Baxter

2020 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.

For more information about corporate responsibility at Baxter, including our commitment and goals, performance data, materiality assessment and Global Reporting Initiative index, please visit our 2020 Corporate Responsibility Report.

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 in the Baxter 2020 Corporate Responsibility Report for information about the company's product improvements and recall data, inclusive of drug-related recalls.

[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.

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Product Safety (continued)	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.
	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 in the Baxter 2020 Corporate Responsibility Report 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 in the Baxter 2020 Corporate Responsibility Report 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 in the Baxter 2020 Corporate Responsibility Report 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 in the Baxter 2020 Corporate Responsibility Report for product recovery data and information about the company's approach in this area.

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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 in the Baxter 2020 Corporate Responsibility Report 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 in the Baxter 2020 Corporate Responsibility Report 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 in the Baxter 2020 Corporate Responsibility Report 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 in the Baxter 2020 Corporate Responsibility Report 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.

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