the world, local teams actively engaged with policy makers to support healthcare professionals' ability to adopt and implement digital health tools to remotely manage patient care. For example, the Baxter team in South Korea worked with the ministry of health to gain temporary approval to provide reimbursement for dialysis providers that use Baxter's **Sharesource** remote patient management platform, which enables healthcare providers to remotely monitor their home patients' treatments. About half the hospitals in South Korea that treat PD patients (54 hospitals in total) were included in the first phase of this program during 2020.

- To further foster global support of patients' access to home care during the pandemic, we hosted the first International Home Dialysis Roundtable. The two-day meeting was the first global gathering of all the major nephrology societies, patient organizations and key opinion leaders on the topic of how to help dialysis patients during this time. The initial output from this meeting resulted in a white paper roadmap and consensus paper.

- We initiated a global Safer at Home awareness campaign to help educate patients and key stakeholders about home care as an important therapy option during this time and to discourage slow starts on therapy or patients opting out of therapy for fear of contracting the virus.

SAFER AT HOME

2020 GOAL

Launch two new emerging market business models in Baxter's renal business

✓ *Achieved*

VIEW ALL 2020 GOALS

During 2020, we also continued to provide patient care through our **Baxter Renal Care Services**. These facilities, located in nine countries, function as dialysis clinics and centers of excellence to support patients with chronic kidney disease management, PD or hemodialysis therapies.

This includes the three clinics we opened in recent years in emerging markets, one in Indonesia and two in China. These clinics operate under two distinct business models. During 2020, in partnership with the Indonesian Ministry of Health and Lampung Province, **Baxter Renal Care Services**, with the assistance of Menggala District Hospital, hosted three events to provide education and free testing and diagnostics for patients with chronic kidney disease. We are currently caring for more than 25,000 patients in our **Baxter Renal Care Services** clinics globally.

Additionally, we continue our work to advocate broadly for renal patients who need access to lifesaving therapies but encounter barriers due to cost or other challenges. For example, Baxter is working to advance the Prime Minister's National Dialysis Program (PMNDP), which is driven by the National Health Mission of India's Ministry of Health and Family Welfare. This policy, announced in 2016, encourages increased access to PD care for those living below the poverty line. In late 2019, the Ministry of Health and Family Welfare established guidelines for inclusion of PD in the PMNDP and made funding available that will increase access to care for this economically vulnerable group, which includes approximately 100 million families. By the end of 2020, 21 states and union territories in India had shown interest in implementing the plan and have received approval for funding from the National Health Mission.

PUBLIC POLICY

To deliver on Baxter's mission of saving and sustaining lives, we advocate for issues related to reimbursement, tax, trade and a variety of regulatory concerns. Baxter's Government Affairs and Public Policy team works with lawmakers, governments and policy makers worldwide to support patient access to Baxter's lifesaving therapies, improve the regulatory environment and reimbursement structure for our therapies, and increase understanding of the benefits of those therapies. We also collaborate with clinicians, nongovernmental organizations and patient groups to improve access to healthcare for millions of people worldwide.

See Baxter's 2020 Political Contributions Report for details about our political contributions as well as our membership in certain trade and industry groups.

During 2020, our key public policy focus areas included:

COVID-19 pandemic response   Beginning in March 2020, Baxter engaged directly with governments throughout the world to provide pharmaceuticals and medical devices needed in the response to COVID-19.

Baxter worked with multiple agencies and ministries in relevant countries to ensure that our lifesaving and life-sustaining products remained available for healthcare providers treating all patients, both with and without COVID-19.

For example, during the early days of the pandemic, Baxter worked directly with multiple governments to ensure our employees could continue to work in our manufacturing facilities. In the United States that meant ensuring our employees were deemed essential and could travel to multiple manufacturing facilities within the United States to ensure manufacturing continued throughout the pandemic. In Malaysia and Singapore, Baxter worked with both governments to ensure Malaysian employees could continue to reside in Singapore to ensure our Singapore manufacturing facility could continue manufacturing. Furthermore, Baxter found accommodations for our Malaysian employees in Singapore to ensure they could safely contribute to the pandemic response. As a result, Baxter was able to continue manufacturing critical pharmaceuticals and medical devices and products without disruption in the fight against the global pandemic.

Baxter also worked with multiple governments around the globe to communicate which Baxter products were available for government stakeholders and hospitals that were mobilizing to treat COVID-19 patients. Additionally, we advocated for certain governments around the world to move dialysis patients home, where appropriate, in order to better protect them from COVID-19. Working with multiple governmental health agencies and ministries, Baxter obtained emergency use authorizations for a multitude of products around the world. Furthermore, we used our global manufacturing footprint to increase production, in some cases, creating our own airbridges and seabridges to expedite delivery of supplies needed to treat COVID-19 patients.

Since 2018 and throughout this pandemic, Baxter has advocated to key governments for increased resources to bolster public health pandemic preparedness, and will continue this advocacy going forward.

Advancing American Kidney Health Initiative
In 2020, the U.S. Department of Health and Human Services finalized an initiative aimed at increasing home dialysis and transplantation in the United States called the Advancing American Kidney Health Initiative (AAKHI). The centerpiece of AAKHI is the End-Stage Renal Disease Treatment Choices Model, a mandatory payment model that provides financial incentives to dialysis clinics for achieving higher rates of home dialysis and transplantation. Currently, nearly 90% of U.S. renal patients[2] receive dialysis in a center, even though a home dialysis therapy option, such as PD, offers the convenience of therapy at home, provides equal or better outcomes for many patients and is a less costly alternative. Baxter is committed to supporting AAKHI by increasing PD supply for home dialysis in the United States.

Promoting innovation in products for chronic kidney care
We continued to support U.S. legislation that provides incentives to develop new, innovative devices for patients with kidney disease.

Supporting diverse populations   Baxter representatives attended the National Minority Quality Forum annual conference (held virtually in 2020) to learn more about health disparities affecting diverse populations and engaged key leaders in our efforts to serve patients with kidney failure and COVID-19, both of which disproportionally impact minority populations. A Baxter representative participated on a panel discussing the need to ensure equitable access to new innovations in dialysis therapy.

Home delivery of renal products   In the United States, each state has its own laws and regulations that govern the dispensing of pharmaceuticals. We work across the states to help shape state policies that better align with our Renal HomeCare Services distribution and delivery model which provides a more efficient and cost effective delivery of home-based renal devices and supplies.

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Serving Our Communities

Support communities worldwide in enduring ways

2020 HIGHLIGHTS

$38 million+
in cash and products contributed to communities worldwide*

100+
countries reached through philanthropic giving*

$2.5 million
contributed by the Baxter International Foundation to support COVID-19 response

*By Baxter and the Baxter International Foundation.

The work Baxter and the Baxter International Foundation do to make a meaningful difference around the world is a key component of our corporate responsibility commitment. While 2020 was uniquely challenging, our dedication to social investments globally never wavered. We supported COVID-19 response efforts by providing financial support to groups on the front lines of the pandemic—addressing the needs of patients, health workers and communities. Throughout the year, we also continued and, in some cases, expanded our programs to increase access to healthcare for the underserved; bolster science, technology, engineering and math (STEM) education to develop the next generation of healthcare innovators; and promote community resilience where our employees live, work and give.

2020 GOAL

Complete two projects that support access to clean water or enhance sanitation in water-stressed areas

✓ **Achieved**

VIEW ALL **2020 GOALS**

SUPPORTING ACCESS TO CLEAN WATER AND COMMUNITY RESILIENCE

Access to clean water is crucial for good health and well-being, proper sanitation and hygiene, and disease prevention. Unfortunately, this vital natural resource is limited in many areas of the world, disproportionately affecting communities with already constrained health infrastructure. To improve the health of people in underserved communities, Baxter and the Baxter International Foundation invest in projects that support access to clean water and enhance sanitation in water-stressed areas where we have facilities.

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Photo left: Fundación Solar provides efficient, wood-burning stoves to families in Guatemala. **Photo right:** Eighty individual rooftop rainwater harvesting structures have been constructed through Project Srujal, providing households with direct access to clean drinking water.

During 2020, we continued our work with Fundación Solar, a nonprofit in Guatemala, to reduce natural resource use, provide access to clean drinking water, improve community health and empower women in Aguacatán, Huehuetenango. Throughout the year, Fundación Solar provided 257 families in the Aguacatán community with water filters and wood-burning stoves that are safer and more energy-efficient than the traditional method of open-fire cooking. A Universidad del Valle de Guatemala study estimates that use of these wood-burning stoves reduces CO_2 emissions by 44% compared with open-fire cooking. We have now supported 507 families since distribution of these stoves and water filters began, avoiding approximately 1,140 metric tons of CO_2 emissions since the project's initiation in 2018. In addition, the solar-powered rainwater capture system established by Fundación Solar at the Oficial Rural Mixta school in Llano del Coyote collected and treated approximately 380 cubic meters of water during the year, which was then used throughout the facility for handwashing and cleaning. As part of this initiative, 7,500 trees[1] have been planted to promote sustainable reforestation. Other partners engaged in this initiative include the

Guatemalan Ministry of the Environment, Universidad del Valle de Guatemala and the United Nations.

We also continued our work on Project Srujal, a program that will provide clean water to 11 villages near Baxter's manufacturing site in Ahmedabad, India—home to 1,500 of our employees. This multimillion-dollar initiative aims to benefit 25,000 community members by the end of 2021 through establishing water-related infrastructure, strengthening the villages' ability to sustainably manage water resources, educating local communities about water safety and security, and building capacity to manage resources. While we experienced some project delays in 2020 due to the COVID-19 pandemic, as of the end of the year, Project Srujal had completed multiple water infrastructure projects, including construction of water tanks, bore wells, water meters, pipeline networks, rooftop rainwater harvesting structures and a cattle trough.

Additionally, in 2020, the Foundation established a Signature Partnership with UNICEF USA to increase access to clean water, sanitation and hygiene in Colombia.

FOSTERING TOMORROW'S INNOVATION THROUGH STEM

As a business, Baxter is committed to growth through innovation. Cultivating an innovative ecosystem is ingrained in who we are and what we do as a company—which is why we take a hands-on approach to help develop the next generation of scientists, engineers and healthcare professionals who will lead the way in defining tomorrow's healthcare breakthroughs. To achieve this, we develop partnerships that support diverse STEM learning opportunities and encourage employees to serve as mentors in communities worldwide.

The Baxter Center for Science Education is a partnership between the Baxter International Foundation, Northwestern University, Lindblom Math & Science Academy and Round Lake High School. During 2020, the Baxter Center quickly transitioned to a virtual environment in response to COVID-19 to continue supporting educators and students and ensure STEM education could happen at home. The Baxter Center's ongoing virtual offerings include live and on-demand workshops, meetups for teachers to collaborate on planning, opportunities to hear from and ask questions of scientists and educational researchers, and remote curriculum support. For example, through the Baxter Box@Home Program, teachers receive a demo lab kit and participate in virtual training and planning sessions with other educators to explore creative ways of bringing engaging science experiences to virtual, hybrid or in-person classrooms. Through this partnership we have reached 164,000 students since 2009.[2] Learn more about our 10+ year partnership.

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> " I loved being able to ask questions that prompted our group to think about the project in a different way—how an engineer would. I could see the wheels turning in their minds as we encouraged them to see the challenge from a different perspective. I hope I helped them learn more about the engineering process, and how engineers approach problems or situations in a unique way."

SARAH, BAXTER MANAGER OF ENGINEERING AND STEM MENTOR

The Baxter International Foundation also supports the Illinois Science and Technology Institute's (ISTI) annual STEM Challenge. Through this initiative, Baxter employees act as mentors for high school students participating in the six-month program to develop innovative solutions for real-world business challenges in STEM fields. During 2020, students were able to continue engaging with mentors through the ISTI virtual Mentor Match Engine. Additionally, ISTI conducted dedicated training for mentors focused on diversity, equity and inclusion as well as implicit bias and trauma-informed mentorship.

For more than 20 years, Baxter and the Baxter International Foundation have supported FIRST (For Inspiration and Recognition of Science and Technology) Robotics' STEM mission, to inspire young people to be science and technology leaders and innovators. Through a progression of team-based robotics challenges and backed by a global network of mentors, coaches, volunteers, alumni and sponsors, FIRST Robotics helps young people discover a passion for STEM and develop the skills they'll need to succeed in today's competitive workforce. As a founding member, we've provided more than $3 million in funding for local teams and regional competitions since 1998. In 2020, Baxter supported teams in Arkansas, Colorado, Illinois, Indiana, New York and Wisconsin.

#BAXTERGIVESBACK: EMPLOYEE VOLUNTEERISM AND GIVING

Each year, our employees donate thousands of dollars and hours to help make a meaningful difference in communities globally. The Baxter International Foundation supports and amplifies the giving and volunteer efforts of our employees through our Matching Gift and Dollars for Doers Programs.

The Baxter International Foundation Matching Gift Program matches employee donations,[3] up to $5,000 per year per employee. During 2020, we increased our support for two key areas by offering a 2:1 match for employee gifts to select organizations providing COVID-19 relief efforts around the world and advancing racial justice in the United States. In 2020, the Foundation provided nearly $780,000 to match employee giving.

Employees are also eligible for the Foundation's Dollars for Doers Program, translating their time into volunteer grants for eligible organizations. In 2020, 142 Dollars for Doers grants provided more than $52,500 to community organizations. Despite the impact of COVID-19, by the end of the year, employees had volunteered 16,875 hours in 17 countries worldwide.

To further encourage local community engagement, the Baxter International Foundation provides each of our eight business resource groups with a grant to extend to a nonprofit that supports diversity and inclusion initiatives. Organizations selected in 2020 focus on a range of priorities, including healthcare, girls in STEM, disability inclusion, women's career empowerment and LGBTQ+ initiatives.

Since 2009, we have encouraged our facilities to host activities for Baxter World Environment Week, an annual global event that corresponds to the United Nations World Environment Day in June. These events include activities such as refuse cleanups, habitat restoration and educational visits to local nature preserves with employees and their families. In 2020, we did not sponsor any events due to COVID-19. We look forward to celebrating Baxter World Environment Week again in the future.

Baxter

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SUMMARY OF 2020 GIVING

During 2020, Baxter and the Baxter International Foundation donated cash and products valued at more than $38 million to organizations working to increase access to healthcare, foster innovation in STEM education and promote community resilience around the world.

BAXTER GLOBAL GIVING, 2020
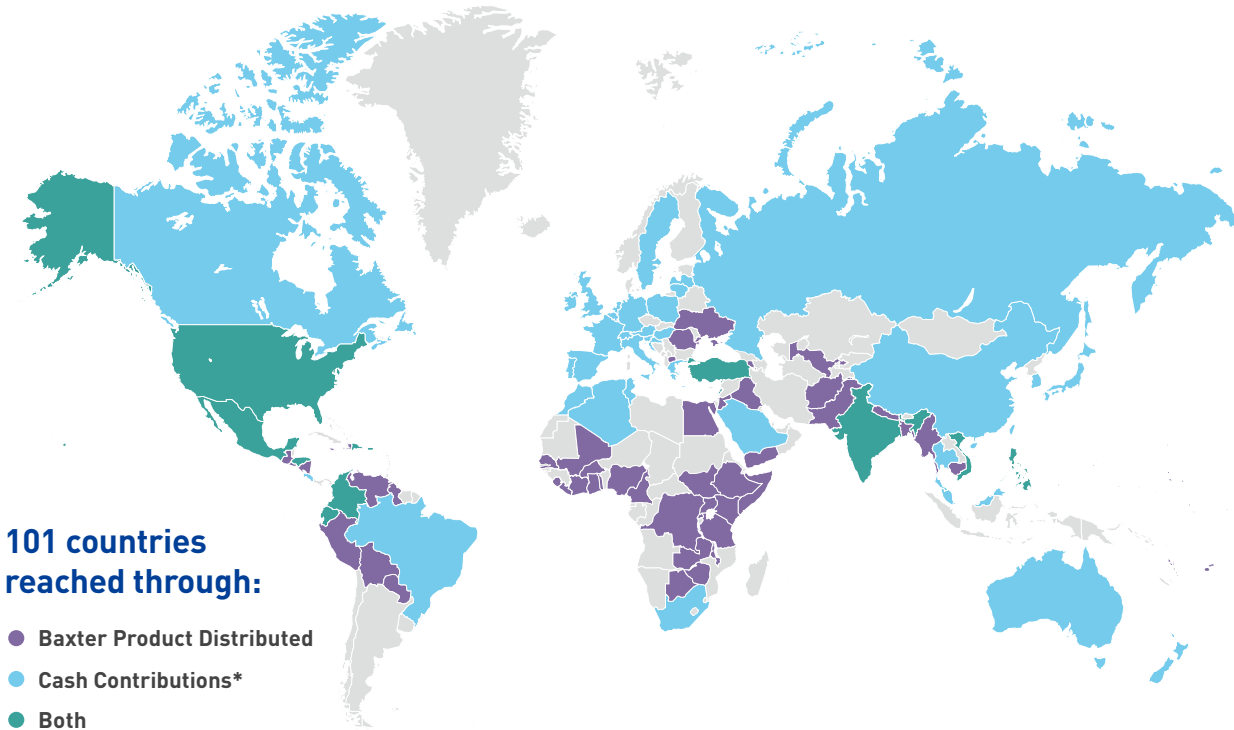
101 countries reached through:

- Baxter Product Distributed
- Cash Contributions*
- Both

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

#BAXTERGIVESBACK THROUGH EMPLOYEE VOLUNTEERISM AND GIVING, 2020

$832,500 contributed by the Foundation for Matching Gifts and Dollars for Doers Programs

826 organizations received gifts of time and/or money

1,180 employees participated

16,875 employee volunteer hours*

17 countries reached

* Total volunteer hours include personal time and Baxter paid time. Baxter offers U.S. employees two days of paid time off per year to volunteer.

BAXTER AND THE BAXTER INTERNATIONAL FOUNDATION CHARITABLE GIVING (DOLLARS IN MILLIONS)

	2018	2019	2020
Baxter Product Donations to Aid Organizations*			
Products/Patient Assistance Programs	$5.60	$16.81	$24.33
Business and Facility Cash Donations			
Within the United States	$1.55	$1.21	$2.05
Outside the United States	$3.81	$3.56	$3.37
Total	**$5.36**	**$4.77**	**$5.42**
The Baxter International Foundation Contributions			
Within the United States (including Puerto Rico)			
Grants**	$4.64	$4.77	$6.10
Matching Gifts and Dollars for Doers	$0.83	$0.81	$0.83
Scholarships	$0.20	$0.15	$0.39
Prize Programs	$0.41	$0.33	$0.31
Subtotal	**$6.08**	**$6.06**	**$7.63**
Outside the United States			
Grants	$0.43	$0.66	$0.53
Scholarships	$0.15	$0.11	$0.27
Subtotal	**$0.58**	**$0.77**	**$0.80**
Total Foundation Contributions	**$6.66**	**$6.83**	**$8.43**
Total Charitable Giving	**$17.62**	**$28.41**	**$38.18**

* Variations in Baxter's annual product donations are due to fluctuations in community needs, the need and volume of disaster relief response, the regulatory environment, manufacturing processes and changes in product mix and marketing. We identify opportunities to donate and respond to community and humanitarian aid partners 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 Innovation That Expands Access to Care.

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

APPENDIX: About This Report

EXTERNAL REPORTING STANDARDS

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

We were one of the first companies to pilot the GRI Sustainability Reporting Guidelines, in 1999, and belong to the GRI Community. We referenced the GRI 2016 Sustainability Reporting Standards in the development of this report. See the GRI Index for detail.

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

FEEDBACK

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

SCOPE OF THIS REPORT

The performance and other data in this report are from calendar year 2020 unless stated otherwise. Some examples and program descriptions include information from 2021.

- This report covers Baxter's global operations, including subsidiaries, unless stated otherwise. Environmental, health and safety data include joint ventures where we have a controlling interest.
- The performance data in this report do not include parts of Baxter that became Baxalta on July 1, 2015, unless stated otherwise.
- All currency in this report is in U.S. dollars unless stated otherwise.

- Significant restatements of data compared with prior years are noted in the sections where they appear.
- All references to "new product launches" in this report include new product launches and line extensions, unless otherwise noted.
- This report is intended for global use. Please consult the appropriate country-specific Baxter website for information regarding activities in that country.
- Some statements in this report about products or procedures may differ from the licensed indications in specific countries. Therefore, always consult the country-specific summary of product characteristics, package leaflets or instructions for use. For more information, please contact a local Baxter representative.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements concerning Baxter, including with respect to compliance, future performance, our 2030 Corporate Responsibility Commitment and other plans and initiatives. These statements are based on assumptions about many important factors, including the following, which could cause actual results to differ materially from those in the forward-looking statements: demand for and market acceptance of risks for new and existing products; product development risks; product quality or patient safety concerns; continuity, availability and pricing of acceptable raw materials and component supply; inability to create additional production capacity in a timely manner or the occurrence of other manufacturing or supply difficulties (including as a result of natural disasters, public health crises and epidemics/pandemics, regulatory actions or otherwise); the impact of global economic conditions (including potential trade wars) and public health crises and epidemics, such as the ongoing coronavirus (COVID-19) pandemic, on us and our customers and suppliers, including foreign governments in countries in which we operate; breaches or failures of our information technology systems or products, including by cyberattack, unauthorized access or theft; the adequacy of our cash flows from operations (which may be negatively impacted by collectability concerns as a result of the ongoing COVID-19 pandemic or otherwise) and other sources of

liquidity to meet our ongoing cash obligations and fund our investment program; loss of key employees or inability to identify and recruit new employees; future actions of regulatory bodies and other governmental authorities, including FDA, the Department of Justice, the SEC, the New York Attorney General and foreign regulatory agencies, including the continued delay in lifting the warning letter at our Ahmedabad facility or proceedings related to the investigation related to foreign exchange gains and losses; the outcome of pending or future litigation, including the opioid litigation and litigation related to our internal investigation of foreign exchange gains and losses; proposed regulatory changes of the U.S. Department of Health and Human Services in kidney health policy and reimbursement, which may substantially change the U.S. end-stage renal disease market and demand for our peritoneal dialysis products, necessitating significant multiyear capital expenditures, which are difficult to estimate in advance; failures with respect to compliance programs; accurate identification of and execution on business development and R&D opportunities and realization of anticipated benefits (including the acquisitions of Cheetah Medical; Seprafilm Adhesion Barrier; specified outside the United States (OUS) rights to Caelyx/Doxil; and full U.S. and specified OUS rights to Transderm Scop); future actions of third parties, including payers; U.S. healthcare reform and other global austerity measures; pricing, reimbursement, taxation and rebate policies of government agencies and private payers; the impact of competitive products and pricing, including generic competition, drug reimportation and disruptive technologies; fluctuations in foreign exchange and interest rates; the ability to enforce owned or in-licensed patents or the prevention or restriction of the manufacture, sale or use of products or technology affected by patents of third parties; global trade and tax policies; any change in laws concerning the taxation of income (including current or future tax reform), including income earned outside the United States and potential taxes associated with the Base Erosion and Anti-Abuse Tax; actions taken by tax authorities in connection with ongoing tax audits; and other risks identified in Baxter's most recent filings on Form 10-K and Form 10-Q and other SEC filings, all of which are available on Baxter's website. Baxter does not undertake to update its forward-looking statements unless otherwise required by the federal securities laws.

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APPENDIX: Materiality Assessment Findings[1]

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

IMPACT WITHIN VALUE CHAIN

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

APPENDIX: Baxter Data Summary

✓ Apex Companies LLC has provided assurance on the Employee Health and Safety, Operations, and Responsible Procurement and Logistics content in this section.

SECTION AND INDICATOR	2018	2019	2020
Financial Performance			
Net Sales ($ millions)	$11,099	$11,362	$11,673
U.S. Net Sales ($ millions)	$4,723	$4,826	$4,878
International Net Sales ($ millions)	$6,376	$6,536	$6,795
Net Income ($ millions)	$1,546	$1,011	$1,110
Stock Price ($ at year end)	$65.82	$83.62	$80.24
Dividend ($ per share)	$0.73	$0.85	$0.955
Research and Development ($ millions)	$654	$595	$521
Product Safety and Quality			
Total Recalls: Medical Device and Drug			
Within the United States[1]	16	9	12
Outside the United States	29	33	27
Recalls: Medical Device Only			
Within the United States[1]	12	6	11
U.S. Food and Drug Administration (FDA) Class I Recalls[1]	0	0	1
Outside the United States	9	16	17
Recalls: Drug Only			
Within the United States[1]	4	3	1
FDA Class I Recalls[1]	0	0	0
Outside the United States	20	17	10
Product Recall Rate[2] (% of Product Codes Sold)	0.8%	0.7%	0.5%
FDA Inspections and Enforcement Actions[3]			
Form 483s Received	10	5	0
Warning Letters Open	2	1	1
Warning Letters Resolved	0	1	0
Warning Letters Received	1	0	0
Product Seizure	0	0	0
Consent Decree	0	0	0
Workforce			
Global Workforce by Job Level (as a % of total)			
Vice President and Above	0.3%	0.3%	0.3%
Director	--	--	1.6%
Manager	--	--	9.2%
Professional[4]	24.8%	25.6%	26.2%
Technical/Clerical[5]	63.8%	63.1%	62.7%
Global Workforce by Region (as a % of total)			
Americas[6]	49.8%	48.2%	48.2%
Europe, Middle East and Africa (EMEA)	26.6%	27.2%	27.4%
Asia Pacific	23.6%	24.6%	24.3%

SECTION AND INDICATOR	2018	2019	2020
Workforce (continued)			
Global Workforce by Gender (as a % of total)			
Women	48.0%	47.8%	48.0%
Men	52.0%	52.2%	52.0%
Representation of Women by Region (as a % of total)			
Americas[6]	49.9%	49.6%	49.5%
EMEA	48.2%	47.2%	48.1%
Asia Pacific	43.7%	44.9%	44.9%
Representation of Women by Job Level (as a % of total)			
Vice President and Above	33.3%	31.9%	28.7%
Director	--	--	34.3%
Manager	--	--	42.5%
Professional[4]	48.7%	47.3%	47.2%
Ethnic Minority Representation (as a % of total, U.S. only)			
Asian	--	--	8.6%
Black/African American	--	--	9.7%
Hispanic/Latino	--	--	18.0%
White	--	--	61.9%
Other[7]	--	--	1.8%
Ethnic Minority Representation by Job Level (as a % of total, U.S. only)	38.5%	38.5%	38.1%
Vice President and Above	19.3%	18.4%	18.0%
Director	--	--	23.2%
Manager	--	--	27.7%
Professional[4]	30.4%	30.0%	30.9%
Vice President and Above			
Asian	--	--	10.1%
Black/African American	--	--	2.2%
Hispanic/Latino	--	--	3.4%
White	--	--	82.0%
Other[7]	--	--	2.3%
Director			
Asian	--	--	9.9%
Black/African American	--	--	2.8%
Hispanic/Latino	--	--	8.8%
White	--	--	76.8%
Other[7]	--	--	1.7%

APPENDIX: Baxter Data Summary (continued)

SECTION AND INDICATOR	2018	2019	2020
Workforce (continued)			
Ethnic Minority Representation by Job Level (as a % of total, U.S. only) (continued)			
Manager			
Asian	--	--	15.1%
Black/African American	--	--	3.0%
Hispanic/Latino	--	--	8.1%
White	--	--	72.3%
Other[7]	--	--	1.5%
Professional[4]			
Asian	--	--	8.6%
Black/African American	--	--	5.6%
Hispanic/Latino	--	--	14.6%
White	--	--	69.1%
Other[7]	--	--	2.1%
Employee Health and Safety[8]			
Recordable Incident Rate[9]	0.41	0.39	0.41
North America	0.72	0.82	0.66
Latin America	0.26	0.24	0.46
EMEA	0.44	0.32	0.40
Asia Pacific	0.08	0.07	0.08
Cases with Days Lost Rate[10]	0.084	0.086	0.174
North America	0.112	0.165	0.180
Latin America	0.043	0.000	0.249
EMEA	0.168	0.148	0.255
Asia Pacific	0.000	0.008	0.023
Days Lost Rate[11]	2.88	2.14	4.80
North America	6.54	5.88	7.10
Latin America	1.02	0.00	2.99
EMEA	2.36	1.47	7.50
Asia Pacific	0.00	0.01	1.24
Restricted Days Rate[12]	6.20	7.83	3.77
North America	15.23	21.16	9.80
Latin America	0.56	0.55	1.61
EMEA	4.05	3.79	1.35
Asia Pacific	1.00	1.43	0.86
Days Away (Lost), Restricted or Transferred Rate (DART)	9.08	9.97	8.57
Employee/Contractor Major Incidents (total number)	6/1	5/1	12/0
Employee/Contractor Fatalities (total number)	1/1	0/0	0/0
Health and Safety Notices of Violation Settled	4	3	2
Health and Safety Fines Paid (in dollars)	$7,130	$9,382	$3,450
Sources of Recordable Injury and Serious Incidents (as a % of total)			
Ergonomic	22%	24%	14%
Illness	--	--	18%
Involving the Body (nonergonomic)	6%	6%	5%
Punctures	12%	13%	9%

SECTION AND INDICATOR	2018	2019	2020
Employee Health and Safety[8] (continued)			
Sources of Recordable Injury and Serious Incidents (as a % of total) (continued)			
Struck by Object	16%	15%	13%
Slips, Trips and Falls	24%	22%	18%
Caught In, On or Between	13%	13%	13%
Forklifts and Other Vehicles	4%	3%	4%
Other	4%	4%	5%
Operations[13]			
Baxter Toxics Release Inventory Air Releases[14] (metric tons)	27	30	--
NO$_x$ and SO$_x$ Emissions[15] (metric tons)	543	554	569
NO$_x$	412	428	435
SO$_x$	131	126	134
Kg NO$_x$ and SO$_x$ Emissions per Million Dollars of Sales	49	49	49
Energy Usage from Baxter Operations[16] (trillions of joules)	9,644	9,916	10,101
North America	4,036	4,247	4,323
Latin America	996	972	1,021
EMEA	2,989	3,078	3,121
Asia Pacific	1,624	1,619	1,637
Billions of Joules per Million Dollars of Sales	869	873	865
Renewable Energy Usage (trillions of joules)	2,807	2,850	2,795
Facility Usage of Renewable Energy (as a % of total energy use)	29%	29%	28%
Lean Energy Program Performance[17] (% of program criteria implemented across all manufacturing facilities, at year-end)			
Prerequisite	99%	91%	96%
Bronze	96%	85%	90%
Silver	85%	74%	82%
Gold	66%	56%	64%
Baxter's Global Greenhouse Gas (GHG) Emissions Footprint (Scope 1, 2, and 3) (metric tons CO$_2$e). See Baxter Value Chain Energy Usage and GHG Emissions for detail.	5,205,000	4,854,000	4,493,000
GHG Emissions from Baxter Operations[18] (metric tons CO$_2$e)	596,000	601,000	611,000
North America	247,000	250,000	253,000
Latin America	68,000	68,000	69,000
EMEA	120,000	122,000	128,000
Asia Pacific	161,000	161,000	161,000
GHG Emissions from Operations per Million Dollars of Sales (metric tons CO$_2$e)	54	53	52
Total Waste[19] (metric tons)	71,300	71,900	69,700
North America	27,700	28,500	28,800
Latin America	8,200	8,000	8,200
EMEA	27,300	25,800	23,000
Asia Pacific	8,100	9,600	9,700
Metric Tons of Total Waste per Million Dollars of Sales	6.42	6.33	5.97

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APPENDIX: Baxter Data Summary (continued)

SECTION AND INDICATOR	2018	2019	2020
Operations[13] (continued)			
Nonhazardous Waste[20] (metric tons)	62,800	62,800	63,500
North America	25,700	26,100	27,600
Latin America	6,900	6,600	6,500
EMEA	22,400	20,800	19,900
Asia Pacific	7,800	9,300	9,500
Metric Tons of Nonhazardous Waste per Million Dollars of Sales	5.66	5.52	5.44
Regulated Waste[21] (metric tons)	8,500	9,100	6,200
North America	2,000	2,400	1,200
Latin America	1,300	1,400	1,600
EMEA	4,900	5,000	3,100
Asia Pacific	300	300	300
Metric Tons of Regulated Waste per Million Dollars of Sales	0.76	0.80	0.53
Waste Management at Baxter (% of total)			
Recycled (on-site or off-site)	61.4%	56.8%	57.2%
Incinerated with Energy Recovery	18.8%	18.1%	19.2%
Incinerated	5.1%	5.1%	5.3%
Sent to Landfill	12.3%	17.0%	16.3%
Other Disposal	2.4%	3.0%	2.0%
Water Usage (thousand cubic meters)	14,258	14,471	14,430
North America	5,071	5,204	5,040
Latin America	1,793	1,734	1,944
EMEA	4,278	4,387	4,378
Asia Pacific	3,116	3,146	3,068
Thousand Cubic Meters Water Usage per Million Dollars of Sales	1.28	1.27	1.24
Water Usage, by Availability[22] (thousand cubic meters)	13,820	14,021	13,966
Extremely High Water Stress	1,149	1,158	1,261
High Water Stress	2,855	2,929	2,868
Medium-High Water Stress	1,336	1,216	1,141
Low-Medium Water Stress	985	2,089	2,192
Low Water Stress	7,494	6,629	6,504
Wastewater Flow[23] (total direct discharge, thousand cubic meters)	3,414	3,514	3,449
BOD_5 (metric tons)	24	33	20
BOD_5 (mg/L)	7	9	6
COD (metric tons)	61	86	52
COD (mg/L)	18	24	15
TSS (metric tons)	24	44	25
TSS (mg/L)	7	12	7
Environmental Compliance			
Environmental Notices of Violation	11	22	6
Environmental Fines Paid[24] (in dollars)	$79,500	$0	$861

SECTION AND INDICATOR	2018	2019	2020
Responsible Procurement and Logistics			
Spend with Suppliers[25] (United States and Puerto Rico) (approximate, dollars in billions)	$2.8	$2.9	$2.3
Supplier Diversity[26] (dollars in millions)			
Spend with Small Businesses	$378	$167	$144
Spend with Minority-Owned Businesses	$94	$102	$64
Spend with Women-Owned Businesses	$80	$96	$84
Spend with Veteran-Owned Businesses	$13	$4	$6
Worldwide GHG Emissions from Product Transport, by Mode[27] (metric tons CO_2e)	516,700	440,000	447,400
Air	80,400	53,100	105,800
Ocean	62,300	51,900	33,200
Rail	21,100	21,800	12,400
Road	352,800	313,200	295,900
Worldwide GHG Emissions from Product Transport, by Region[27] (metric tons CO_2e)	516,700	440,000	447,400
North America	197,000	164,600	201,900
Latin America	50,800	64,200	59,000
EMEA	185,400	164,100	90,100
Asia Pacific	83,400	47,100	96,400
Baxter and the Baxter International Foundation Charitable Giving (dollars in millions)			
Total Charitable Giving	$17.62	$28.41	$38.18
Baxter Product Donations to Aid Organizations[28]			
Products/Patient Assistance Programs	$5.60	$16.81	$24.33
Business and Facility Cash Donations	$5.36	$4.77	$5.42
Within the United States	$1.55	$1.21	$2.05
Outside the United States	$3.81	$3.56	$3.37
The Baxter International Foundation Contributions	$6.66	$6.83	$8.43
Within the United States (including Puerto Rico)	$6.08	$6.06	$7.63
Grants[29]	$4.64	$4.77	$6.10
Matching Gifts and Dollars for Doers	$0.83	$0.81	$0.83
Scholarships	$0.20	$0.15	$0.39
Prize Programs	$0.41	$0.33	$0.31
Outside the United States	$0.58	$0.77	$0.80
Grants	$0.43	$0.66	$0.53
Scholarships	$0.15	$0.11	$0.27
Political Contributions			

See Baxter's 2020 Political Contributions Report for detailed data.

APPENDIX: Baxter Value Chain Energy Usage and GHG Emissions

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

	Units	ENERGY USAGE 2018	2019	2020	JOULES (TRILLIONS) 2018	2019	2020	ENERGY COSTS (DOLLARS IN MILLIONS) 2018	2019	2020	CARBON DIOXIDE EQUIVALENTS[1,2] (THOUSAND METRIC TONS) 2018	2019	2020
Baxter Operations[3]													
Scope 1 - Stationary Sources (facilities)													
Natural Gas	Million Cubic Meters	111	114	121	4,263	4,384	4,631	$32.8	$34.7	$33.0	214	221	234
Fuel Oil	Million Liters	6	5	6	248	208	235	$3.5	$3.1	$3.3	17	15	17
Propane and LPG	Million Kilograms	7	7	8	341	359	363	$5.7	$5.1	$4.6	21	22	22
Biomass[4]	Million Kilograms	135	144	138	940	986	966	$3.2	$4.4	$5.6	2	2	2
Subtotal		n/a	n/a	n/a	5,792	5,937	6,195	$45.2	$47.3	$46.5	254	260	275
Scope 1 - Mobile Sources (Baxter-operated vehicles)[5]													
Aviation Fuel	Million Liters	0.4	0.4	0.3	13	14	9	$0.2	$0.3	$0.2	1	1	1
Gasoline	Million Liters	5.2	6.8	4.4	189	245	158	$6.0	$8.7	$4.8	12	15	10
Diesel Fuel	Million Liters	6.5	7.2	6.7	252	275	258	$5.9	$6.6	$4.1	18	19	18
Subtotal	**Million Liters**	**12.1**	**14.4**	**11.4**	**454**	**534**	**425**	**$12.1**	**$15.6**	**$9.1**	**31**	**35**	**29**
Refrigerants[6]													
Refrigerant Losses (facilities)	Metric Tons	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	9	8	8
Scope 1 Total		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	294	303	312
Scope 2 - Electricity and Purchased Steam													
Electricity (purchased)[7]	Million Kilowatt-Hours	988	995	983	3,578	3,599	3,555	$107.6	$112.0	$109.7	274	268	269
Electricity (on-site renewable)	Million Kilowatt-Hours	4	3	2	13	12	7	n/a	n/a	n/a	n/a	n/a	n/a
Cogen Losses	Million Kilowatt-Hours	46	68	61	166	245	220	n/a	n/a	n/a	n/a	n/a	n/a
Purchased Steam	Million Kilograms	48	54	54	113	124	126	$1.5	$1.7	$1.4	30	30	30
Scope 2 Total (market-based)		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	304	298	299
Scope 2 Total (location-based)		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	430	412	409
Baxter Operations Total		n/a	n/a	n/a	10,116	10,451	10,528	$166.4	$176.6	$166.7	598	601	611
Scope 3 Emissions													
Purchased Goods and Services (Category 1)[8]		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	787	805	827
Capital Goods (Category 2)[9]		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	82	87	89
Fuel and Energy-related Activities (Category 3)[10]		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	147	148	150
Upstream Transportation and Distribution (Category 4)[11]		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	517	440	432
Waste Generated in Operations (Category 5)[12]		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	13	15	14
Business Travel (Category 6)[13]		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	54	51	12
Employee Commuting (Category 7)[14]		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	29	29	30
Upstream Leased Assets (Category 8)[15]		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0
Downstream Transportation and Distribution (Category 9)[16]		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	132	131	136
Processing of Sold Products (Category 10)[17]		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	17	16	17
Use of Sold Products (Category 11)[18]		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	2,658	2,366	2,014
End-of-life Treatment of Sold Products (Category 12)[18]		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	171	165	161
Downstream Leased Assets (Category 13)		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0
Franchises (Category 14)		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0
Investments (Category 15)		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0
Scope 3 Emissions Total		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	4,607	4,253	3,882
Total GHG Emissions[19]		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	5,205	4,854	4,493

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APPENDIX: Baxter Facilities with ISO 14001, ISO 45001, ISO 50001 and Green Building Certifications[1]

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

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

Region/Country/State/Province	City	ISO 14001	ISO 45001[2]	ISO 50001	Green Building Certification
Europe, Middle East and Africa (continued)					
Ireland	Dublin/Blackrock	X			
Ireland	Dublin/Sandyford	X			
Italy	Grosotto	X	X	X	
Italy	Medolla	X	X		
Italy	Rome	X	X		Italia LEED Gold (2015)
Italy	Sesto Fiorentino	X	X		
Italy	Sondalo	X	X	X	
Malta	Marsa	X	X	X	
Portugal	Sintra	X	X		
Spain	Sabiñánigo	X	X	X	
Spain	Valencia	X	X		
Sweden	Lund	X			
Sweden	Rosersberg				EU GreenBuilding (2011)
Switzerland	Zurich				Minergie Plus (2010)
Tunisia	Oued Ellil	X	X		
United Kingdom	Elstree	X			
United Kingdom	Croydon		X		
United Kingdom	Northampton	X	X		
United Kingdom	Stockport	X	X		
United Kingdom	Oxford	X	X		
United Kingdom	Thetford	X	X		
Asia Pacific					
Australia	Toongabbie	X	X	X	
China	Guangzhou	X	X		
China	Shanghai	X	X		
China	Suzhou	X	X		
China	Tianjin	X	X		
India	Ahmedabad, Office				LEED Gold (2018)
Japan	Miyazaki	X			
New Zealand	Auckland	X	X		
Philippines	Canlubang	X	X		
Singapore	Woodlands	X	X	X	
Thailand	Amata	X			

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Introduction | 2020 Priorities and Goals | 2030 Commitment and Goals | Product Innovation | Workplace Culture | Ethics and Compliance | Employee Health and Safety | Operations | Responsible Procurement and Logistics | Innovation That Expands Access to Care | Serving Our Communities | **Appendix**

APPENDIX: Independent Assurance Statement

APEX

To: The Stakeholders of Baxter International Inc.

Introduction and Objectives of Work

Baxter International Inc. (Baxter) engaged Apex Companies, LLC (Apex) to provide assurance of selected sections of Baxter's 2020 Corporate Responsibility Report. This Assurance Statement applies to the Subject Matter included within the scope of work described below.

This information and its presentation in Baxter's 2020 Corporate Responsibility Report ("the Report") are the sole responsibility of the management of Baxter. Apex was not involved in the drafting of the Report. Our sole responsibility was to provide independent assurance on the accuracy of the Subject Matter. Baxter's 2020 Corporate Responsibility Report marks the 12th year for which we have provided assurance.

Scope of Work

The scope of our work was reasonable-level assurance of the following information included within the Report for the period January 1, 2020 to December 31, 2020 (the "Subject Matter").

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

- Product Innovation (except the Patient Safety and Quality subsection)
- Employee Health and Safety
- Operations
  > Greenhouse gas (GHG) emissions verification is documented under a separate verification opinion declaration

Related material in the Report Appendix, including:

- Baxter Data Summary—Employee Health and Safety and Operations subsections
- Baxter Value Chain Energy Usage and GHG Emissions
- Facilities with ISO 14001, ISO 45001, ISO 50001 and Green Building Certifications

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

- Data and information included in the following section of the Report:
  > Responsible Procurement and Logistics
- Related material in the Report Appendix:
  > Baxter Data Summary—Responsible Procurement and Logistics subsection

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

Reporting Boundaries

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

- Operational control
- Worldwide

Reporting Criteria

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

Limitations and Exclusions

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

- Activities outside the defined assurance period, which is the 2020 calendar year

- Positional statements (expressions of opinion, belief, aim or future intention) by Baxter and statements of future commitment
- Any financial data previously audited by an external third party
- Data and information included in sections of the Report not listed in the scope of work above

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

Responsibilities

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

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

Assessment Standards

We performed our work in accordance with Apex's standard procedures and guidelines for external Assurance of Sustainability Reports and the International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information (effective for assurance reports dated on or after Dec. 15, 2015), issued by the International Auditing and Assurance Standards Board. A materiality threshold of ±5% was set for the assurance process.

The work was planned and carried out to provide reasonable, rather than absolute, assurance of the Subject Matter except for the Responsible Procurement and Logistics section of the Report, which was carried out to provide limited assurance. We believe that our work provides an appropriate basis for our conclusions.

Summary of Work Performed

As part of our independent verification, our work included:

- Assessing the appropriateness of the Reporting Criteria for the Subject Matter
- Conducting interviews with relevant Baxter personnel who are responsible for collecting and reporting performance data and other Subject Matter
- Reviewing documentary evidence provided by Baxter
- Reviewing Baxter's systems for quantitative data aggregation and analysis during remote meetings with personnel from Baxter's offices in Round Lake and Deerfield, Illinois
- Assessing assumptions made and the data scope and reporting boundaries. Auditing consolidated performance data, including review of a sample of data-to-source documentation
- Auditing a selection of the Subject Matter to the corresponding source documentation
- Auditing performance data during virtual assessments to operating sites located in: Castlebar, Ireland; Cuernavaca, Mexico; Halle, Germany; Hayward, California; Tianjin, China; and Toongabbie, Australia
- Assessing the disclosure and presentation of the Subject Matter with emphasis on principles of accuracy, accessibility, balance, clarity, comparability, reliability and timeliness and to ensure consistency with the Reporting Criteria

Conclusion

On the basis of our methodology and the activities described above, it is our opinion that the Subject Matter within the Product Innovation (except the Patient Safety and Quality subsection), Employee Health and Safety, and Operations sections of the Report, as well as related material in the Report Appendix:

- Is presented in accordance with the Reporting Criteria and is, in all material respects, fairly stated
- Is presented in a clear, understandable and accessible manner
- Allows readers to form a balanced opinion of Baxter's activities and performance during calendar year 2020

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

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

Additional Commentary

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

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

Statement of Independence, Integrity and Competence

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

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

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

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

JOHN A. ROHDE
Apex Companies LLC | Lakewood, CO

TREVOR DONAGHU
Apex Companies LLC | Pleasant Hill, CA

May 20, 2021

APPENDIX: Sustainability Accounting Standards Board Index

This index includes and references information related to the Sustainability Accounting Standards Board (SASB) Medical Equipment and Supplies Sustainability Accounting Standard. Data are calendar year 2020, unless stated otherwise.

TOPIC	CODE	SASB METRIC	2020 REPORTING
Affordability & Pricing	HC-MS-240a.1	Ratio of weighted average rate of net price increases (for all products) to the annual increase in the U.S. Consumer Price Index	Baxter does not disclose this data. See Contractual Arrangements in Baxter's 2020 Annual Report on Form 10-K (page 2) 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 chargebacks. Our customers include hospitals, governments, kidney dialysis centers and other organizations. Both in the United States and outside, hospitals and other customers have joined purchasing entities, such as group purchasing organizations, integrated delivery networks and public contracting authorities, to enhance purchasing power. See the Contractual Arrangements, Competition and Healthcare Cost Containment, and Revenue Recognition sections in Baxter's 2020 Annual Report on Form 10-K.
Product Safety	HC-MS-250a.1	Number of recalls issued, total units recalled	During 2020, Baxter issued • Eleven medical device product recalls that were reported to FDA and removed from the market or corrected[1] • Zero medical device product recalls that were not reported to FDA • Seventeen[2] medical device product recalls that were reported to non-U.S. national regulatory authorities and removed from the market or corrected See Patient Safety and Quality and Baxter Data Summary 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 December 31, 2020, the MedWatch Safety Alerts for Human Medical Products database included the following Baxter medical device product: **Sigma Spectrum** Infusion Pumps (V6, V8 and IQ). Baxter issued an Urgent Device Correction to reinforce important safety information regarding cleaning practices and communicated that Spectrum Instructions for Use would be clarified to emphasize that deviations from the specified cleaning methods may impair pump functionality and performance.

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APPENDIX: Sustainability Accounting Standards Board Index (continued)

TOPIC	CODE	SASB METRIC	2020 REPORTING
Product Safety (continued)	HC-MS-250a.3	Number of fatalities related to products as reported in the FDA Manufacturer and User Facility Device Experience	Under FDA regulations, manufacturers and device user facilities must report information that reasonably suggests a medical device may have caused or contributed to a fatality or serious injury. Manufacturers must also submit to FDA reports of certain malfunctions. Such reports for Baxter's medical devices are available here: Manufacturer and User Facility Device Experience.
	HC-MS-250a.4	Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type	In 2020, Baxter received • Zero Form 483s • Zero warning letters • Zero seizures • Zero consent decrees See Patient Safety and Quality as well as Certain Regulatory Matters in Baxter's 2020 Annual Report on Form 10-K for related information.
Ethical Marketing	HC-MS-270a.1	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	In 2020, Baxter had no monetary losses due to legal proceedings associated with false marketing claims that were previously reported in any company Exchange Act filings.
	HC-MS-270a.2	Description of code of ethics governing promotion of off-label use of products	Off-label promotion is strictly prohibited at Baxter. See the Baxter Code of Conduct and the Baxter Global Interactions Policy. See Ethics and Compliance for information about the company's approach in this area.
Product Design & Lifecycle Management	HC-MS-410a.1	Discussion of process to assess and manage environmental and human health considerations associated with chemicals in products, and meet demand for sustainable products	See Sustainable Design and Materials Use for information about the company's approach in this area.
	HC-MS-410a.2	Total amount of products accepted for takeback and reused, recycled, or donated, broken down by: (1) devices and equipment and (2) supplies	See Product End-of-Life for product recovery data and information about the company's approach in this area.

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APPENDIX: Sustainability Accounting Standards Board Index (continued)

TOPIC	CODE	SASB METRIC	2020 REPORTING
Supply Chain Management	HC-MS-430a.1	Percentage of (1) entity's facilities and (2) Tier I suppliers' facilities participating in third-party audit programs for manufacturing and product quality	Between 2018 and 2020, approximately 36% of Baxter's total facilities worldwide completed third-party audits based on ISO 13485 or ISO 9001 (including through the Medical Device Single Audit Program), approximately 55%[3] completed ministry of health or equivalent audits (depending on location) related to manufacturing and product quality, and nearly 10% completed safety marking (such as CE marking) audits. As of December 31, 2020, 28% of Baxter's Tier I suppliers had obtained third-party certification. See Patient Safety and Quality and Supplier Audits for related information.
	HC-MS-430a.2	Description of efforts to maintain traceability within the distribution chain	Baxter has a range of systems and processes to maintain traceability of materials throughout the product supply and distribution chain: • Traceability of materials from suppliers to Baxter, and throughout the manufacturing process, is maintained utilizing electronic systems. • Products manufactured by Baxter are labeled with an identifier that is traceable from the manufacturing process to the customer and may utilize barcoding and sterilization technology to facilitate electronic track-and-trace capability. Enterprise resource planning (ERP) systems are used to manage traceability to the point of sale. Baxter has business agreements with our wholesalers to ensure traceability is maintained within their distribution chains, and we can access related information if needed. • Baxter maintains a range of compliance-focused initiatives to help ensure all products are labeled as required by local and regional regulations to enable traceability. See section 7.11, Product Identification and Traceability of the Baxter Supplier Quality Standard and Customs Trade Partnership Against Terrorism program content in Industry Collaboration for more information.
	HC-MS-430a.3	Description of the management of risks associated with the use of critical materials	See Baxter's Position Statement on Conflict Minerals and our most recent Conflict Minerals Report. Baxter does not currently disclose its management of risks for other critical materials.
Business Ethics	HC-MS-510a.1	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	In 2020, Baxter had no monetary losses due to legal proceedings associated with bribery or corruption that were previously reported in any company Exchange Act filings. See Ethics and Compliance for information about the company's approach in this area.
	HC-MS-510a.2	Description of code of ethics governing interactions with health care professionals	See Baxter's Global Interactions Policy and Ethics and Compliance for information about the company's approach in this area. Baxter has adopted the AdvaMed Code of Ethics and also belongs to similar industry and professional associations around the world. See Professional Codes of Ethics and Industry Standards on Baxter's Ethics and Compliance page for information.

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APPENDIX: Global Reporting Initiative (GRI) Index

This index references information related to disclosures from the Global Reporting Initiative Sustainability Reporting Standards 2016. The reported information may meet in part or in full the requirements of each GRI disclosure listed.

Disclosure		2020 Reporting
GRI 102: General Disclosures 2016		
Organizational Profile		
102-1	Name of the organization	Company Profile
102-2	Activities, brands, products and services	Baxter 2020 Annual Report on Form 10-K
102-3	Location of headquarters	Baxter's corporate headquarters is in Deerfield, Illinois.
102-4	Location of operations	Baxter 2020 Annual Report on Form 10-K
102-5	Ownership and legal form	Baxter International Inc. (BAX) is a publicly traded company listed on the New York Stock Exchange.
102-6	Markets served	Baxter 2020 Annual Report on Form 10-K
102-7	Scale of the organization	Operations; Baxter 2020 Annual Report on Form 10-K
102-8	Information on employees and other workers	Baxter Data Summary
102-9	Supply chain	Responsible Procurement and Logistics; Baxter Data Summary
102-10	Significant changes to the organization and its supply chain	Baxter 2020 Annual Report on Form 10-K
102-11	Precautionary Principle or approach	Patient Safety and Quality; Sustainable Design; Materials Use
102-12	External initiatives	Examples are included throughout this report.
102-13	Membership of associations	We engage with external organizations to help drive progress on a broad range of corporate responsibility issues. Examples include Advanced Medical Technology Association, Clean Cargo, the Ceres Company Network, Global Logistics Emissions Council Partnership, the Global Reporting Initiative (GRI) Community, Healthcare Plastics Recycling Council, MedTech Europe, National Association for EHS&S Management, National Minority Supplier Development Council, ORC HSE, Partnership for Quality Medical Donations, Pharmaceutical Supply Chain Initiative, Sustainable Healthcare Coalition, Vinyl Council of Australia and others.
Strategy		
102-14	Statement from senior decision-maker	From the Chairman and CEO
Ethics and Integrity		
102-16	Values, principles, standards and norms of behavior	Protecting Human Rights; Ethics and Compliance; Responsible Procurement
102-17	Mechanisms for advice and concerns about ethics	Ethics and Compliance Helpline

Disclosure		2020 Reporting
GRI 102: General Disclosures 2016 (continued)		
Governance		
102-18	Governance structure	Our Governance
102-19	Delegating authority	Corporate Responsibility Governance and Management
102-20	Executive-level responsibility for economic, environmental and social topics	Corporate Responsibility Governance and Management
102-22	Composition of the highest governance body and its committees	Our Governance
102-23	Chair of the highest governance body	Our Governance
Organizational Profile		
102-24	Nominating and selecting the highest governance body	Corporate Governance Guidelines
102-25	Conflicts of interest	Corporate Governance Guidelines
102-31	Review of economic, environmental and social topics	Corporate Responsibility
102-33	Communicating critical concerns	Baxter 2021 Proxy Statement
102-35	Remuneration policies	Corporate Governance Guidelines; Baxter 2021 Proxy Statement
102-36	Process for determining remuneration	Corporate Governance Guidelines
Stakeholder Engagement		
102-40	List of stakeholder groups	Stakeholder Engagement
102-42	Identifying and selecting stakeholders	Stakeholder Engagement
102-43	Approach to stakeholder engagement	Stakeholder Engagement
Reporting Practice		
102-45	Entities included in the consolidated financial statements	Baxter 2020 Annual Report on Form 10-K
102-46	Defining report content and topic Boundaries	Materiality
102-47	List of material topics	Materiality
102-50	Reporting period	Calendar year 2020
102-51	Date of most recent report	June 2020
102-52	Reporting cycle	Yearly
102-53	Contact point for questions regarding the report	corporate_responsibility_report@baxter.com
102-55	GRI content index	This section
102-56	External assurance	Assurance and Verification

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APPENDIX: Global Reporting Initiative (GRI) Index (continued)

Disclosure		2020 Reporting
GRI 200 Economic Standard Series		
GRI 201: Economic Performance 2016		
Management approach		Innovation That Expands Access to Care; Serving Our Communities; Materiality Assessment Findings
201-1	Direct economic value generated and distributed	Serving Our Communities; Baxter Data Summary; Baxter 2020 Annual Report on Form 10-K
201-2	Financial implications and other risks and opportunities due to climate change	Baxter CDP submission
GRI 203: Indirect Economic Impacts 2016		
Management approach		Innovation That Expands Access to Care; Serving Our Communities; Materiality Assessment Findings
203-1	Infrastructure investments and services supported	Innovation That Expands Access to Care; Serving Our Communities
203-2	Significant indirect economic impacts	Innovation That Expands Access to Care; Serving Our Communities
GRI 205: Anticorruption 2016		
Management approach		Ethics and Compliance; Materiality Assessment Findings
205-1	Operations assessed for risks related to corruption	Ethics and Compliance
205-2	Communication and training about anticorruption policies and procedures	Ethics and Compliance
GRI 300 Environmental Standards Series		
GRI 301: Materials 2016		
Management approach		Sustainable Design; Materials Use; Product End-of-Life; Materiality Assessment Findings
301-3	Reclaimed products and their packaging materials	Product End-of-Life
GRI 302: Energy 2016		
Management approach		Operations; Energy; Materiality Assessment Findings
302-1	Energy consumption within the organization	Energy; Baxter Data Summary; Baxter Value Chain Energy Usage and GHG Emissions
302-3	Energy intensity	Energy; Baxter Data Summary
302-4	Reduction of energy consumption	Energy

Disclosure		2020 Reporting
GRI 300 Environmental Standards Series (continued)		
GRI 303: Water 2016		
Management approach		Operations; Water and Wastewater; Materiality Assessment Findings
303-1	Water withdrawal by source	Water and Wastewater; Baxter Data Summary
303-2	Water sources significantly affected by withdrawal of water	Water and Wastewater; Baxter Data Summary
GRI 305: Emissions 2016		
Management approach		Operations; GHG Emissions Across the Value Chain; GHG Emissions from Operations; Materiality Assessment Findings
305-1	Direct (Scope 1) GHG emissions	GHG Emissions Across the Value Chain; GHG Emissions from Operations; Baxter Data Summary; Baxter Value Chain Energy Usage and GHG Emissions
305-2	Energy indirect (Scope 2) GHG emissions	GHG Emissions Across the Value Chain; GHG Emissions from Operations; Baxter Data Summary; Baxter Value Chain Energy Usage and GHG Emissions
305-3	Other indirect (Scope 3) GHG emissions	GHG Emissions Across the Value Chain; Baxter Data Summary; Baxter Value Chain Energy Usage and GHG Emissions
305-4	GHG emissions intensity	GHG Emissions from Operations; Baxter Data Summary
305-5	Reduction of GHG emissions	GHG Emissions from Operations
305-7	Nitrogen oxides (NO_x), sulfur oxides (SO_x) and other significant air emissions	Baxter Data Summary
GRI 306: Effluents and Waste 2016		
Management approach		Operations; Waste; Materiality Assessment Findings
306-1	Water discharge by quality and destination	Baxter Data Summary
306-2	Waste by type and disposal method	Waste; Baxter Data Summary
GRI 307: Environmental Compliance 2016		
Management approach		Operations
307-1	Non-compliance with environmental laws and regulations	Environmental, Health and Safety Performance; Baxter Data Summary
GRI 308: Supplier Environmental Assessment 2016		
Management approach		Managing Procurement Risks; Supplier Corporate Responsibility Survey; Supplier Audits; Materiality Assessment Findings
308-2	Negative environmental impacts in the supply chain and actions taken	Supplier Corporate Responsibility Survey; Green Logistics; Baxter Value Chain Energy Usage and GHG Emissions

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Introduction   2020 Priorities and Goals   2030 Commitment and Goals   Product Innovation   Workplace Culture   Ethics and Compliance   Employee Health and Safety   Operations   Responsible Procurement and Logistics   Innovation That Expands Access to Care   Serving Our Communities   **Appendix**

APPENDIX: Global Reporting Initiative (GRI) Index (continued)

Disclosure		2020 Reporting
GRI 400 Social Standards Series		
GRI 401: Employment 2016		
Management approach		Workplace Culture; Materiality Assessment Findings
401-1	New employee hires and employee turnover	Voluntary employee turnover was 9.2% in 2020.
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Compensation and Benefits All benefits are generally provided to full-time and part-time employees.
GRI 402: Labor/Management Relations 2016		
402-1	Minimum notice periods regarding operational changes	Minimum notice period varies by country. The length of the notice period is dependent on the type of change being made. Baxter is committed to providing appropriate notice and follows all relevant consultation and notice requirements.
GRI 403: Occupational Health and Safety 2016		
Management approach		Employee Health and Safety; Materiality Assessment Findings
403-2	Types of injury and rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities	Employee Health and Safety; Baxter Data Summary
GRI 404: Training and Education 2016		
Management approach		Performance and Career Development; Manager and Leadership Development; Materiality Assessment Findings
404-1	Average hours of training per year per employee	Performance and Career Development
404-2	Programs for upgrading employee skills and transition assistance programs	Performance and Career Development; Manager and Leadership Development
GRI 405: Diversity and Equal Opportunity 2016		
Management approach		Global Inclusion and Diversity; Materiality Assessment Findings
405-1	Diversity of governance bodies and employees	Baxter Data Summary; Our Leadership
GRI 408: Child Labor 2016		
Management approach		Responsible Procurement; Materiality Assessment Findings; Baxter Global Human Rights Policy; Baxter Code of Conduct; Baxter Supplier Quality Standard; Ethics and Compliance Standards for Baxter Suppliers
408-1	Operations and suppliers at significant risk for incidents of child labor	Supplier Corporate Responsibility Survey; Supplier Audits

Disclosure		2020 Reporting
GRI 400 Social Standards Series (continued)		
GRI 409: Forced or Compulsory Labor 2016		
Management approach		Responsible Procurement; Materiality Assessment Findings; Baxter Global Human Rights Policy; Baxter Code of Conduct; Baxter Supplier Quality Standard; Ethics and Compliance Standards for Baxter Suppliers; Baxter California Transparency in Supply Chains Act Position Statement; Baxter UK Modern Slavery Statement; Baxter Conflict Minerals Position Statement
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Supplier Corporate Responsibility Survey; Supplier Audits
GRI 414: Supplier Social Assessment 2016		
Management approach		Managing Procurement Risks; Supplier Corporate Responsibility Survey; Supplier Audits; Materiality Assessment Findings
414-2	Negative social impacts in the supply chain and actions taken	Supplier Corporate Responsibility Survey; Supplier Audits
GRI 415: Public Policy 2016		
Management approach		Public Policy
415-1	Political contributions	Baxter 2020 Political Contributions Report
GRI 416: Customer Health and Safety 2016		
Management approach		Patient Safety and Quality; Sustainable Design; Materials Use; Materiality Assessment Findings
416-1	Assessment of the health and safety impacts of product and service categories	Patient Safety and Quality; Sustainable Design
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Baxter 2020 Annual Report on Form 10-K
GRI 418: Customer Privacy 2016		
Management approach		Privacy and Data Protection; Materiality Assessment Findings
GRI 419: Socioeconomic Compliance 2016		
Management approach		Ethics and Compliance
419-1	Non-compliance with laws and regulations in the social and economic area	Baxter 2020 Annual Report on Form 10-K

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Introduction   2020 Priorities and Goals   2030 Commitment and Goals   Product Innovation   Workplace Culture   Ethics and Compliance   Employee Health and Safety   Operations   Responsible Procurement and Logistics   Innovation That Expands Access to Care   Serving Our Communities   Appendix

APPENDIX: Endnotes

INTRODUCTION

[1] As of December 31, 2020.
[2] Estimated energy and financial savings as well as GHG emissions avoidance are calculated for the 12 months following project implementation.

2020 PRIORITIES AND GOALS

[1] This represents the total savings attributable to identified projects across the company, counted only for the first year the packaging innovation was implemented.
[2] Comparison based on global safety data reported by 23 global companies across industries. Data are reported through ORC HSE or on the companies' public websites.
[3] Includes spending with women-owned businesses and minority-owned businesses. Spending with suppliers that certify for more than one classification is counted only once. United States and Puerto Rico. Fiscal year basis (October 1 through September 30 of the year noted).

PRODUCT INNOVATION

[1] Data on file. *Efficiency Test Canister*. Berlin: ZeoSys Medical; 2020.
[2] Morris, G., Parker, B. and Pierce, J., "Reducing theatre energy consumption," *Health Estate Journal*, March 2014, 58–62.
[3] This represents the total savings attributable to identified projects across the company, counted only for the first year the packaging innovation was implemented.

WORKPLACE CULTURE

[1] As of December 31, 2020.
[2] The survey was administered via email. Employees without a Baxter email address, such as those in manufacturing, did not participate.
[3] Data are from Aon Hewitt and IBM Kenexa. The global average database includes more than 400 companies and more than 19 million responses. Top quartile is a subset of the global average.
[4] Managers are eligible to receive the scorecard if they have five or more direct reports and at least five of their direct reports responded to the survey. The surveys were administered via email. Employees without a Baxter email address, such as those in manufacturing, did not participate.
[5] These data do not represent all employee training and development, but do capture a large portion of training for most employees.

ETHICS AND COMPLIANCE

[1] Data are from Aon Hewitt and IBM Kenexa. The global average database includes more than 400 companies and more than 19 million responses. Top quartile is a subset of the global average.
[2] The number of cases closed during any given year typically includes some cases opened before the beginning of the year.

EMPLOYEE HEALTH AND SAFETY

[1] See Baxter Data Summary endnotes 9–12 for definitions of the injury and illness metrics used in this section.
[2] Comparison based on global safety data reported by 23 global companies across industries. Data are reported through ORC HSE or on the companies' public websites.
[3] Each year, profiles untouched for the previous three years are removed from the active database.

OPERATIONS

[1] The environmental data included in this report are based on 117 reporting locations, of which 51 are manufacturing, 19 are warehouse, and 47 are pharmacies, administrative, clerical or other. Several of the reporting units comprise multiple locations that report as a single entity. For example, in 2020, Baxter's 46 renal therapy sites in Colombia reported as a single entity. The reporting scope excludes certain leased facilities for which environmental performance data are not available or are not material to Baxter's overall environmental performance. The health and safety data included in this report are based on 179 reporting locations. The Environmental, Health, Safety and Sustainability (EHS&S) information reported covers 100% of Baxter's operations unless noted otherwise. EHS&S data are revised to reflect acquisitions, divestitures and plant closings as well as to incorporate any corrections necessary due to additional data verification activities (such as EHS&S audits). See the Baxter Data Summary for additional detail.
[2] For the purpose of this calculation, our sites in Sondalo, Italy, and Grosotto, Italy, are counted separately.
[3] COVID-19 pandemic and related business and governmental travel restrictions resulted in a 27% decrease in overall corporate and external assurance audits conducted in 2020.
[4] Estimated energy and financial savings as well as GHG emissions avoidance are calculated for the 12 months following project implementation.
[5] Includes manufacturing facilities with energy costs that exceed $200,000 per year and excludes two sites that underwent significant change or expansion in production during the reporting year.
[6] One cubic meter equals 1,000 liters or 264 gallons.
[7] 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.
[8] To more closely reflect production efficiency and support consistent evaluation of facility performance and trends, we exclude certain nonroutine, nonproduction-related waste streams from our total waste performance data and progress against our 2020 waste goal. These waste streams are construction and demolition debris, remediation waste and wastewater treatment sludge.

OPERATIONS [CONTINUED]

[9] We report "regulated waste" rather than "hazardous waste." This term includes some materials that would otherwise be classified as nonhazardous waste in some countries, which helps Baxter harmonize waste reporting across locations. In addition to wastes typically considered hazardous (such as toxics and corrosives), we also include oils, biohazardous or infectious materials, batteries, fluorescent lamps, asbestos and other materials that may not be defined as hazardous waste by national legislation at the point of origin.
[10] Incineration with energy recovery is considered recycling.
[11] Certain waste streams at two facilities in Europe have government-mandated requirements. These waste streams are excluded from the total.
[12] Our Scope 1 and Scope 2 emissions have a high level of certainty and have been verified for the past nine years to a reasonable assurance level by Apex Companies LLC. Scope 3 categories are based on various assumptions and estimates. For the past eight years, Apex Companies LLC has verified to a limited assurance level Baxter's methodology and emission factors for calculating Scope 3 GHG emissions. The market-based method is used for Scope 2 unless otherwise stated. Data in this report are presented in accordance with the GHG Protocol (Scope 1 and Scope 2) and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard.
[13] In 2020, we used biomass fuels to generate energy in boilers at two Baxter locations, one in the United States and one in Italy. During the year, emissions from the Baxter-operated biomass boilers equaled 149,000 metric tons CO_2. 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_2e emissions from the CH_4 and N_2O components of biomass combustion in our reported Scope 1 emissions.
[14] U.S. Environmental Protection Agency Green Power Partnership Fortune 500 Partners List. As of October 19, 2020.

RESPONSIBLE PROCUREMENT AND LOGISTICS

[1] Includes spending with women-owned businesses and minority-owned businesses. Spending with suppliers that certify for more than one classification is counted only once. United States and Puerto Rico. Fiscal year basis (October 1 through September 30 of the year noted).
[2] October 1, 2019 through September 30, 2020. "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.
[3] Includes Scope 1 and Scope 3 GHG emissions for product transport.
[4] Based on https://associated-pallets.co.uk/blog/environmental-impact-recycling-wooden-pallets/. Last accessed February, 2021.

INNOVATION THAT EXPANDS ACCESS TO CARE

[1] Source: https://www.kidney.org/kidneydisease/global-facts-about-kidney-disease. Last accessed June, 2021.
[2] United States Renal Data System (USRDS), 2020 Annual Data Report: Epidemiology of Kidney Disease in the United States, available at https://adr.usrds.org/2020/end-stage-renal-disease/1-incidence-prevalence-patient-characteristics-and-treatment-modalities. Last accessed June, 2021.

SERVING OUR COMMUNITIES

[1] 5,000 in 2019 and 2,500 in 2020.
[2] This figure is lower than reported in 2019 due to a difference in the calculation methodology.
[3] For employee donations to qualifying U.S. public charities. Houses of worship and political organizations are not eligible for the Foundation Matching Gift Program.

MATERIALITY ASSESSMENT FINDINGS

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

BAXTER DATA SUMMARY

[1] Differences compared with data on FDA websites may be due to timeframe (the date Baxter takes an action may differ from the date FDA classifies that action), definition of "recall" (FDA data includes actions taken even if the product is not removed or corrected), and classification by product group vs. product code (FDA counts each impacted product code within a product family as a distinct recall).
[2] 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.
[3] As of 2020, Baxter had 56 FDA-registered establishments available for inspection.
[4] "Professional" includes individual contributors.
[5] "Technical/Clerical" includes employees in operational and administrative/clerical roles.
[6] Americas includes the United States (with Puerto Rico), Canada and Latin America.
[7] "Other" includes American Indian/Alaska Native, Native Hawaiian/Other Pacific Islander and two or more races.
[8] 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 2020.

APPENDIX: Endnotes (continued)

BAXTER DATA SUMMARY [CONTINUED]

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

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

[11] 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.

[12] 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.

[13] 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 2020. Some data for 2018 and 2019 are updated from data reported in the Baxter 2019 Corporate Responsibility Report, to improve accuracy and in the case of GHG emissions to reflect updated GHG emission factors. Some totals vary from sum of items in category, due to rounding.

[14] Values correspond to the U.S. Environmental Protection Agency Toxics Release Inventory (TRI) Program data reported for reporting years 2018 and 2019. It includes facilities in the continental United States only.

[15] 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."

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

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

[18] Data differ slightly from the 2018 total stated in the Baxter Operations Total line of the Baxter Value Chain Energy Usage and GHG Emissions table, due to rounding.

[19] 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 and wastewater treatment sludge. Removing these waste categories from the company total allows for more consistent evaluation of facility performance and trends over time.

[20] Excludes production by-products reused on-site, construction and demolition debris, and wastewater treatment sludge. 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.

[21] 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.

[22] Water usage from Baxter's 55 sites with the greatest use, representing 97% of the company's total annual water consumption. The WRI water tool defines baseline water stress as the total annual water withdrawals (municipal, industrial and agricultural) expressed as a percent 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.

[23] Estimated total water pollutant levels for treated wastewater discharged directly into waterways. Data do not include one facility that operates zero-discharge systems in accordance with local regulatory requirements. BOD_5 refers to five-day biological oxygen demand; COD refers to chemical oxygen demand; TSS refers to total suspended solids. When actual performance data were not available, estimates are based on performance at similar facilities or on other measured performance indicators.

[24] Of the $79,500 in environmental fines Baxter paid in 2018, $75,000 was associated with three Notices of Violation received in 2016.

[25] Fiscal year basis (October 1 through September 30 of the year noted).

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

[27] Data was restated for 2019 due to error in emission factor to calculate rail emissions for Canada. Number includes Scope 3 emissions plus Scope 1 emissions for product transport. Some totals vary from sum of items in category, due to rounding.

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

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

BAXTER VALUE CHAIN ENERGY USAGE AND GHG EMISSIONS

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

[2] Apex Companies LLC verified to a reasonable level Baxter's 2018–2020 Scope 1 and Scope 2 GHG emissions. Apex Companies LLC also verified to a limited level Baxter's methodology for determining 2018–2020 Scope 3 GHG emissions.

[3] Some data for 2018 and 2019 are updated from data reported in the Baxter 2019 Corporate Responsibility Report for accuracy and to reflect updated GHG emission factors.

[4] We used the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition to determine GHG emissions associated with using biomass fuel, principally wood/wood waste, as a boiler fuel at two Baxter locations. These emissions were calculated as 145,000, 152,000 and 149,000 metric tons CO_2 in 2018, 2019 and 2020, respectively. CO_2e emissions from CH_4 and N_2O components of biomass combustion are included in reported Scope 1 emissions.

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

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

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

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

[9] Estimated based on capital expenditures and an estimated emission factor per million dollars of capital expenditure from benchmarking with industry.

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

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

[12] Estimated emissions for wastewater treatment by municipalities and off-site waste recycling and disposal based on Baxter's waste generation by type, guidance provided by the Massachusetts Department of Environmental Protection (United States) and the U.S. EPA WARM model.

[13] Estimated based on domestic and international air mileage, rental vehicle CO_2e emissions or mileage, and hotel room stays provided by Baxter's global travel providers, and using emission factors from UK Government GHG Conversion Factors for Company Reporting, Greenhouse Gas Protocol Mobile Combustion GHG Emissions Calculation Tool, and Carbonfund.org Business Travel Calculator.

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

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

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

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

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

[19] Totals do not include CO_2 emissions from Baxter-owned wood-fired boilers. See endnote 4 above for detail.

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

[1] As of December 31, 2020.

[2] Facilities transitioned to ISO 45001 from OHSAS 18001.

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

SUSTAINABILITY ACCOUNTING STANDARDS BOARD INDEX

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

[2] This figure was updated to 17. The figure was previously disclosed in error as 16 during initial publication.

[3] This figure is lower than reported in 2019 due to a difference in the calculation methodology.

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Cover Photo: In 2020, Baxter supported Americares global response to the COVID-19 pandemic, which provided critically needed protective gear, training and emotional support for frontline health workers worldwide. Americares COVID-19 response spanned 31 countries in 2020, including Perú, pictured here, where Americares provided mobile health services in close coordination with the Peruvian Ministry of Health, the United States Agency for International Development and local partners, including VIDA Perú. Baxter is a longtime supporter of Americares, a health-focused relief and development organization that saves lives and improves health for people affected by poverty or disaster.

RECOGNITION

Baxter is proud to be recognized by numerous organizations and publications globally. These examples of our recent accomplishments highlight Baxter as an employer of choice, as a company that works to nurture an inclusive and diverse workplace, and as a socially and environmentally responsible business.

RECOGNITION HIGHLIGHTS (AS OF JUNE 2021)

- **100 Best Corporate Citizens**
  3BL Media
- **Score: A-**
  CDP Climate Change and CDP Water
- **Best Place to Work for Disability Inclusion (top 10% of all companies)**
  Disability Equality Index
- **Dow Jones Sustainability Index**
- **FTSE4Good Index Series**
- **America's Best Employers for Diversity**
  Forbes
- **America's Best Employers for Women**
  Forbes
- **Corporate Equality Index for LGBTQ Equality (100% score)**
  Human Rights Campaign Foundation
- **America's Most Just Companies**
  JUST Capital
- **America's Most Responsible Companies**
  Newsweek
- **Global Inclusion Index (in 11 countries: Brazil, China, France, Germany, India, Ireland, Italy, Japan, Mexico, Singapore, UK)**
  Seramount
- **100 Best Companies**
  Seramount (formerly *Working Mother Media*)
- **Best Companies for Dads**
  Seramount (formerly *Working Mother Media*)
- **Top Companies for Executive Women**
  Seramount (formerly *Working Mother Media*'s National Association for Female Executives)
- **Top 10% Inclusion Index Company**
  Seramount Inclusion Index