

## 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) ("**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 ending December 2020.

## 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 is a subsidiary of a NYSE listed parent company; Baxter International Inc. Baxter employs 1,059 employees across its Australian operations. 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.

## 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

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

### 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/ebysai746/files/2018-13/standards\\_suppliers\\_english\\_2016.pdf](https://www.baxter.com/sites/g/files/ebysai746/files/2018-13/standards_suppliers_english_2016.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, and Baxter may terminate agreements with suppliers that do not comply. Contracts with suppliers include language that permits Baxter to audit facilities at which any products and services provided to Baxter are manufactured and delivered, to assess suppliers' compliance with the Standards.

### 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

On an annual basis, as a global group, Baxter Healthcare utilizes independent third-party resources to review certain suppliers to evaluate several non-financial performance factors and conduct supplier corporate social responsibility risk assessments. Many of our suppliers also comply with global regulations regarding the prevention of modern slavery and unethical labour practices. Particularly, this survey assesses whether these suppliers have programs to address human rights, 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 recognise that our supply chain due diligence should be focused on areas of highest risk. We are therefore committed to continuously strengthen 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.

### Continuous Improvement to Ensure Compliance & Ethical Frameworks

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 the 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 30 June 2021.

Signature

Name

Position

Date

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Steven Flynn

Director

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