UK CARBON REDUCTION PLAN
JANUARY 2025 UPDATE

Baxter

This document supports Procurement Policy Note (PPN) 06/21 (June 2021) and sets out the carbon reduction plan of Baxter Healthcare Ltd (UK), Hill-Rom Ltd, Welch Allyn (UK) Ltd, and Vantive Limited (collectively referred to as Baxter UK) with the objective of:

- confirming Baxter UK's commitment to achieving Net Zero by 2050 at the latest
- detailing emissions reported for all required scopes/categories (in accordance with the required methodology)
- detailing carbon reduction measures in place and our global climate action roadmap
- demonstrating the commitment of our UK company directors

1. Our commitment to achieving Net Zero:

The Baxter UK companies are wholly owned indirect UK subsidiaries of Baxter International Inc. (Baxter). Baxter understand the UK NHS goal to reach Net Zero Carbon emissions by 2040/5, and as a supplier with a long-standing commitment to sustainability and reducing our carbon emissions, we will support our customers in achieving their own climate action goals. In 2021 Baxter announced our 2030 Corporate Responsibility Commitment featuring ten goals for focused action, including a goal to achieve carbon neutrality for our direct operations by 2040. Baxter also continues to calculate and reduce Scope 3 emissions across our value chain, including through supplier engagement. The commitment in this document by Baxter UK to achieving Net Zero by 2050 at the latest, in relation to the delivery of UK government contracts (including those for the NHS), is complementary to our global climate goals.

Our Goals:

- Baxter Healthcare Ltd (UK), Hill-Rom Ltd, Welch Allyn (UK) Ltd and Vantive Limited commit to Net Zero by 2050 at the latest.
- Baxter has a global Corporate Responsibility goal to achieve carbon neutrality for our direct operations by 2040 with an interim global goal to reduce absolute Scope 1 & 2 emissions 25% by 2030 (base year 2020).

2. Baxter Emissions reporting (Incorporating data from Baxter Healthcare Ltd UK, Hill-Rom Ltd, Welch Allyn UK Ltd, and Vantive Limited):

2a. Baxter International (Global) Greenhouse Gas Emissions – Baseline Emission Year 2020	
EMISSIONS	TOTAL (tCO2e)
Scope 1	309,000
Scope 2[1]	304,000 (market based)/ 404,000 (location based)
Scope 3 (all applicable categories)[2]	5,484,000
Total Emissions	6,107,000

2b. Baxter International (Global) Greenhouse Gas Emissions - Reporting Year 2023	
EMISSIONS	TOTAL (tCO2e)
Scope 1	352,000
Scope 2[1]	219,000 (market based)/ 314,000 (location based)
Scope 3 (all applicable categories)[2]	3,441,000
Total Emissions	4,031,000

1. Scope 2 emissions are reported in accordance with GHG Protocol Scope 2 Guidance as location and market-based emissions. Location-based emissions are calculated based on the average emissions intensity of the grid for the region where energy is consumed. Market-based emissions are calculated based on the electricity procured by individual locations, with emission factors derived from contractual instruments (Source: GHG Protocol Scope 2 Guidance, An amendment to the GHG Protocol, Corporate Standard, World Resources Institute. Last Accessed: January 2023).
2. Scope 3 emissions determined in accordance with the Greenhouse Gas Protocol, Technical Guidance for Calculating Scope 3 Emissions. Supplement to the Corporate Value Chain (Scope 3) Accounting & Reporting Standard (Version 1.0).

3. Our Carbon Reduction Performance

Baxter has long-standing commitments to reducing greenhouse gas (GHG) emissions, conserving resources and limiting our impact on the environment. Between 2005 and 2015, we reduced our absolute GHG emissions by 19%. We reduced GHG emissions by another 13.6% between 2015 and 2020. Our Climate Action Roadmap (see Appendix 2) outlines our plans to achieve carbon neutrality for our direct operations by 2040. The following measures set out will be in effect for Baxter UK when performing the relevant contract.

GHG Emissions (Scope 1 and 2) from Baxter Operations: In 2023, Baxter's total Scope 1 and 2 emissions from operations equalled 570,000 metric tons CO2e, a 4.6% decrease in absolute emissions compared with 2020. During the year, in addition to energy-efficiency initiatives, we worked to decrease our GHG emissions through fuel switching, cogeneration, alternative energy systems, on-site renewable energy systems and renewable electricity procurement. By the end of 2023, 33% of our energy use for operations globally was derived from renewable sources, amounting to 979,000 MWh annually. Within the UK, two manufacturing facilities are associated with more than 90% of our energy consumption, and related Scope 1 and 2 emissions. Our environmental management system across UK manufacturing is certified to ISO14001 and is audited regularly. It focuses on objectives and actions on areas that will have the most significant environmental impact both in the short and long term. Additional to our own internal energy assessments, we undertook energy audits in the UK as part of the Energy Savings Opportunity Scheme (ESOS) Phase I in 2015, Phase II in 2019 and Phase III in 2024. We procure 100% renewable electricity for our UK manufacturing sites.

Our Energy Efficiency Programmes: Our Global Energy Program, certified to ISO 50001, applies this standard to the company's facility-level energy management systems (some of which are also certified individually). Through our Lean Energy Program, Baxter's manufacturing facilities advance through four levels (Gold, Silver, Bronze and Prerequisite) by meeting criteria for program and technical requirements and standards of operational excellence. Site-specific energy assessments help us identify opportunities to conserve energy, such as implementing new technologies or adopting best practices, where appropriate. In 2023, we completed 150 energy-conservation projects across our manufacturing sites. We estimate these projects will save approximately 43,800 MWh of energy and will reduce GHG emissions by approximately 21,100 metric tons CO2e annually.

Scope 3 Emissions: Baxter continues to calculate and focus on Scope 3 GHG emissions across our value chain, including through supplier engagement and our efforts to reduce emissions from product transport. In 2021, our largest transport supplier for our UK customers began replacing fossil fuel use with biofuel (HVO). This conversion is expected to reduce GHG emissions by about 4000 metric tonnes on an annual basis. In 2020, we introduced pedal power to transport chemotherapy and parenteral nutrition from our Oxford Compounding centre to patients at John Radcliffe hospital, Oxford. By using bicycle deliveries, we have helped to eliminate the CO2 emissions associated with transport by van, reduced traffic congestion and emissions of the pollution that affects local air quality in a busy urban environment.

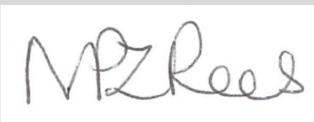
Partnerships for Carbon Reduction: Baxter is a founding member of the Sustainable Healthcare Coalition (SHC), a UK industry led group whose objectives are to learn and share expertise and best practice to achieve more sustainable healthcare products and services. This includes guidance on how to carbon footprint pharmaceuticals, medical devices and treatment or care pathways, which Baxter uses for selected products and services.

Our Carbon Reporting: Baxter has reported our Carbon Emissions to the Carbon Disclosure Project (CDP) since its inception in 2003. In 2023 Baxter received a 'B' score. We also report against the framework established by the Task Force on Climate-related Financial Disclosures (TCFD).

4. Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with UK PPN 06/21 (June 2021) and associated guidance and reporting standard for Carbon Reduction Plans. Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard, using the appropriate Government emission conversion factors for greenhouse gas company reporting. This Carbon Reduction Plan has been reviewed and signed off by the UK board of directors (or equivalent management body).

Signature:



Date:

30th January 2025

Signed on behalf of Baxter Healthcare Ltd (UK), Hill-Rom Ltd and WelchAllyn (UK) Ltd: Natasha Rees
Country Lead UK & Ireland, Baxter Healthcare Ltd

Signature:

Date:

30th January 2025

Signed on behalf of Vantive Limited:
Cassandra Boa, Director.

Baxter

Appendix 1: Baxter Global Carbon Emissions reporting[3]

Baxter International (Global) Greenhouse Gas Emissions 2023 (Baseline year 2020) Incorporating data from Baxter Healthcare Ltd UK, Hill-Rom Ltd, Welch Allyn UK Ltd and Vantive Limited.

Scope 1 & 2 Emissions		
EMISSIONS (tCO2e)	Baseline Year 2020	Reporting Year 2023
Emissions from combustion of gas/fuel (Scope 1) (tCO2e)	282,000	298,000
Emissions from transport (Scope 1) (tCO2e)	29,000	50,000
Refrigerant losses (tCO2e)	8000	4000
Total Scope 1 Emissions (tCO2e)	319,000	352,000
Total Scope 2 emissions (tCO2e) - location based	404,000	384,000
Total Scope 2 Emissions (tCO2e) – market based	304,000	219,000
Baxter Operations Total Scope 1 & 2 emissions (tCO2e)	623,000	570,000

Scope 3 Emissions		
EMISSIONS (tCO2e)	Baseline Year 2020	Reporting Year 2023
Purchased Goods and Services (Category 1)	1,418,000	1,538,000
Capital Goods (Category 2)	282,000	154,000
Fuel and Energy-Related Activities (Category 3)	163,000	143,000
Upstream Transportation and Distribution (Category 4)	448,000	397,000
Waste Generated in Operations (Category 5)	15,000	28,000
Business Travel (Category 6)	18,000	46,000
Employee Commuting (Category 7)	36,000	35,000
Upstream Leased Assets (Category 8)	0	0
Downstream Transportation and Distribution (Category 9)	163,000	144,000
Processing of Sold Products (Category 10)	19,000	0
Use of Sold Products (Category 11)	2,754,000	818,000
End-of-Life Treatment of Sold Products (Category 12)	148,000	158,000
Downstream Leased Assets (Category 13)	0	0
Franchises (Category 14)	0	0
Investments (Category 15)	0	0
Scope 3 Emissions Total (tCO2e)5	5,484,000	3,441,000
Baxter Total GHG Emissions Scope 1,2,3 (tCO2e)	6,107,000	4,031,000

[3] See Appendix 3 for methodology

Baxter

Appendix 2: Baxter's Climate Action RoadMap

This graphic represents Baxter's plans as of June 2022. These plans might change over time. For activities summarized in the 2020–2025 time frame, we have indicated which are completed, in progress or planned. † Complete †† In Progress ††† Planned

Our History

1997 Began reporting GHG emissions
2003 Began reporting to CDP
2015 Achieved 19% reduction in absolute Scope 1 and 2 GHG emissions (from a 2005 baseline)
2020 Achieved 13.6% reduction in absolute Scope 1 and 2 GHG emissions (from a 2015 baseline)
2021 Announced next generation of climate goals

GOAL: Reduce absolute Scope 1 and 2 GHG emissions by 25% by 2030

GOAL: Achieve carbon neutrality for our direct operations (Scope 1 and 2 GHG emissions) by 2040

Baseline 2020 | 2025 | 2030 | 2040

	2020–2025	2025–2030	2030–2040
Governance and Data	• Team and financial resources established† • Project trackers, data management, dashboards and progress reporting to CEO and Corporate Responsibility Steering Committee†† • Re-calculation of baseline to include legacy Hillrom††† • Enhanced risk assessment††† • Evaluation of our ability to report against the TCFD framework†† • New disclosures for proposed U.S. SEC rules and EU requirements††† • Scope 3 methodology update†††	• Continued reporting according to frameworks • Climate resilience action plans • Roadmap evolution	• Further advance climate action governance and strategy
Scope 1 Direct GHG emissions from sources we own or control including fuel combustion	• Energy efficiency program and acceleration of project pipeline (Scope 1 and 2)†† • Fuel switching, including biomass†† • Heat decarbonization such as heat pumps†† • Refrigerant loss and substitution program†† • Investigation of alternative processes for steam††	• More energy efficiency projects (Scope 1 and 2) • More fuel switching projects • More heat decarbonization projects • Alternative processes for steam pilots	• Continue all energy initiatives • Offsets for residual emissions
Scope 2 Indirect GHG emissions from purchased electricity and steam	• Energy efficiency program and acceleration of project pipeline (Scope 1 and 2)†† • On-site renewable energy projects†† • Cogeneration projects†† • Renewable energy certificates†† • First power purchase agreements†† • Increase in percent of renewable electricity††	• More energy efficiency projects (Scope 1 and 2) • Additional on-site renewable energy projects • Additional cogeneration projects • More renewable energy certificates • Additional power purchase agreements • -Further increase percent of renewable electricity	• Continue all electricity initiatives
Scope 3 Indirect GHG emissions from our value chain	• CONTRAfluran Anesthetic Gas Capture system pilots†† • Alternative fuel/energy pilots in product transport†† • Operational efficiencies and modal shift in product transport†† • Partnerships with key suppliers on GHG strategy to develop KPIs and embed in supplier management processes†††	• Potential expanded use of **CONTRAfluran** Anesthetic Gas Capture system • Increased scale of alternative fuel/energy in product transport	• Potential further expanded use of **CONTRAfluran** Anesthetic Gas Capture system

Appendix 3: Methodology Quantification and Reporting Methodology

- Baxter used the World Resources Institute and World Business Council for Sustainable Development The Greenhouse Gas Protocol (GHG Protocol) to calculate emissions data from fossil fuel use. We used country electricity emission factors published by the International Energy Agency and the Association of Issuing Bodies (for residual mixes), and the U.S. Environmental Protection Agency (EPA) E-Grid U.S. and Canada National Inventory Report regional electricity emission factors to calculate GHG emissions related to electricity consumption.
- LRQA verified to a reasonable level Baxter's Scope 1 and Scope 2 GHG emissions. LRQA also verified to a limited level Baxter's Scope 3 GHG emissions.
- Baxter Operations data for 2021, 2022 and 2023 excludes Baxter's BioPharma Solutions business, which was divested at the end of the third quarter of 2023. Some data for 2021 and 2022 is updated from data reported in prior-year Baxter Corporate Responsibility Reports for accuracy and to reflect updated GHG emission factors.
- We used the GHG Protocol: A Corporate Accounting and Reporting Standard, Revised Edition to determine GHG emissions associated with using biomass fuel, principally wood/wood waste, as a boiler fuel at two Baxter locations. These emissions were calculated as 123,000, 111,000 and 119,000 metric tons CO2e in 2021, 2022 and 2023, respectively. CO2e emissions from CH4 and N2O components of biomass combustion are included in reported Scope 1 emissions
- Baxter used the GHG Protocol to calculate GHG emissions associated with reported fuel usage by company-managed sales and distribution fleet vehicles and other vehicles. We estimated fuel usage for some international sales vehicles based on regional sales information.
- Refrigerant emissions represent reported HFC and other refrigerant losses by each Baxter location. We calculated associated GHG emissions using emission factors for each reported refrigerant.
- Includes the purchase of electricity generated from 100% certified renewable electricity (Belgium, Brazil, France, Germany, India, Ireland, Italy, Mexico, Spain, Sweden, Switzerland, UK and United States).

Scope 3 emissions general :

- For 2023, Scope 3 categories 1, 4, 6 and 7 include Baxter's BioPharma Solutions business, which was divested at the end of the third quarter of 2023. Scope 3 categories 2, 3, 5, 9, 11 and 12 exclude BioPharma Solutions for 2023.
- Scope 3 categories 8, 10, 13, 14 and 15 are not applicable to Baxter.
- Emissions associated with category 8 (upstream leased assets) are included in Baxter's Scope 1 and 2 emissions.
- Category 10 is no longer relevant since Baxter's BioPharma Solutions business was divested at the end of the third quarter of 2023.
- Baxter does not have significant downstream leased assets (category 13), franchises (category 14) or significant investments (category 15).

Specific category methodology:

- Category 1 – Estimated based on global expenditures by category and emission factors from Conversion factors kgCO2 per £ spent, by SIC code 2020, UK Government Department for Environment, Food & Rural Affairs (Defra), 2012.
- Category 2- Estimated based on capital expenditures and the machinery and equipment emission factor from Conversion factors kgCO2 per £ spent, by SIC code 2020, Defra, 2012.
- Category 3- Estimated based on Baxter's actual yearly energy usage by energy type and GHG emission factors for each energy type per GaBi life cycle assessment software.
- Category 4- Estimated based on shipment of products to our customers using EcoTransIT World software, which is compliant with the GHG Protocol and the Global Logistics Emissions Council Framework.
- Category 5 - Estimated emissions for wastewater treatment by municipalities and off-site waste recycling and disposal based on Baxter's waste generation by type, UK Government GHG Conversion Factors for Company Reporting and the U.S. EPA GHG Emission Factors Hub.
- Category 6- Estimated emissions from air travel, rental vehicles and hotel room stays provided by Baxter's global travel providers. Also includes emissions Protocol Mobile Combustion GHG Emissions Calculation Tool, and Carbonfund.org Business Travel Calculator.
- Category 7 - Estimated based on the number of Baxter employees by country and statistics on commuting time and transport mode split into public transport, passenger cars, taxi and motorcycle, and walking or bicycling. Emission factors for each mode were obtained from Defra.
- Category 9 - Estimated based on previous Baxter product LCAs as well as the company's revenue by product type. Category 1 emissions were extrapolated to other categories depending on the product type.
- Category 11- Estimated based on previous Baxter product LCAs as well as the company's revenue by product type. Category 1 emissions were extrapolated to other categories depending on the product type. Data for 2021 and 2022 is updated from data reported in prior-year Baxter Corporate Responsibility Reports to reflect changes in the calculation methodology. Specifically, we have removed the following gases from the Use of Sold Products category, and have instead disclosed them separately: HFE-236ea2, CHF2OCHFCF3 (Desflurane); HCFE-235da2, CHF2 OCHClCF3 (Isoflurane); and HFE-347mmz1, (CF3) 2CHOCH2F (Sevoflurane). This is consistent with The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition), The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard and The Greenhouse Gas Protocol Accounting and Reporting Standard Amendment. In 2023, the estimated emissions of these optionally reported gases were 1,455,000 metric tons CO2e.
- Category 12- Totals do not include CO2 emissions from Baxter-owned wood-fired boilers