

SECTION 172 (1) STATEMENT

Directors of Baxter Healthcare Limited (“BHL”) are required to act in the way they consider, in good faith, to be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long term,
- the interests of the Company's employees,
- the need to foster the Company's business relationships with suppliers, customers and others,
- the impact of the Company's operations on the community and the environment,
- the desirability of the Company maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between members of the Company.

To assist them in discharging their duty under s172 Companies Act 2006, Directors collaborate with a broad range of stakeholders - including communities, customers, employees, healthcare providers, industry associations, investors, non-government organisations, patients and patient advocacy groups, payers, regulators/policy makers and suppliers - to understand their perspectives and inform how we address our 2030 Corporate Responsibility Commitment and Goals as well as our cross-cutting consequences, including to the reputation of the Company when making decisions. We routinely engage with our primary stakeholder groups, including through professional membership associations, to assess the Environmental, Social and Governance topics that are most relevant to our business.

Employees

Baxter's four culture levers—speed, simplicity, courage and collaboration—form the basis for our cultural transformation. We have embedded the levers into established processes ranging from job interviews to new employee orientations to monthly employee-manager check-ins.

Through BeWell@Baxter, our global employee health and wellness program, we promote healthy lifestyles. In 2022, our Wellness Days focused on topics such as mental health, financial wellness, stress management, career wellness and environmental wellness. In 2022, 30% of employees participated in the Exercise Challenge and our facilities took part in Healthy Eating Month, an annual campaign focused on making informed food choices and promoting the importance of a balanced diet and exercise.

We also have very active Business Resource Groups (BRGs) which support our commitment and culture around Diversity, Equity and Inclusion. Our BRGs are an important component of creating an inclusive and diverse culture and advancing our priorities as a Company.

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. In 2022, employees indicated a strong sense of belonging and a belief that diverse perspectives are valued. We also conduct surveys to measure manager effectiveness in the areas of ethical standards, work flexibility, inclusion, recognition and more.

The Company continues its practice of keeping employees informed of matters affecting them as employees and of the financial and economic factors affecting the performance for the Company. This is achieved through:

- meetings with the Employee Euroforum which meets annually,

- Employee Consultative Committee which meets quarterly,
- employee townhalls where employees are encouraged to ask questions.

Suppliers

Performance of the Company's Procure-to-Pay process is assessed based on several KPI's. The Company continued with its efforts to improve our payment-on-time metric. In addition, directors are informed of payment performance of the Company through a semi-annual payment performance report which is reviewed by at least one director and published.

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

Annual Reporting on the UK Modern Slavery Act provides the Company's Board with insights into how global suppliers are assessed and monitored to ensure a wide range of human rights and environmental performance standards are met, and any issues identified can be mitigated or managed accordingly.

Customers

Our mission is to save and sustain lives. To achieve this, we aim to transform healthcare by helping to improve patient outcomes, enhance workflow efficiency and enable cost-effective care.

The COVID-19 pandemic brought heightened attention to the advantages of home-based healthcare, including home peritoneal dialysis treatment. In 2021, the Renal Medicine Getting It Right First-Time report was published and encourages all centres to achieve a minimum 20% prevalent rate of home dialysis. Furthermore, the formation of Integrated Care System's offer opportunities for service redesign to enable more people to access home dialysis. Our Renal care business sector is actively working with Renal centres around the UK to optimise clinical pathways to enable more patients to start on home dialysis and ensure delivery of high-quality care, so people can remain dialysing at home for as long as possible.

Community

Baxter gives back to the community in a number of ways. We aim to make a meaningful difference in local communities and tackle some of the world's toughest health and other social challenges through product donations and charitable financial investments from Baxter and the Foundation. In 2022, the Foundation invested \$51million in underserved communities through strategic partnerships and product donations. Locally, we work in partnership with Penny Bohn as our Charity of the Year for the period 2022/2023. This is an employee led initiative with fundraising events taking place regularly. Baxter employees are also offered paid volunteering time to support local causes and charities.

Additionally, Baxter invests in and takes a hands-on approach toward developing the next generation of scientists, engineers and health care professionals by supporting teachers and STEM education, serving as mentors in Baxter's communities, and creating diverse learning opportunities in the sciences. In the UK, we have a STEM Ambassadors Programme where employees work with schools in a volunteering capacity. Baxter also has an established scholarship programme to assist children of Baxter employees who plan to continue third level education. In 2022, this programme supported children of several UK employees.

Environment

Our 2030 Corporate Responsibility Commitment and Goals, launched in 2021, represent a framework to help create lasting environmental, social and economic value across three critical pillars: Empower Our Patients, Protect Our Planet and Champion Our People and Communities.

Baxter is proud to have a long heritage of acting as an environmentally responsible business, with programmes to reduce energy use and waste production, and conserve water and other resources in our operations for many years. In 2021 we published our first global climate roadmap, outlining our global strategy to reach carbon neutrality for our direct operations by 2040, in line with UK government and customer requirements for Carbon Net Zero. We also aim to develop products and services with reduced impacts, that help our customers reach their own climate goals, and develop approaches to deliver more sustainable care pathways.

In the UK we purchase 100% renewable electricity for all of our larger sites, and in 2021 we commenced using biofuel with our delivery partners, to deliver products to our UK customers with a lower carbon footprint.

Baxter is a member of the Sustainable Health Coalition. Within the UK, we have a monthly touchpoint with Greener NHS team and are represented on the Sustainability Group of the ABHI. Internally, we operate Carbon Zero Heros, an employee group set up to further embed sustainability as a critical component in our operations, products, and services.

Ethics & Compliance

Maintaining a reputation for high standards of business conduct is a critical success factor for the Company. The Company has an active compliance committee to further integrate ethics and compliance in strategic plans and day-to-day activities across the Company. There are bi-monthly meetings to facilitate discussion among local leadership about key issues, challenges, and risks in their area. In 2022, 99% of employees completed the Annual Code of Conduct training.