

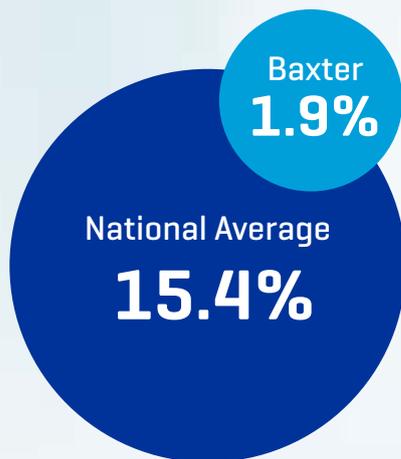
Baxter Healthcare Ltd (UK) Gender Pay Gap Report 2021

This is Baxter's 2021 gender pay gap report where we illustrate the difference in average earnings between men and women in the UK. This is calculated across all jobs at all levels.

At Baxter, Inclusion and Diversity initiatives are focused on building diverse, high performing teams that are engaged and innovative, and advancing company culture so that every employee feels valued, respected, and safe to be their authentic self.

We are committed to attracting, motivating, developing and retaining an inclusive and diverse workforce to better address the needs of our employees, customers, suppliers, patients and caregivers. By valuing differences such as gender, we make a positive difference in the lives of millions worldwide.

Understanding the numbers



Our mean gender pay gap is 1.9%. This is smaller than 2020 when we reported two sets of figures – 5.4% with the COVID allowance, and 4.2% without the COVID allowance – and continues the downward trend. Our gender pay gap continues to be significantly smaller than the national average of around 15.4% for the same period.

Our mean gender pay gap is driven by the fact that there are more men than women holding senior roles within the organisation. The improvement in our gender pay gap stems from the fact that the difference between the number of men and women at senior levels is getting smaller.

At the time of running the analysis in April 2021, we had 15 men and 7 women (68% / 32%) at Director level and 50 men and 47 women (52% / 48%) in senior management roles. This compares to 15 men and 5 women (75% / 25%) at Director level in 2020. It is also worth noting that, at management level, we have 46 men and 48 women (49% / 51%).

Remember that the Gender Pay Gap is not the same as Equal Pay. The Gender Pay Gap is an average figure for all employees within the UK workforce, irrespective of the job that they do. Equal pay ensures that men and women receive equal pay for carrying out the same or equal work. Baxter has robust compensation policies and practices to ensure equal pay and we regularly review all employees' pay and our pay policies to ensure we offer equal pay for equal work, regardless of gender.

Our mean bonus gap in 2021 is 13.9%, which is a slight increase on 2020's figure of 13.6%. This is because eligibility for equity grants at senior levels plays a large part in the bonus awards.

Our Commitment

We are committed to further reduce the gender pay gap and have many programmes in place to help us do so, which are based around three core themes:

Attracting and retaining women leaders

- We ensure that our job adverts use gender neutral language to maximise attraction of women to Baxter roles, and we are leveraging diverse candidate sourcing channels.
- We ensure that wherever possible we are presented with an equal number of male and female candidates. All interview slates for manager and above roles we expect to be at least 30% diverse where the labour market allows.
- We require diverse interview panels and all interviewers on the panel complete a hiring bias video as part of the process.
- We require that all interviewers participate in a standardized process for debriefing on candidates to mitigate bias in the process.
- We have increased our activities to educate and attract new talent to Baxter by attending careers fairs [virtual], and more recently we've been holding virtual focus sessions on specific career paths.
- We have an established Student and Graduate Placement Programme. Out of eight student / graduate placement positions, it is a 50:50 split between men and women.
- We use the Apprenticeship levy across the organisation and have 9 men and 15 women [37% / 63%] uptake on subjects such as team leading, regulatory affairs, project management, pharmacy, engineering and also degrees in leadership and chemistry.
- We actively encourage progression of women through regularly holding focus groups to share career progression of successful women, to discuss and understand areas of challenge for women.

Holding our leaders accountable to drive inclusive leadership capabilities and culture

- Our leaders are held accountable to attract, develop and retain the best and diverse talent through Gender Balance & Talent Workforce Dashboards.
- Our Global Inclusion & Diversity [I&D] Council provides thought leadership, guidance and support to enhance Baxter's inclusive culture. Composed of leaders from the company's businesses, regions and functions worldwide. Our UK and Ireland Country Sponsor is a member of the Global Inclusion Council and the lead for the Regional Inclusion Council in EMEA.
- Our Local I&D Council drives local action plans in line with our strategy.
- We provide I&D education and training to all our managers which focuses on valuing differences and unconscious bias, equipping managers in their efforts to create and sustain an inclusive culture at Baxter.
- Our leaders attend and support industry led initiatives to learn about new ideas and share best practice.

Valuing differences to create a work environment where people can be their very best

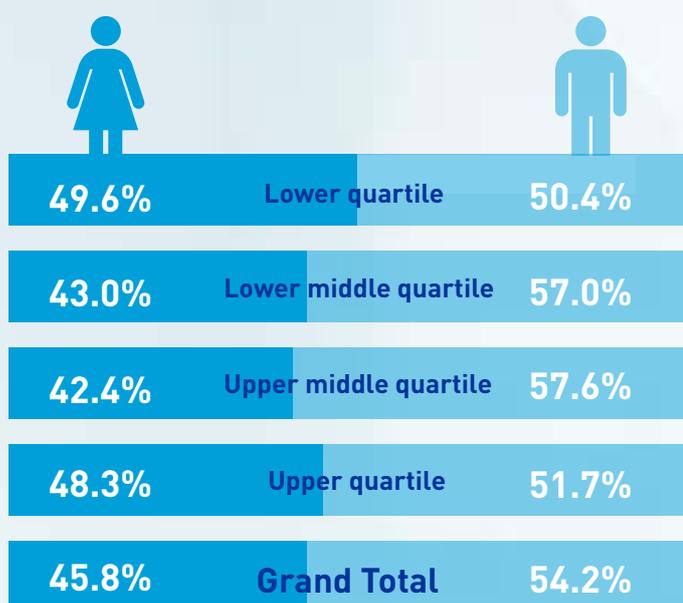
- We provide I&D education and training to all our employees designed to enhance their understanding of why inclusion and diversity are critical to Baxter's success.
- We have an established Baxter Women Leaders employee resource group and a number of Women in Leadership Forums at sites across the UK, to share experiences and learning for both women and men. Our global Baxter Women Leaders group is celebrating its 11th anniversary this year.
- We provide coaching, mentoring and career development interventions for all our team members with a focus on mentoring and Sponsorship for Women.
- We hold well attended events across different sites to celebrate International Women's and Men's Days as well as virtual seminars through the year focusing on Advancing women in leadership and Gender Differences.
- We have active links to The Healthcare Businesswoman's Association.
- We believe in and embrace Flexible Working wherever possible, including varied working patterns, part time roles, job share and remote working.
- We hold 'Gender IQ' Workshops for our team managers. Within this the message on retaining women in the business is unequivocal.
- In 2021, Baxter have been named in the Seramount Global Inclusion Index, on the strength of our local diversity, equality and inclusion efforts as a leading organization that had superior achievement.

Gender Pay and Bonus Gap

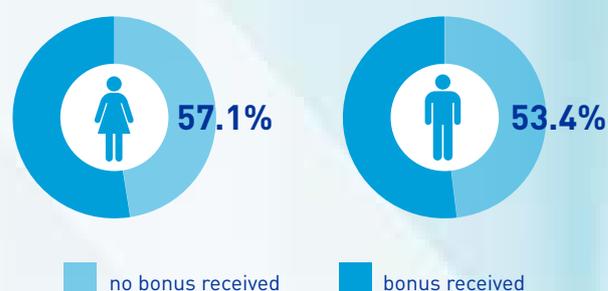
Difference between male and females	Mean	Median
Pay gap	1.9%	1.4%

Bonus pay	Mean	Median
Gender bonus gap	13.9%	-165.3%

Percentage of male and female employees in each pay quartile



Percentage of male and female employees receiving bonus



Definitions

Mean and Median

The gender pay gap shows the difference between the mean (average) and the median (mid-point) earnings of male and female employees expressed as a percentage of male employee's earnings.

Pay quartiles by gender

The proportion of male and female employees in each of the quartiles ranked from lowest hourly rate to highest hourly rate.