



BAXTER CORPORATION, HILL-ROM CANADA LTD. AND WELCH ALLYN CANADA LIMITED

Fighting Against Forced Labour and Child Labour Act Joint Report

INTRODUCTION

This is the first Fighting Against Forced Labour and Child Labour (“FCL”) Statement by Baxter Canada (defined below). It demonstrates the continued commitment of Baxter Canada to address FCL and other human rights risks throughout our global operations and value chain. We are proud of our efforts on this issue but are mindful that we must continually improve. We view stakeholder collaboration as critical to our efforts.

CANADIAN BAXTER COMPANIES INCLUDED IN THIS REPORT

The three entities covered in this joint report are Baxter Corporation (“**Baxter Corp**”) Hill-Rom Canada Ltd. (“**Hillrom Canada**”) and Welch Allyn Canada Limited (“**Welch Allyn Canada**”) (collectively “**Baxter Canada**”). None of these are a parent or subsidiary of the other but rather they all share Baxter International Inc. (“**BII**”) as their ultimate parent company.

BII acquired the Hillrom group (which includes Welch Allyn) in December 2021.

BII together with Baxter Canada and BII’s direct and indirect subsidiaries across the globe shall be referred to herein as “**Baxter**”.

In 2023, Baxter Corp’s businesses included commercial and compounding pharmacy operations and manufacturing of products used in the delivery of fluids and drugs to patients across the continuum of care, including renal care. These included IV and other sterile solutions and administration sets, premixed drugs and drug-reconstitution systems, IV nutrition products, infusion pumps, dialysis machines and related products, and inhalation anesthetics. In 2023, Hillrom Canada and Welch Allyn Canada businesses included the provision of product and solutions such as smart bed systems, connected monitoring, care communications, intelligent diagnostics, respiratory health devices, and global surgical solutions.

BAXTER’S SUPPLY CHAIN AND ACTIVITIES

As mentioned above, Baxter manufactures and supplies pharmaceutical products and medical devices globally. We foster a culture of compliance with all applicable laws, rules and regulations and the highest standards of ethics and business conduct with respect to all human rights issues. Our approach to identifying and dealing with FCL is part of this, and we do not endorse any form of FCL in our operations or in our supplier network. We take a number of steps with respect to verification of our supply chain and certification of materials to help ensure suppliers are operating in an ethical manner with respect to FCL, including those set forth below in this joint report.

Based on a 2023 global data baseline, Baxter spent US\$8.7 billion in 2023 with a supplier base of over 38,000 suppliers across all geographic regions providing raw materials, third party finished goods and indirect commodities.

As part of Baxter's [2030 Corporate Responsibility Commitment and Goals](#), we aim to integrate Baxter's sustainable procurement strategy across 90% of supplier spend, as measured by suppliers' commitment to Baxter's Ethics and Compliance standards and Baxter's completion of corporate responsibility audits within our supply base. Baxter's 2023 Corporate Responsibility Report is expected to be published in mid-2024.

Consistent with the requirements of those jurisdictions, Baxter also publishes a [UK Modern Slavery Statement](#) and an [Australia Modern Slavery Statement](#). We also have position statements related to the [California Transparency in Supply Chains Act of 2010](#) and [Conflict Minerals](#), and we publish an annual [Conflict Minerals Report](#).

DUE DILIGENCE, RISK ASSESSMENT, AND RISK MANAGEMENT

We are integrating our supplier corporate responsibility strategy into our overall supplier management processes and conduct periodic assessments of key suppliers to evaluate cost, delivery, quality, and risk.

We recognize that our supply chain due diligence should be focused on the areas of highest risk. In 2022, we created a corporate responsibility risk profile for applicable Baxter suppliers, including those we integrated into our business as part of the acquisition of Hill-Rom Holdings Inc. in December 2021¹. These profiles include in-depth corporate responsibility risk mapping based on location, performance, and goods and services provided. The profiles help us prioritize suppliers with the greatest corporate responsibility-related risk factors for additional due diligence, corrective action plans and/or on-site audits.

One significant way Baxter advances respect for human rights, with regards to all forms of modern slavery, is through its well-established supplier sustainability program. On an annual basis, and since 2010, Baxter conducts a survey of its most critical suppliers to evaluate several non-financial performance factors and conduct supplier corporate social responsibility risk assessments. Particularly, the survey assesses whether these suppliers have programs to address potential human rights risks, including human trafficking and slavery (child, forced or bonded labour), and whether the supplier has had any human rights legislation violations: including prosecution, financial or non-financial sanctions during the reporting year.

We are increasing our ability to audit suppliers' corporate responsibility management systems and performance profiles and supplier corporate responsibility survey scores. Expanding our auditing scope will help to improve our understanding of corporate responsibility management and activities within Baxter's supplier base and help identify areas for improvement. In 2023, we continued developing our ability to audit suppliers' corporate responsibility management systems and performance. This process is ongoing, and we plan to use internal auditing resources as well as third-party collaborations. During the year, we also developed the Global Supplier Standards Manual—a foundational document that includes a centralized set of standards, against which we will measure performance. We plan to begin conducting corporate responsibility audits in 2025 for any suppliers we identify as high risk based on supplier risk profiles and supplier corporate responsibility survey scores.

¹ *Applicable suppliers are those that have a Data Universal Numbering System (DUNS) number and with which we have historical spend.*

We collaborate with EcoVadis, a globally recognized assessment platform that rates businesses' sustainability practices, to conduct an annual survey of our suppliers' corporate responsibility programs and performance in the areas of environment, labor and human rights, ethics, and sustainable procurement. Through this program, Baxter and participating suppliers can access detailed scorecards with information about strengths, benchmark comparisons and improvement areas. We also leverage the EcoVadis system to create corrective action plans for suppliers falling below our performance standards and to determine when on-site audits will be necessary. We plan to include survey scores in business reviews with strategic suppliers in the future.

Policies

Baxter's [Human Rights policy](#) covers our overarching aims around protecting human rights of those impacted by our business. Baxter's [Code of Conduct](#) defines the core principles that govern employee behaviour and business conduct, and provides tools and resources to help employees comply. We have incorporated rules against all forms of FCL into our [Ethics and Compliance Standards for Suppliers](#). Specifically, the Standards prohibit our suppliers of products and services from violating laws governing workers' human rights, including human trafficking and slavery. The company requires our suppliers to comply with our standards and expectations as well as all laws governing purchasing and may terminate agreements with suppliers that do not. Supplier contracts include language that permits Baxter to audit manufacturing or supplying facilities, for compliance with this standard.

Remediation of FCL

We are not aware of any instances of FCL having been identified or of remediation being needed within our supply chain.

CONCLUSION

Baxter is committed to continued improvements in our approach to managing supply chain risk. This commitment requires cross-functional collaboration involving many internal commercial and functional business units, including Procurement, Human Resources, Environmental Health & Sustainability, and Legal. Baxter continues to monitor and review its compliance processes, to ensure transparency and anti-slavery compliance across its businesses and supply chain. This statement was reviewed and approved by the Board of Directors of Baxter Corporation, Hill-Rom Canada Ltd. and Welch Allyn Canada Limited.

Attestation and Signatures on following page.

Training

All Baxter employees are required to comply with Baxter's Code of Conduct. Baxter's Code of Conduct defines the core principles that govern employee behaviour and business conduct and provides tools and resources to help employees comply with the same.

The company conducts mandatory ongoing training and a Code of Conduct intranet site to keep employees informed and aware of Baxter's ethics and compliance requirements and company expectations.

Reporting

Baxter's Ethics and Compliance Helpline ([Ethics and Compliance Help Line](#)) is the primary vehicle for us to hear from employees regarding any alleged contraventions of our integrity standards. The helpline enables any employee to raise concerns, including those relating to respect for human rights, confidentially and without fear of retaliation. External stakeholders, including our suppliers, can also use this as way of reporting human rights concerns.

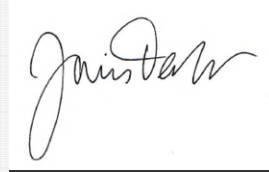
Baxter enforces a non-retaliatory environment, making it safe for employees and other stakeholders to raise ethics and compliance concerns in good faith. We do not tolerate retaliation against anyone who reports, in good faith, observed or suspected illegal or unethical behavior or violations.

ATTESTATION

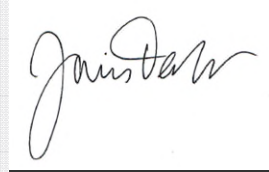
In accordance with the requirements of the *Fighting Against Forced Labour and Child Labour Act*, and in particular section 11 thereof, I attest that I have reviewed the information contained in the Report for Baxter Corporation, Hill-Rom Canada Ltd., and Welch Allyn Canada Limited. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the financial year ending on December 31, 2023. I have the authority to bind the below corporations.



James Teaff
President, Baxter Corporation
May 28, 2024



James Teaff
President, Hill-Rom Canada Ltd.
May 28, 2024



James Teaff
President, Welch Allyn Canada Limited
May 28, 2024