

Baxter Healthcare UK Labour Standards Assurance System (LSAS) Policy

Baxter International, Inc. (Baxter) provides a broad portfolio of essential renal and hospital products, including home, acute and in-centre dialysis; sterile IV solutions; infusion systems and devices; parenteral nutrition; bio surgery products and anaesthetics; and pharmacy automation, software and services. We understand the responsibility we bear towards our customers, employees and the communities in which we operate and that may be impacted by our operations.

1. Purpose and rationale of this policy

This policy aims to provide clarity to our employees, customers, suppliers, investors and other stakeholders concerning Baxter Healthcare UK's commitment and approach to respecting human rights and labour standards throughout our direct operations (where we respect and promote labour standards through our own employment policies and practices) and the parts of our supply chain covered by the requirements of the UK National Health Service Supply Chain Labour Standards Assurance System requirements.

2. Baxter's understanding and commitment to Labour Standards

Baxter's global mission is to save and sustain lives. As such, Baxter Healthcare UK is committed to respecting all internationally proclaimed human rights, and operates in accordance with the International Bill of Human Rights (made up of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights) as well as with the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. The Baxter Healthcare UK LSAS Policy aims to align with internationally recognized labour standards in relation to:

- Child labour
- Forced/bonded labour
- Non-discrimination
- Non-harassment
- Living wages
- Working hours
- Working conditions
- Freedom of association/collective bargaining

3. Policy scope, responsibilities and Board-level support

The scope of this Policy relates to the management of Baxter Healthcare UK suppliers covered by the LSAS. Baxter requires its UK employees, and suppliers of products falling under the scope of the LSAS to adhere to this policy. The scope of labour standards covered by the LSAS includes standards relating to employees within Baxter Healthcare UK and workers within our global supply chains.

The Global LSAS Manager, supported by a cross functional working group, is responsible for implementation of this policy. It is supported through approval and signoff by the UK Country General Manager and Vice President, Global Purchasing & Supplier Management.

This policy is designed to be used as a framework for the Labour Standards Management System in the UK, and should also be used in conjunction with Baxter's Global Code of Conduct, Baxter's Global Human Rights

Policy, and Baxter's Ethics and Compliance Standards for Suppliers, which apply to all the Baxter organisation and all Baxter suppliers.

4. Commitment to comply with law and global standards

Baxter is committed to ensuring its operations are compliant with the laws concerning labour and human rights in the countries where we operate. Baxter Healthcare UK is also committed to upholding the ILO core labour standards; provided, they are not explicitly prohibited by applicable national law. Where national law restricts the implementation of internationally recognized standards, we will endeavour to uphold the principles of these standards through our actions. Where national law imposes more stringent requirements, we will ensure compliance with those requirements while respecting the content of this policy.

Baxter has committed resources to ensure our policies and programs are consistent with labour and human rights laws. Baxter also participates in industry bench-marking working groups and conducts an annual assessment of our supply chain concerning the risk of labour and human rights issues within our supply chain.

5. Expectations of our suppliers

Baxter recognizes that our responsibility for human rights and labour conditions encompasses our supply chain, and it is our goal that the working conditions throughout our supply chain meet internationally accepted standards of human rights and working conditions. We encourage all suppliers of products covered by the LSAS to comply with the provisions concerning human rights covered by the standards referenced in this policy.

All suppliers of products within the scope of the LSAS are also expected to adhere to Baxter's Ethics and Compliance Standards for Suppliers. We will monitor our selected suppliers based on internal risk assessment, audit findings and mitigation activity plans. We reserve the right to terminate supplier relationships where mitigation efforts have not yielded expected improvement in supplier performance or required compliance.

6. Assurance and verification procedures for the LSAS

The assurance and verification procedures Baxter has in place to implement, and monitor the implementation of the policy include:

- Supplier self-assessment surveys and document verification for compliance against the Labour Standards Management System
- Internal desk audits

7. Communication and training on LSAS Policy

This policy will be made available to the public on our UK website and will be communicated to internal employees on our UK Intranet. It will be available to suppliers impacted by the scope of our Labour Standards Assurance System through communication via Purchasing and Supplier Management via the Global LSAS Manager. We will provide specialized online training to Baxter staff responsible for the implementation of the LSAS.

8. Commitment to addressing significant issues identified as part of the LSAS

Baxter will identify significant labour standards issues of concern affecting products falling under the scope of the LSAS through the Labour Standards Status Review. Any concerns will be addressed via provision of training and supplier guidance on risk mitigation. Following the identification of a violation, we will investigate and when necessary take action if suppliers or specific employees are responsible for human rights or labour standards abuses.

9. Commitment to making necessary resources available

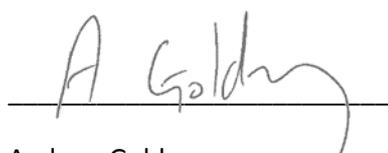
Baxter commit to making available necessary financial, human and other resources necessary to reviewing, and monitoring the implementation of this policy. This includes the appointment of a Global LSAS Manager and the development of a cross functional working group to collaborate on successful delivery of the LSAS. It also includes use of external expertise to support in assessment of significant labour standards issues within our direct operations, supply chain, and provide training to our internal employees and suppliers.

10. Promoting ethical conduct

Baxter Healthcare UK is committed to promoting ethical conduct and legal compliance with our own employees and operations as well as throughout our supply chain, including to our suppliers and contractors worldwide. Baxter aims to foster an environment of open communication where concerns can be expressed freely through the company's Ethics and Compliance Helpline at: corporate_responsibility_office_deerfield@baxter.com or by telephone 24 hours a day, seven days a week, in 150 languages at +1-877-229-8373.

11. Commitment to policy review process

Baxter is committed to continually improving its Labour Standards Assurance Management System in line with this policy, and to meeting relevant targets to drive improved performance. The policy will be reviewed on an annual basis to ensure its continuing focus, relevance, and alignment to the legal requirements in the jurisdictions where we operate.



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Vice President
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