

Sustainability at Baxter 2012



Baxter

See comprehensive report online » sustainability.baxter.com

Overview

Company Profile

Baxter's mission is to save and sustain lives. Millions of people count on this commitment every day. As a global, diversified healthcare company, Baxter applies a unique combination of expertise in medical devices, pharmaceuticals and biotechnology to research and create products that advance patient care worldwide. Baxter's employees are focused on increasing access to the company's products, innovating new technologies and pursuing creative collaborations that bring the company's mission to life for more patients globally.

Sustainability at Baxter

Baxter's commitment to sustainability complements the company's mission to save and sustain lives by creating lasting social, environmental and economic value for all stakeholders. While Baxter's efforts cover a wide range of areas, the company recognizes the importance of having clear priorities to focus its efforts. The company has nine sustainability priorities with corresponding goals, divided into three categories: Our People, Our Operations and Products, and Our World (see page 2). These priorities reflect the sustainability issues that are most material to Baxter and areas where the company is uniquely positioned to have a positive impact.

Baxter's executive-level Sustainability Steering Committee defines the company's long-term sustainability strategy and leads Baxter's efforts to integrate sustainability into its daily activities. Members of the committee sponsor Baxter's sustainability priorities and are accountable, along with senior management, for achieving progress toward the company's 2015 goals. The committee meets each quarter to review progress toward defined targets, discuss how to address performance gaps and consider sustainability opportunities.



ASSURANCE/VERIFICATION

Baxter engaged Bureau Veritas North America, Inc. to conduct an independent assurance of the Environment, Health and Safety (EHS), Supply Chain and selected Product Responsibility sections of Baxter's online 2012 Sustainability Report and related content in this brochure. Bureau Veritas has determined that sections marked with this symbol are accurate, reliable and free from material mistake or misstatement. Further details regarding the assurance are provided in Baxter's comprehensive report online.



From the Chairman and CEO

Dear Stakeholders,

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



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

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

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

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

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

Robert L. Parkinson, Jr. July 2013

Baxter Sustainability Priorities



Our People

Baxter will promote a safe and healthy workplace

Baxter will promote an inclusive and diverse workplace

Baxter will promote ethical conduct and legal compliance



Our Operations and Products

Baxter will drive a sustainable supply chain

Baxter will drive reductions in its carbon footprint

Baxter will drive reductions in its natural resource use

Baxter will drive enhanced product stewardship



Our World

Baxter will strengthen access to healthcare through product development and strategic product donations

Baxter will strengthen the company's commitment to education, especially math and science

and Goals 2015 Goals (unless stated otherwise)

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- Implement best-in-class programs designed to protect the safety and improve the health of employees that result in performance in the top three of industry peers.
- Create and sustain an inclusive culture where diverse ideas, backgrounds, experiences and perspectives are respected and valued.
- Continue to champion internal and industrywide ethical sales and marketing practices by:
 - » Implementing Baxter's enhanced U.S. Healthcare Compliance Program and International Anticorruption Program within the company; and
 - » Working with U.S. and international trade associations, non-governmental organizations and governments to harmonize and enforce standards on financial interactions with healthcare providers that allow for appropriate education, research and dialogue on products and services and discourage improper incentives.

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- Incorporate sustainable principles into Baxter's purchasing program.¹
- Reduce Baxter's U.S. car fleet greenhouse gas emissions per kilometer by 20% from 2007 baseline.
- Reduce greenhouse gas emissions 45% indexed to revenue from 2005 baseline.
- Increase facility energy usage of renewable power to 20% (of total).
- Reduce energy usage 30% indexed to revenue from 2005 baseline.
- Reduce water usage 35% indexed to revenue from 2005 baseline. To help achieve this, by 2010 evaluate potentially vulnerable watersheds associated with Baxter facilities and establish aggressive water conservation goals for high-risk areas.
- Implement two projects to help protect vulnerable watersheds or provide communities with enhanced access to clean water.
- Reduce total waste generation 30% indexed to revenue from 2005 baseline.
- Eliminate 5,000 metric tons of packaging material from products sent to customers from 2007 baseline.
- Further sustainable product design by identifying and minimizing life cycle impacts and proactively eliminating or minimizing known substances of concern in new products and packaging as feasible.
- Identify new opportunities to replace, reduce and refine (3Rs) the use of animal testing.

¹Baxter removed "with select 100 suppliers" from the language for this 2015 goal to more accurately reflect the program and the company's commitment to embed sustainability principles with all of its suppliers.

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- Create a new business model to improve access to healthcare for the "base of the pyramid" (developing economies).
- Work with donor partners to develop and implement a strategic product donation plan beginning in 2010 that includes: being the first on the scene following disasters and tragedies, contributing most needed products to stabilize supply, and contributing most needed products in least developed and developing economies.
- Facilitate learning of math and science through biotechnology education for Chicago Public Schools' teachers and students, and partner with other educational organizations to provide similar opportunities in other locations.



Baxter Will Promote a Safe and Healthy Workplace ✓

It is important at Baxter to create safe and healthy workplaces. The company continually searches for ways to further decrease the potential for injury and enhance employee wellness.

In a comparison of 16 healthcare companies,¹ Baxter's performance ranked third in cases with days lost rate² in 2011, the most recent year industry benchmarking data were available. Although this placement puts Baxter on course to achieve one of its 2015 goals, maintaining and increasing this ranking will require continuous enhancements to the company's safety systems and strategies.



At Baxter's Alathur, India, facility, employees played volleyball during the company's Exercise Challenge.

Baxter pursues the following strategies to enhance its safety culture and performance:

- Addressing ergonomic hazards, a leading source of injury. To improve ergonomic performance, Baxter developed a mechanism to capture and share best practices at its facilities globally.

- Continuing to deploy a focused high-hazard identification system in Baxter's BioScience business, and piloting portable technology to engage frontline employees in hazard identification in North America, and the company's Europe, Middle East and Africa region.
- Benchmarking with other companies in the industry to help identify the steps Baxter must take to advance to the next level of safety performance as part of its "Future State of Safety" task force.

BeWell@Baxter is the company's umbrella program for health and wellness initiatives. Its cornerstone is the Personal Wellness Profile, an online tool that provides individual and facility-level health risk information. In conjunction with the theme "Know Your Numbers," 30% of the company's employees worldwide had completed a Personal Wellness Profile by the end of 2012. Also during the year, more than 10,000 employees globally logged more than 150,000 hours of exercise as part of the BeWell@Baxter Exercise Challenge.

¹Eight of the 16 companies reported global safety data to Mercer (formerly ORC Worldwide), seven provided data as requested by Baxter and one reported data on its public website.

²The rate of work-related injuries or illnesses that cause an employee to lose at least one full day after the date of the incident, per 100 full-time employees working one year.



Baxter Will Promote an Inclusive and Diverse Workplace

A diverse employee population is a fundamental aspect of inclusion, yet it is not enough on its own. Baxter strives to create a culture that fosters respect and enables all employees to work together effectively. Every Baxter employee is expected to demonstrate behaviors expressed in the Baxter Leadership Expectations, including respect for individuals and the diverse contributions of all.

Baxter continues to work to make progress toward increasing ethnic and gender diversity throughout the company. Again in 2012, Baxter's senior executives were held accountable for fostering an inclusive work environment, and hiring and promoting qualified diverse candidates.

Baxter's Global Inclusion Council provides thought leadership, guidance and support to enhance the company's inclusive culture. The council has collaborated with Baxter's businesses, regions and functions globally to develop local inclusion plans. These incorporate Baxter-wide opportunities, in addition to addressing local inclusion priorities and requirements.

During the year, Baxter established three additional Business Resource Groups (BRGs): the African-American Leadership Council, Asian Leadership Network and Baxter Equality Network (LGBT). The company's other BRGs that formed in 2011 include Building Women Leaders and Latinos@Baxter, as well as Female Talent Matters in the company's Europe, Middle East and Africa region.

These groups, sponsored by members of Baxter's Operations Committee, provide a forum for employees to develop skills, experience valuable cultural connections and support key business initiatives.

The company continues to develop mutually beneficial relationships with small and diverse suppliers. In 2012, Baxter spent approximately \$366 million with small businesses in the United States and Puerto Rico. The company spent nearly \$90 million with women-owned businesses and approximately \$34 million with minority-owned firms during the year in those same locations.

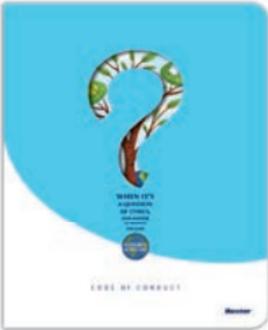


Baxter's Business Resource Groups support the company's business goals and aim to enhance personal growth and multicultural understanding, while strengthening relationships among employees and with stakeholders.



Baxter Will Promote Ethical Conduct and Legal Compliance

Corruption poses a significant challenge to the global economy and can put healthcare companies and patients at risk. It is an impediment to sustainable development, increases inequality, undermines public institutions and dampens economic growth. Corruption in the healthcare industry erodes trust with patients and other stakeholders, adds to the cost of doing business, and represents significant legal and reputational risks.



Baxter has a comprehensive Code of Conduct, policies, training and other programs that set expectations and govern employee conduct. The company has a focus on promoting ethical sales and marketing practices in the United States and abroad. Baxter's policies govern its interactions with healthcare professionals and government officials

worldwide. The company encourages employees to seek guidance and report concerns through formal channels to avoid inappropriate decision-making or actions that may violate the company's ethics and compliance standards.

In 2012, Baxter created a stand-alone Human Rights Policy and updated its Ethics and Compliance Standards for Suppliers to encourage its business partners to make similar efforts in the area of human rights. Baxter continued global implementation of its International Anticorruption Third Party Policy, with particular emphasis on business partners who interface with non-U.S. healthcare professionals and government agencies. Baxter continued to focus on its program to comply with the Physician Payment Sunshine Act in the United States. The company also enhanced compliance education and training for its sales force. Additionally, Baxter enhanced its risk-based anticorruption education program by launching intensive anticorruption risk education sessions for its legal staff as well as commercial leadership in select markets. This complements comprehensive annual anticorruption training for employees who regularly interact with government officials and healthcare professionals.

Baxter continued to share the company's perspectives with Eucomed and Advamed on a European approach to third-party anticorruption efforts. Additionally, Baxter China's Ethics and Compliance team continued to work with the China Association of Enterprises with Foreign Investment R&D-based Pharmaceutical Association Committee (RDPAC) on an industry-wide ethical sales and marketing code.



Baxter Will Drive a Sustainable Supply Chain

A significant amount of Baxter's environmental impacts occur within its supply chain. Baxter concentrates its efforts on procuring raw materials and other goods and services with reduced environmental impacts, helping suppliers improve their environmental performance, minimizing transportation-related emissions, and promoting human rights.

Baxter incorporates 20 sustainability criteria into its purchasing procedures to provide its procurement organization a framework to evaluate suppliers' sustainability initiatives. The company surveys 100 of its suppliers annually to evaluate their performance against these criteria. While Baxter aims to keep the participant list consistent for comparability year over year, the company adds or removes certain suppliers from the survey set due to changes in business and contractual needs or other reasons. The company uses survey responses to learn more about suppliers' sustainability programs and identify opportunities for best practice sharing and collaboration to improve the performance of both Baxter and its suppliers.

Baxter Annual Supplier Sustainability Survey Results

Category	% Sustainable*			
	2009	2010	2011	2012
Environmental/Sustainability Program <i>Example criteria: Measures and reports environmental information</i>	34%	30%	36%	40%
Reductions in Carbon Footprint <i>Example criteria: Has a goal and program to reduce greenhouse gas emissions</i>	46%	61%	60%	66%
Reductions in Natural Resource Use <i>Example criteria: Has a goal and activities to reduce waste generation</i>	61%	55%	63%	66%
Enhanced Product Stewardship <i>Example criteria: Uses a product stewardship/life cycle approach</i>	24%	35%	46%	48%
Protection of Human Rights <i>Example criteria: Has ethical and legal employment practices for employees and suppliers</i>	Added in 2010	88%	96%	90%

*Suppliers are considered sustainable in a category when responding positively ("yes" or "in progress") to at least 90% of the questions in the category.





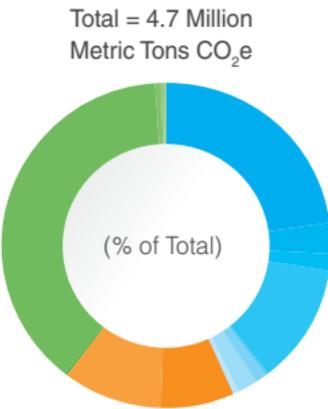
Baxter Will Drive Reductions in its Carbon Footprint

Companies have an important role to play in reducing greenhouse gas (GHG) emissions that contribute to climate change. This begins with understanding their GHG emissions footprint, setting goals and reducing emissions through innovative programs.

Baxter takes a broad approach to quantifying and managing GHG emissions throughout its value chain.

In 2012, the company's net GHG emissions from operations equaled 688,000 metric tons carbon dioxide equivalent (CO₂e), a 39% reduction compared to 2005 indexed to revenue, and an absolute decrease of 12%. During the year, 22% of Baxter's energy use for operations was from renewable energy sources, exceeding the company's 2015 goal early. Of this amount, 8% was biomass fuel for boilers at three company locations and 14% was the combined total from the renewable energy component of purchased electricity (11%) and renewable energy certificates (3%). A small amount was from on-site geothermal systems and on-site photovoltaic (PV) and solar hot water systems.

Baxter's Global GHG Emissions Footprint, 2012*



Upstream (Scope 3)

Purchased Goods and Services	23.0%
Capital Goods	3.1%
Fuel and Energy-Related Activities	1.6%
Upstream Transportation and Distribution	12.0%
Waste Generated in Operations	0.1%
Employee Business Travel	1.1%
Employee Commuting	1.9%
Upstream Leased Assets	0.6%
Subtotal	43.4%

Baxter Operations (Scope 1 and 2)

Facility/Vehicle Fuel Usage (Scope 1)	7.4%
Purchased Energy (Scope 2)	9.5%
Subtotal	16.9%

Downstream (Scope 3)

Downstream Transportation and Distribution	0.4%
Use of Sold Products	38.2%
End-of-life Treatment of Sold Products	0.8%
Franchises	0.2%
Investments	0.1%
Subtotal	39.7%

* The emissions reported in this graph are presented in accordance with guidance provided by the GHG Protocol (Scope 1 and Scope 2) and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Baxter does not currently report Scope 3 emissions in the following categories: Processing of Sold Products and Downstream Leased Assets.

Innovative facility projects in 2012 included installation of a PV system at Baxter's Toongabbie, Australia, facility that produces sufficient electricity for the office complex with the exception of the HVAC system. The company's Orth, Austria, facility installed a comprehensive geothermal system, and Baxter's Malta facility converted 95% of its lighting to LED technology.

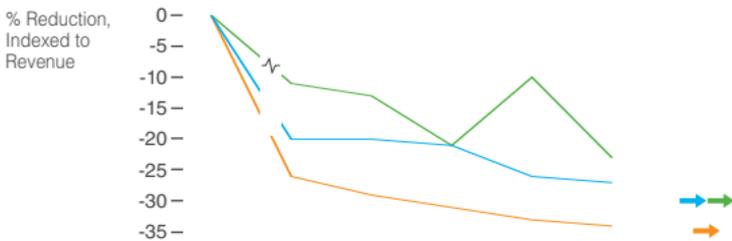


Baxter Will Drive Reductions in its Natural Resource Use

Baxter works to use natural resources efficiently to extend their availability to future generations. This also improves the company's environmental performance and enhances its competitive advantage.

Baxter continues to make progress toward its 2015 natural resource use reduction goals.

Progress on 2015 Environmental Goals



	2005	2008	2009	2010	2011	2012	2015 Goal
Energy Usage 	0%	-20%	-20%	-21%	-26%	-27%	-30%
Water Usage 	0%	-26%	-29%	-31%	-33%	-34%	-35%
Total Waste* 	0%	-11%	-13%	-21%	-10%	-23%	-30%

*A product recall in Europe resulted in approximately 9,400 metric tons of total waste in 2011, 13% of the 2011 global total. Excluding this waste, Baxter would have experienced a 9% increase in waste generation in absolute terms and a 23% decrease indexed to revenue compared to 2005.

Energy The company's Lean Energy Program, which includes facility energy assessments, and the use of innovative technologies such as cogeneration and geothermal installations, are central to Baxter's approach to energy conservation. Since 2005, the company's energy conservation efforts have achieved cumulative savings of approximately \$34 million on an annualized basis.

Water Due to the strong link between energy usage and water processing, conserving water remains a key focus of Baxter's Lean Energy Program and facility energy assessments. These initiatives help facilities identify areas for additional savings.

Waste Baxter continues to make progress on its plastic waste reduction initiative. In 2012, the company reduced more than 700 metric tons of plastic waste. Plastic scrap represents one of Baxter's largest waste streams, representing roughly one-third of the company's non-hazardous waste.

Packaging Baxter works to decrease the environmental impact of packaging through innovative designs that reduce materials used and by substituting environmentally preferable materials when feasible.



Baxter Will Drive Enhanced Product Stewardship ¹

Baxter is dedicated to creating products that save and sustain lives worldwide in a way that minimizes environmental impacts. This requires a holistic approach, from the early stages of design and materials selection through product manufacture, transport and, ultimately, end-of-life.

Baxter's sustainable design program begins with Product Sustainability Review, an assessment applied during the early stages of product development on all medical devices, from intravenous solution containers to dialysis machines. The company uses the results to confirm product feasibility, help establish product requirements and contribute to minimizing potential product impacts to human health and the environment.



Esperanza Ramos, a licensed vocational nurse, provides educational resources in Spanish to a hemophilia patient through Baxter's Bilingual Healthcare Educator program.

Baxter has continued the global marketing rollout of FLEXBUMIN [Albumin (Human)] – the first and only albumin in a flexible, plastic container – which received Carbon Footprint re-certification in early 2012 from the Carbon Trust. In 2009, FLEXBUMIN was the world's first medical product to receive Carbon Footprint certification. In addition, in 2011 Baxter's XENIUM+ synthetic dialyzers became the company's

second product to receive Carbon Footprint certification from the Carbon Trust.

Baxter is committed to enhancing animal welfare through the 3Rs — replacement, reduction and refinement. The company applies a range of innovations in this area, including several implemented in 2012.

¹External verification covered the first goal of this priority. See page 3.



Baxter Will Strengthen Access to Healthcare through Product Development and Strategic Product Donations

Many factors prevent people from obtaining healthcare, including poor infrastructure, political instability, lack of education, poverty, restrictive regulatory frameworks and inadequate availability and affordability of medical products. Baxter is committed to expanding access to healthcare globally.

In 2012, Baxter continued its work with AmeriCares and Direct Relief International to pre-position products for emergencies as well as to meet ongoing needs in underserved communities. These proactive strategic donations helped facilitate timely support to 63 countries. Baxter's pre-positioned products were sent to more than 300 clinical partners in response to Hurricane Sandy, which affected the Caribbean and the East Coast of the United States. The company also provided hurricane preparedness packs containing IV solutions to coastal healthcare clinics in the southeastern United States. These were later distributed to those impacted by Hurricane Irene in North Carolina and Tropical Storm Isaac in Haiti in 2012. Baxter donated anesthesia and biosurgery products to AmeriCares for use in surgeries during medical missions.



Thanks in part to a grant from The Baxter International Foundation, children in need of physical, speech or occupational therapy can benefit from hippotherapy, using a horse's movement for rehabilitation, at Ride On Therapeutic Horsemanship in Thousand Oaks, California.

During the year, combined giving from Baxter and The Baxter International Foundation totaled more than \$56 million, the majority focused on increasing access to healthcare.

Another key aspect of Baxter's approach to expanding access to healthcare is developing product and business model innovations targeted at those at the "base of the pyramid," the approximately 4 billion people worldwide who each live on less than \$1,500 annually and have limited access to the healthcare market. In 2012, Baxter joined the International Institute for Sustainable Enterprise and the International Partnership for Innovative Healthcare Delivery, a coalition affiliated with the World Economic Forum, to learn from others addressing the base of the pyramid and specific healthcare innovations.



Baxter Will Strengthen the Company's Commitment to Education, Especially Math and Science

Global leaders have identified science, technology, engineering and math (STEM) education as one of the most important issues for today's youth. As a healthcare company, Baxter has a special responsibility in this area. The company works to inspire future generations by creating local initiatives that enhance existing education programs with professional development and real-world experience.

In the 2011-2012 school year, Baxter's Science@Work: Expanding Minds with Real-World Science program, a multiyear commitment to Chicago Public Schools, reached nearly 14,000 students and almost 190 teachers through in-depth biotechnology teacher



Students visit Baxter's headquarters in Deerfield, Illinois, to discuss careers.

training and module lesson plans. This increased the total to more than 60,000 students and 720 teachers since 2008, representing 45% of the 145 high schools throughout the district. Baxter also contributed to several other educational initiatives during the year, in Chicago and other locations.

In 2012, Baxter also conducted a paid internship program for high school students from Chicago's Lindblom Math and Science Academy in response to the call from the White House Council for Community Solutions and the U.S. Department of Labor for businesses, nonprofit organizations, and government to participate in the Summer Jobs+ program. Additionally, Baxter partnered with Northwestern University's Office of STEM Education Partnerships and the Biotechnology Center of Excellence at Lindblom Math and Science Academy in 2012 to offer teachers professional development workshops to help bring biotechnology into the classroom. Teachers participated in hands-on laboratory experiments at Northwestern and Lindblom and visited Baxter's laboratories at its Round Lake, Illinois, facility to gain real-life context from both academic and commercial researchers.

Other educational initiatives included supporting local students in regional and national competitions as part of FIRST® (For Inspiration and Recognition of Science and Technology), teaching financial literacy worldwide as part of Junior Achievement, and providing in-classroom lessons to students on various legal topics in conjunction with Street Law, Inc.

Summary Data Table

Please see relevant sections in the comprehensive report online for more extensive performance data and graphs.

Performance Indicator	2010	2011	2012
Company Profile			
Net Sales (dollars in millions)	\$12,843	\$13,893	\$14,190
R&D Expenses (dollars in millions)	915	946	1,156
Employees			
Global Workforce	47,600	48,500	51,000
Gender Diversity (% female of total)	51.9%	51.3%	50.8%
Environment, Health and Safety			
Energy Usage from Operations (trillions of joules) ¹	8,979	9,113	9,181
Net Greenhouse Gas Emissions from Operations (thousand metric tons CO ₂ e) ²	714	723	688
Total Waste (metric tons) ³	58,600	72,820	63,430
Water Usage (thousand cubic meters)	13,358	13,943	14,002
Recordable Case Rate ^{4,5}	1.00	0.95	0.90
Cases with Days Lost Rate ^{4,5}	0.17	0.16	0.15
Days Lost Rate ^{4,5}	4.56	5.47	4.35
Community Support			
Total Charitable Giving (dollars in millions) ⁶	\$79.41	\$80.14	\$56.67

¹Includes stationary sources (Stationary Sources Subtotal line item from Baxter Value Chain Energy Usage and Greenhouse Gas Emissions table in the comprehensive report online) and excludes energy consumption associated with Baxter-operated mobile sources, materials and product delivery, and employee commuting and travel.

²Includes emissions associated with facility energy usage (both from on-site fuel use and purchased electricity), company-managed sales and distribution fleet vehicles, other vehicles operated by Baxter and refrigerant losses. Takes into account the purchase of renewable energy, carbon credits and carbon offsets. Bureau Veritas North America, Inc. verified Baxter's 2012 Scope 1 and Scope 2 GHG emissions from global operations under Baxter's control and verified the methodology and emission factors used to calculate Scope 3 GHG emissions.

³Excludes waste associated with United States Renal Home Care operations since patients may now 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.

⁴All rates based on 100 full-time employees working one year, which equals 200,000 work hours. For tracking purposes, Baxter's position is to follow 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, Baxter records on the basis of the most authoritative physician's opinion.

⁵*Recordable cases* - Work-related injuries or illnesses requiring medical attention beyond first aid, including cases with days lost. *Cases with days lost* - Work-related injuries or illnesses that cause an employee to lose at least one full day after the date of the incident. *Days lost* - The number of days lost (including weekends and holidays) recommended by the most authoritative physician's opinion due to work-related injuries and illnesses. Baxter does not count the date of injury and date of return to full duty as lost days.

⁶Includes product donations, Baxter business and facility cash contributions, and The Baxter International Foundation contributions. Variations in Baxter's annual product donations are due to fluctuations in community needs, the severity and volume of disaster relief response, the regulatory environment, manufacturing processes, change in product mix and marketing. The company identifies opportunities to donate and responds to community requests as appropriate.

Baxter

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About the cover:

Baxter employee Hannah Jeon and her daughters regularly volunteer at the Red Cross Community Center in Seoul, Korea, to bake loaves of bread for underprivileged members of the community.



See Comprehensive Report Online

The comprehensive online Baxter 2012 Sustainability Report provides expanded detail on the company's sustainability programs and performance.

The report is available at sustainability.baxter.com.

The matters discussed in this Sustainability at Baxter brochure that are not historical facts are forward-looking statements, including statements with respect to future company compliance and performance. These statements involve numerous risks and uncertainties. Many factors could affect the company's actual results, causing results to differ, possibly materially, from those expressed in the forward-looking statements. These factors include actions of regulatory bodies and other governmental authorities including the U.S. Food and Drug Administration; the effect of economic conditions; technological developments in the healthcare field; advances in environmental protection processes; and other factors more completely described in Baxter's Annual Report on Form 10-K and other filings with the U.S. Securities and Exchange Commission, which are available on the company's website at www.baxter.com. The company disclaims any obligation to update any forward-looking statements.

References in this report to Baxter are intended to refer collectively to Baxter International Inc. and its U.S. and international subsidiaries.

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