

Baxter Healthcare

# Modern Slavery Statement

## Introduction

Our commitment to integrity is a cornerstone of Our Mission to Save and Sustain Lives. Baxter is committed to ensuring that it conducts its supply chain activities ethically and with the highest regard for human rights and dignity.

Baxter Healthcare Pty Ltd (ACN 000 392 781) and its affiliated Australian companies described below ("**Baxter**") does not in any way accept any form of modern slavery in our operations or in our supplier network. We take steps with respect to verification of our supply chain to ensure suppliers are operating in an ethical and legal manner.

This statement is Baxter's modern slavery statement pursuant to the *Modern Slavery Act 2018 (Cth)* for the financial year ended December 2023.

## About Baxter

Baxter manufactures and supplies pharmaceutical products and medical devices and provides related services. Baxter's broad portfolio includes essential dialysis products and fluids, sterile IV solutions, advanced infusion systems, parenteral nutrition, pharmaceuticals, advanced surgery products, acute therapies, anaesthetics, pharmacy compounding services and infection management software. Baxter's ultimate parent company is Baxter International Inc, listed on the New York Stock Exchange. Baxter employed 1,217 employees across its Australian operations in 2023. Baxter operates a manufacturing plant in Western Sydney, NSW, as well as a commercial business, aseptic compounding centres and warehousing facilities across Australia.

Baxter locally manufactures intravenous fluids and renal therapy fluids and locally compounds pharmaceuticals. Baxter uses domestic and international supply chains for raw materials as well as finished goods. As part of a broader corporate group, Baxter is supported by global supply arrangements established by its affiliates in compliance with group policies and procedures designed to ensure responsible business operations.

### ***Group companies covered by this statement***

Baxter Healthcare Pty Ltd consulted the relevant Australian companies it owns or controls in the development of this statement. In 2023 the Australian business included Baxter Renal Care Services Pty Ltd (ACN 625 652 280) which is not a subsidiary but shares Baxter International Inc as its ultimate parent company, and operated under the Australian management of Baxter Healthcare Pty Ltd. Baxter Renal Care Services Pty Ltd operated two renal care clinics in the ACT until October 2023 and changed its name to Vantive Pty Ltd in preparation for the separation of the chronic kidney care and acute therapies business that commenced its Australian operations on 1 February 2024.

Baxter International Inc acquired the Hillrom group in December 2021. Hillrom is a medical technology company that provides products such as smart bed systems, connected monitoring, cardiology, intelligent diagnostics, care communications, respiratory health devices, and global surgical solutions. The Australian Hillrom companies are Hill-Rom Pty Ltd (ACN 101 410 940), Welch Allyn Australia Pty Ltd (ACN 062 931 462) and Trumpf Med (Aust) Pty Ltd (ACN 128 008 186 – deregistered in 2023) (together, “Hillrom”). The Australian Hillrom entities are ultimately owned by Baxter International Inc and integration with the Australian business commenced in 2022 under local Australian management.

## Risk of Modern Slavery Practices

Baxter procures finished goods and raw materials from various domestic and international suppliers. As would be expected for any business supported by both domestic and international supply chains, the potential risk of modern slavery practices needs to be managed by responsible and ethical business practices. Baxter continuously monitors supply chains, and reviews existing and emerging trends that may indicate increased risk factors for modern slavery and forced labour.

## Actions to Assess and Address Risks

As an organisation, we appreciate the real and global issue of modern slavery and human trafficking and foster a culture of the highest standards of ethics and business conduct with respect to all human rights issues.

## Employees and Contractors

### *Employees*

Baxter employs a robust local policy framework to prevent all illegal working, including ‘right to work’ checks for all employees and regular audits.

### *Contract workers*

For contract workers, a preferred supplier list of labour hire agencies is maintained. Preferred labour hire agencies are used when engaging contractors, and these agencies are subject to Baxter’s due diligence and review processes prior to contracting and throughout their relationship with Baxter.

### *Modern Slavery law training*

In 2023 Baxter delivered modern slavery law training sessions to the following personnel.

- Refresher training for Baxter’s ANZ Senior Leadership Team (SLT). This training focused on current compliance initiatives and sought support from the SLT regarding these ongoing initiatives.
- Mandatory training for local and relevant global Procurement personnel following a restructure of the Procurement function. Procurement training raised awareness of Australian Modern Slavery law for all offshore Procurement personnel working on Australian supply contracts, and provided an overview of modern slavery law requirements as well as Baxter’s compliance objectives and initiatives that are led by Procurement. For relevant Procurement personnel who were unable to attend a live training session, the training was recorded and made available in Baxter’s online learning portal.
- Awareness training for customer-facing personnel, particularly sales personnel who work on customer contracts. In 2023 modern slavery law was an important discussion topic with many customers. This training helped Baxter’s sales personnel to:

- learn more about Australian modern slavery law and understand why it is important to our customers,
- understand Baxter's modern slavery law compliance initiatives so that these can be communicated effectively to customers, and
- recognise modern slavery law clauses when reviewing customer contracts.

## Standards and Codes

In order to manage and address the risk of modern slavery and forced labour, Baxter, alongside its affiliates forming part of the global Baxter corporate group, complies with the requirements as set out below. Accordingly, where Baxter utilises international supply chains managed by other Baxter affiliates, those affiliates are also required to comply with the following requirements.

### ***Baxter's Code of Conduct***

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.

### ***Baxter's Global Human Rights Policy***

Baxter complies with the Global Human Rights Policy applicable to the Baxter corporate group globally. A copy of this Policy can be accessed using the following link: <https://www.baxter.com/policies-positions/global-human-rights>

### ***Baxter's Ethics & Compliance Standards for Suppliers***

Our commitment to fostering a culture of compliance extends to our relationships with suppliers, and we recognise our responsibility to positively influence our suppliers.

As a condition of contracting with Baxter, we require our suppliers to agree to Baxter's Ethics and Compliance Standards for Suppliers, which incorporate rules against all forms of modern slavery. A copy of these Standards can be accessed using the following link: [https://www.baxter.com/sites/g/files/ebysai3896/files/2023-02/Supplier\\_Standards\\_English\\_2023.pdf](https://www.baxter.com/sites/g/files/ebysai3896/files/2023-02/Supplier_Standards_English_2023.pdf)

Specifically, the Standards prohibit our suppliers of products and services from violating of 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.

### ***Updated modern slavery compliance clause***

In 2023, Baxter included enhanced contractual obligations in supply contracts to strengthen supplier modern slavery law compliance obligations and to provide uniformity of compliance obligations across relevant supply contracts.

### ***Baxter's Conflict Minerals Policy and Position Statement***

Baxter complies with the Conflict Minerals Policy and Position Statement Human Rights Policy applicable to the Baxter corporate group globally. A copy of this Policy can be accessed using the following link: <https://www.baxter.com/policies-positions/conflict-minerals-policy-position-statement>

## Reporting Mechanisms

Baxter has a policy on whistleblowing which provides a mechanism for our employees or relevant stakeholders to report human rights concerns. In addition, Baxter's Ethics and Compliance Helpline (a telephone and online resource) is available to employees, suppliers and other stakeholders as another channel to report or seek guidance on any issues of concern. This reporting mechanism can assist in identifying vulnerable people and provide them with necessary support and referrals to appropriate care and services.

## Assessment of Actions to Address Risks

### Due Diligence & Understanding Risk in Our Supply Chains

As a global group, Baxter is integrating our supplier corporate responsibility strategy into our overall supplier management processes and conducts periodic assessments of key suppliers to evaluate cost, delivery, quality, and risk.

We recognise that our supply chain due diligence should be focused on areas of highest risk. We are therefore committed to continuously strengthening our risk assessment process, focusing on countries or materials/products of concern. This is an iterative process, and as part of our management system approach to labour standards and sourcing risks, we aim to continuously improve the quality of information we hold on supply chain risk, combining it with information from other due diligence activities, and taking appropriate action if concerns are found.

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. In 2023 Baxter Healthcare as a global group collaborated with EcoVadis, a globally recognised assessment platform that rates businesses' sustainability practices, to conduct corporate responsibility surveys of participating suppliers' corporate responsibility programs and performance in areas of labour and human rights, ethics, environment, and sustainable procurement. Particularly, this survey assesses whether these suppliers have policies and programs to address human rights, including human trafficking and slavery (child, forced or bonded labour). Baxter can access detailed supplier scorecards with information about strengths, benchmark comparisons, and improvement areas, via the EcoVadis platform. Baxter also leverages the EcoVadis system to determine if follow-up action is necessary, and plans to include survey scores in business reviews with strategic suppliers in the future.

In 2022 as a global group Baxter created a corporate responsibility risk profile for certain Baxter suppliers. Our supplier corporate responsibility risk profile includes in-depth risk mapping for applicable Baxter suppliers based on location, performance, and goods and services provided. In addition to providing Baxter with aggregate data about risk across multiple dimensions of corporate responsibility, the profile also gives us visibility to individual supplier reporting in each of these areas. The risk profile assists Baxter to prioritise suppliers with the greatest corporate social responsibility-related risk factors for additional due diligence or corrective action.

In 2023 as a global group Baxter developed the Baxter Global Supplier Standards Manual, an important step towards conducting supplier corporate responsibility audits in future years.

## Continuous Improvement to Ensure Compliance & Ethical Frameworks

### *Conflict Minerals Policy*

As part of Baxter's commitment to sustainability, including its policy on protecting human rights in our own operations along with our supply chain, as a global group Baxter's goal is to source raw materials that require the use of tin, tantalum, tungsten or gold (known as 3TG) from conflict-free sources.

Baxter expects its suppliers to have appropriate policies and due diligence measures in place that will allow us to reasonably determine if products and raw materials containing conflict minerals originate from conflict-free sources, including those from the Democratic Republic of the Congo (DRC) and its surrounding areas.

Baxter's parent company launched its Conflict Minerals Program back in 2015, and as of today Baxter continues to survey key suppliers in its supply chain and completes an annual Baxter Conflict Minerals Reporting Template (CMRT) (available to customers upon request at: [Baxter\\_Compliance\\_Support@baxter.com](mailto:Baxter_Compliance_Support@baxter.com)) where we continue to successfully grow suppliers' responsiveness in the program.

In support of this, Baxter (in conjunction with Baxter affiliates globally) has and will:

- Exercise due diligence of its relevant suppliers consistent with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and expect those suppliers to do the same with their own suppliers;
- Engage and collaborate with its suppliers to work toward a DRC conflict-free supply chain for Baxter's products;
- Continue to collaborate with suppliers to help Baxter demonstrate measurable improvement in ensuring that the company is sourcing 3TG responsibly and from conflict-free sources;
- Through its affiliated company Baxter Healthcare Corporation, support responsible sourcing of 3TG by participating as a member of the Responsible Minerals Initiative and donating to this organization's smelter audit program; and
- Continue to monitor, adapt, and modify our due diligence practices to conform to the recognized industry best practices.

Baxter's ultimate parent company, Baxter International Inc, filed a Form SD and Conflict Minerals Report with the U.S. Securities and Exchange Commission for the year ended December 31, 2023.

## Conclusion

Baxter complies with its obligations under the *Modern Slavery Act*, and we acknowledge that this is an important area of compliance for our customers. Baxter is committed to continuous improvement in our approach to managing supply chain risk. Responsibility for ensuring we meet our obligations requires cross-functional collaboration involving many internal commercial and functional business units, including Procurement, Human Resources, EHS & Sustainability, and Legal, and has the sponsorship of Baxter's Australia and New Zealand Senior Leadership Team.

Baxter continues to monitor and review its compliance processes, to ensure transparency and anti-slavery compliance across its Australian business and supply chain.

This statement was reviewed and approved by the Board of Directors of Baxter Healthcare Pty Ltd on 27 June 2024.

Signature

*B.P. Cummins*

Name

Brendan Cummins

Position

Director

Date

27 June 2024