

# Sustainability at Baxter:

## A Summary of 2003 Performance



**Baxter**



Baxter strives for its sustainability reporting to be useful, accurate and transparent. Since formally beginning environmental reporting in 1990, we have worked to improve our reporting process and the report contents based on the feedback and suggestions we have received from our diverse stakeholders. This summary is intended to provide only a very basic overview of Baxter's 2003 sustainability performance. To provide more extensive information and updates regarding its performance on parameters relating to sustainability, Baxter has dedicated a section of its company website, [www.baxter.com](http://www.baxter.com), to capture the company's 2003 performance across a broad spectrum of indicators, including feature stories that provide additional perspective about how Baxter impacts and interacts with its communities and stakeholders, and containing convenient links to relevant company policies and resources.

## Baxter and GRI

As one of the first 21 companies to pilot reporting under the Global Reporting Initiative when it was established in 1999, Baxter has pledged ongoing support for the GRI principles. Baxter's Sustainability Report is aligned with the GRI Guidelines, which provide a rigorous framework for reporting on economic, social and environmental performance, often referred to as the "triple bottom line." Baxter has used the GRI Guidelines as a foundation for identifying the company's progress against performance indicators that offer a comprehensive picture of where the company stands in its efforts to drive sustainable development. With the assessment of 2003 performance, Baxter considered each GRI indicator, feedback from a variety of stakeholders, and the results of a self-assessment of its strategic initiatives. Baxter addresses where it stands on each GRI indicator, and the company has provided more detail in its on-line report for those indicators that it believes are most relevant to its business and industry.

## CEO Perspectives



*Excerpts from Letter to Stakeholders from Robert Parkinson:*

“As I visit Baxter’s facilities and employees throughout the world, I am struck by the level of individual engagement and responsibility that I encounter. I firmly believe that success and sustainability are achieved primarily through the collective ideas and actions of individuals across the organization, not just by words in a mission statement or special programs and objectives.

It’s the people who make up the organization that are responsible for assessing the needs of their communities and engaging their company appropriately. It’s people who are applying their individual experience and talents to find ways to operate more efficiently and minimize our environmental impact. And it’s individuals who face tough ethical decisions and chart a course that is consistent with Baxter’s business practices.

Engaging in your community goes far beyond funding worthy organizations, and reducing your environmental impact requires much more commitment than turning down the thermostat. The social and health needs in all communities are staggering, and the world’s natural resources are finite and fragile. And all of us – individually and collectively – have an important role to play. Baxter and its employees throughout the world take their roles very seriously, and take them beyond the four walls of our offices and facilities.”

**MORE INFORMATION:**

[www.baxter.com/about\\_baxter/sustainability/CEO/](http://www.baxter.com/about_baxter/sustainability/CEO/)

# Company Profile



Baxter International Inc. (NYSE: BAX) is a global healthcare company that, through its subsidiaries, assists healthcare professionals and their patients with the treatment of complex medical conditions including hemophilia, immune disorders, kidney disease, cancer, trauma and other conditions. With 2003 sales of \$8.9 billion, and approximately 50,000 employees, Baxter applies its expertise in medical devices, pharmaceuticals and biotechnology to make a meaningful difference in patients' lives.

A global presence and infrastructure is one of Baxter's key strengths. In 2003, approximately 50 percent of Baxter's sales and more than half of its workforce were outside the United States. With 67 manufacturing facilities located throughout the world, Baxter's philosophy of manufacturing locally allows the company to better manage production, costs and pricing.

Baxter employees throughout the world strive to make a worthwhile impact on the health and well-being of our communities, and to minimize the impact that our operations have on the environment and natural resources. In addition, the company seeks to promote a workplace culture that positively and effectively influences how employees conduct themselves in business. In 2003, Baxter's employees celebrated the 10th anniversaries of the company's Shared Values and Business Practices programs, which have provided the solid foundation for the company's culture and approach toward sustainability.

**MORE INFORMATION:**

[www.baxter.com/about\\_baxter/company\\_profile/](http://www.baxter.com/about_baxter/company_profile/)



## Engaging Our Communities

As a global leader, we have the responsibility to contribute to societal improvements. We are working to make a positive impact on our local and global communities, particularly with regard to increasing access to high-quality healthcare for underserved populations.

Economic turmoil, natural disasters and political instability brought significant challenges to public health in 2003, and Baxter increased its efforts to provide support. In 2003, The Baxter International Foundation contributed \$3.6 million in 25 countries to help improve lives in local and global communities and increase access to healthcare on a global basis. The company also donated more than \$5.5 million in vital medical products to help meet the most critical needs throughout the world, in addition to the nearly \$5 million donated through Baxter's local businesses

and facilities and the numerous volunteer efforts of Baxter employees throughout the world.

The overall goal of Baxter's financial donations is to maximize, leverage and align Baxter's charitable giving with the objective of improving lives in local and global communities. Baxter attempts to balance overall charitable giving by recognizing three needs:

- **Addressing access to healthcare** – The need to address access to healthcare on a global basis is one of the company's primary objectives. This is a major focal point for Baxter, and as such, the company targets its giving accordingly. Both through The Baxter International Foundation and product donations, Baxter's annual contributions support efforts related to improving access to healthcare on a global basis.

**MORE INFORMATION:**

[www.baxter.com/about\\_baxter/sustainability/our\\_communities/](http://www.baxter.com/about_baxter/sustainability/our_communities/)



- **Supporting employee community involvement –** Supporting and recognizing employee community involvement is another primary objective. By directing contributions to organizations in which Baxter employees are involved, including local not-for-profits, national disease specific causes and other organizations, the company is aligning with and directly supporting employee interests. These funds are generated through local business unit cost centers (e.g., in recognition of employee community projects, such as supporting a homeless shelter or food pantry) and through programs offered by The Baxter International Foundation (e.g., Dollars for Doers and Matching Gifts).
- **Supporting critical community needs –** As a neighbor in various communities throughout the world, Baxter hopes to contribute to the overall betterment of the communities in which it operates by addressing critical local needs – whether or not they are related to access to healthcare or are specifically in support of an employee’s interests. Examples of such critical community needs are education, transportation and social service needs. Generally these funds originate from the local business unit and/or department cost center.

## Our Stakeholders

As a global company in the healthcare industry, Baxter interacts with many different direct and indirect stakeholders throughout the world. Baxter appreciates the important role that all of the company’s stakeholders play in its continued success and viability, and strives to effectively balance the varied and sometimes conflicting needs and positions of individual stakeholders. Baxter approaches engagement and dialogue with all of its stakeholders in a manner that is consistent with the company’s Shared Values – with mutual respect, openness and integrity.

In 2003, the company launched several new collaborations aimed at advancing sound business and environmental practices through the supply chain, including a business ethics toolkit for suppliers worldwide and the Green Supplier Network for the health care industry (in partnership with the U.S. Environmental Protection Agency and the U.S. Department of Commerce).

## Safety Performance



2003 saw Baxter's best-ever safety performance. Last year, Baxter set out to reduce its number of cases with days lost and number of days lost by 10 percent each across the company. The results: Baxter saw an 18 percent improvement from the year before in the rate of cases with days lost, while the rate of days lost from those accidents represented a 25 percent improvement from 2002. As of year-end 2003, 21 Baxter facilities have worked more than 10 years, or more than 1 million hours, without a case with days lost. And 63 percent of Baxter facilities reported no lost-time injuries and illnesses in 2003, while more than 42 percent of these facilities have worked three or more years without a work-related lost day.

Baxter attributes this success in large part to visible commitment, involvement and accountability from management and the outstanding efforts of all employees. Baxter facilities also are improving safety practices and implementing a model process aimed at achieving safety excellence. Elements of this process include root-cause analysis and corrective and preventive actions, risk assessments, improved communication, and feedback and recognition systems.

#### MORE INFORMATION:

[www.baxter.com/about\\_baxter/sustainability/our\\_people/health\\_safety/](http://www.baxter.com/about_baxter/sustainability/our_people/health_safety/)

# Environmental Performance

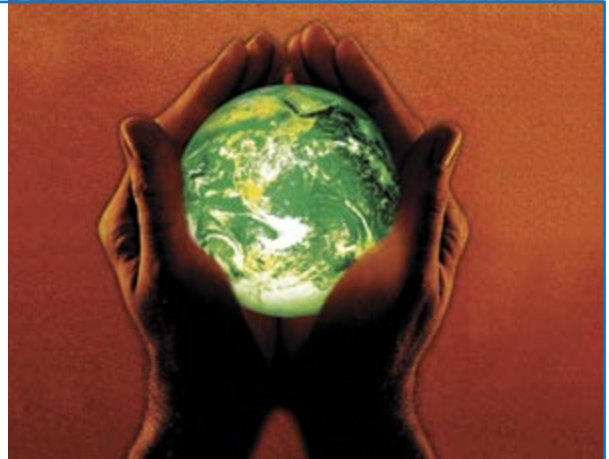


In 1996, Baxter established long-term, next-generation environmental goals. The company continues to make significant progress toward these goals: To date, 95 percent of Baxter facilities (manufacturing, R&D and large warehouses) that are required by policy to be certified are, in fact, ISO 14001 certified. Though performance was positive for 2003, to achieve its 2005 environmental goals, the company must focus on improvements in two areas – energy efficiency and regulated waste generation. A summary of progress on each environmental element follows:

- **Non-Hazardous Waste:** For the second year in a row, Baxter generated less non-hazardous waste than it did the year before. Baxter has achieved a 27-percent reduction on a per-unit-of-production-value basis since 1996.
- **Regulated Waste Performance:** On a per-unit-of-production-value basis, Baxter reduced hazardous waste generation by 9 percent and achieved an 8-percent reduction since 1996.
- **Packaging Performance:** Baxter is on-target to meet or exceed its goal to reduce packaging material by 20 percent by year-end 2005, compared to the 1995 baseline.
- **Water:** Baxter has not formally adopted a companywide water use reduction goal. In the face of a nearly 8-percent increase in production, water usage remained constant in 2003 compared to 2002. Baxter has reduced its water usage by 18 percent per unit of production value since 1996.

- **Air:** Baxter has achieved its air goal, an 80 percent reduction on a per-unit-of-production-value basis in toxic emissions in 2001. Since 2001, Baxter has further reduced air emissions by an additional 10 percent.
- **Reducing Energy Use and Associated Greenhouse Gas Emissions:** In 2003, Baxter achieved a savings and cost-avoidance of approximately \$3.9 million. On a per-unit-of-production-value basis, the company improved overall company energy efficiency an additional 3 percent from 2002 to 2003.

Baxter continues to be recognized for its environmental, health and safety (EHS) performance. In 2003, Baxter facilities around the world received eight environmental awards and two safety awards from regulatory agencies and organizations dedicated to promoting safety, health and environmental excellence. In addition, Baxter was recognized by several organizations in 2003 for its EHS programs and reporting, including the Dow Jones Sustainability Index, the U.S. Green Building Council and *Business Ethics* magazine.




**MORE INFORMATION:**

[www.baxter.com/about\\_baxter/sustainability/our\\_environment/](http://www.baxter.com/about_baxter/sustainability/our_environment/)



Baxter International Inc.  
One Baxter Parkway  
Deerfield, Illinois 60015  
[www.baxter.com](http://www.baxter.com)

 This report was printed with soy-based inks on recycled paper with 10% post-consumer waste.

© Copyright 2004 Baxter International Inc. All rights reserved.