Community Support

Baxter and its employees support communities worldwide through financial contributions, product donations, healthcare access initiatives and employee volunteerism. Increasing access to healthcare, promoting community service and supporting employee engagement through these efforts are core principles of the company’s vision and culture.

This section includes the following pages:

- **Education and Critical Community Needs** - Baxter makes financial and in-kind donations to address needs such as improving education, protecting the environment and fostering patient safety.

- **Employee Involvement** - The company encourages employees to volunteer time and expertise in their communities and matches employees’ monetary contributions to eligible U.S. charitable organizations through The Baxter International Foundation Matching Gifts Program.

Baxter’s community support efforts benefit people in need worldwide, while strengthening the company's business. These initiatives improve community relations, demonstrate Baxter's commitment and increase employee engagement. During 2012, Baxter and The Baxter International Foundation gave more than $56 million, including product donations, cash contributions and foundation grants.

The company has contributed more than $318 million over the last five years.

<table>
<thead>
<tr>
<th>Baxter and The Baxter International Foundation Charitable Giving* (Dollars in Millions)</th>
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<tbody>
<tr>
<td>2008</td>
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<tr>
<td><strong>Product Donations</strong>**</td>
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<td>Products/Patient Assistance Programs</td>
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<td><strong>Business and Facility Cash Donations</strong></td>
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<td>Within U.S.</td>
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<td>Outside U.S.</td>
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<tr>
<td>Subtotal</td>
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<tr>
<td><strong>The Baxter International Foundation Contributions</strong></td>
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<tr>
<td>Within U.S. (including Puerto Rico)</td>
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<tr>
<td>Grants</td>
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*Table notes:*
**Product Donations** includes donations to The Baxter International Foundation.

During Making a Meaningful Difference Month, employees in China raised funds to buy sports equipment and educational materials for a rural school and then visited to provide the students with a day of fun.
### Overview of Baxter Global Community Support in 2012

<table>
<thead>
<tr>
<th>Matching Gifts &amp; Dollars for Doers</th>
<th>0.75</th>
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<td>0.20</td>
<td>0.21</td>
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<td>Prize Programs</td>
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<td><strong>$2.24</strong></td>
<td><strong>$2.47</strong></td>
<td><strong>$2.83</strong></td>
<td><strong>$2.56</strong></td>
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<table>
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<tr>
<th>Outside the U.S.</th>
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<tr>
<td>Grants</td>
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<td>$1.14</td>
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<td>Scholarships</td>
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<tr>
<td><strong>Subtotal</strong></td>
<td><strong>$1.43</strong></td>
<td><strong>$1.27</strong></td>
<td><strong>$1.63</strong></td>
<td><strong>$1.21</strong></td>
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<td><strong>Total Foundation Contributions</strong></td>
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<td><strong>$3.51</strong></td>
<td><strong>$4.10</strong></td>
<td><strong>$4.04</strong></td>
<td><strong>$3.13</strong></td>
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**Total Charitable Giving**

|                                | **$43.79** | **$52.85** | **$79.41** | **$80.14** | **$56.67** |

*Some subtotals vary slightly from sum of items in category, due to rounding.
**Variations in Baxter’s annual product donations are due to fluctuations in community needs, the severity and volume of disaster relief response, the regulatory environment, manufacturing processes, change in product mix and marketing. The company identifies opportunities to donate and responds to community requests as appropriate. See Product Donations.

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### Education and Critical Community Needs

Baxter helps communities worldwide address a broad range of needs, in addition to improving access to healthcare. These include improving education, building awareness of chronic diseases, supporting youth services, and protecting the environment. Baxter’s business units, functions and manufacturing facilities contributed $25 million worldwide in 2012, nearly 50% outside the United States. Baxter Chairman and CEO Robert L. Parkinson was recently named one of the 100 CEO Leaders in STEM by STEMconnector®.

#### Education

According to the 2011 Nation’s Report Card, only 40% of U.S. fourth-graders and 35% of eighth-graders perform at or above grade level in math. In the 2009 Nation’s Report Card, the latest year that the science proficiency was assessed for those grade levels, just 34% of fourth-graders, 32% of eighth-graders and 21% of 12th-graders perform on par for their grade level in science.¹ Advancing elementary and high school math and science education today sets the foundation for medical discoveries for years to come. As a science- and technology-based healthcare company, Baxter has a responsibility to help provide current students as well as future generations with opportunities to thrive in these areas. The company focuses on enhancing local math and science education programs to prepare students for careers in science.

In 2008, Baxter launched Science®@Work: Expanding Minds with Real-World Science, a multi-year commitment to Chicago Public Schools (CPS) to support teacher training and student development in healthcare and biotechnology. In the 2011-2012 school year, the program reached nearly 14,000 students and almost 190 teachers through in-depth biotechnology teacher training and lesson plans. This increased the total to more than 60,000 students and 720 teachers since 2008, in 45 percent of the 145 high schools throughout the district.

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¹Includes contributions from Baxter and The Baxter International Foundation.
Baxter also supported 10 events for teachers and students, including several enabling students to experience science first-hand through interactions with Baxter professionals. This included a Baxter partnership with Northwestern University's Office of STEM Education Partnerships and the Biotechnology Center of Excellence at Lindblom Math and Science Academy in 2012 to provide teachers professional development workshops to help bring biotechnology into the classroom. Teachers participated in hands-on labs at Northwestern and Lindblom and visited Baxter's labs at its Round Lake, Illinois facility to gain real-life context.

In 2012, Baxter developed a paid internship program for high school students from Chicago's Lindblom Math and Science Academy in response to the call from the White House Council for Community Solutions and the U.S. Department of Labor for businesses, non-profit organizations, and government to participate in the Summer Jobs+ program. Students interned at Baxter's headquarters in specific job functions, working on diverse projects, participating in weekly orientation sessions with senior executives, and learning about office culture and common workplace practices.

Other education initiatives in 2012 included:

FIRST® – Baxter is a founding member of FIRST (For Inspiration and Recognition of Science and Technology), and the company supports local students in regional and national competitions. This organization engages students in mentor-based programs that build science, engineering and technology skills, inspire innovation, and foster self-confidence and communication and leadership abilities. In 2012, the Baxter Bomb Squad team in Mountain Home, Arkansas, won the FIRST Robotics Competition Championship for the first time in the team's 17 years of participation, with a robot the students designed, programmed and built to compete in a basketball-inspired game.

Junior Achievement – During the 2011-12 school year, nearly 370 Baxter volunteers in nine countries, including many of the company’s senior leaders, spent nearly 4,000 hours teaching financial literacy to more than 7,800 students.

Street Law, Inc. – Sixteen Baxter lawyers, paralegals and other professionals created and delivered in-classroom lessons to Lindblom Math and Science Academy students on various legal topics in conjunction with Street Law, Inc., a nonprofit organization dedicated to teaching groups underrepresented in the legal field about law, democracy and human rights.

Additional community support highlights from 2012 include:

**World Hemophilia Day**: In April 2012, Baxter marked the 22nd anniversary of World Hemophilia Day, dedicated to promoting awareness of hemophilia and treatment availability for people living with the disease worldwide. Baxter offices around the world participated in local and regional grassroots events, online educational efforts and roundtable discussions, and by providing scholarships. The company also joined forces with the World Federation of Hemophilia (WFH) to launch Advocacy in Action, a program designed to help countries advocate for improved and sustained care for people with bleeding disorders. A 6-year initiative exclusively supported by a grant from Baxter, Advocacy in Action strengthens the capabilities of the WFH's national member organizations to lobby their governments effectively on behalf of regional and national bleeding disorder communities. The program consists of interactive workshops, support tools, an individualized coaching program and a dedicated WFH staff member to help implement advocacy and public policy action plans.

Last year during World Hemophilia Day, the advocacy team in Colombia launched Hemoconexion, a program that promotes the wellbeing of patients by providing educational materials, recreational activities and information about employment opportunities through alliances with local companies and providers. So far, the program has worked with dozens of hemophilia patients and their family members all around Colombia.

**World PI Week**: World PI Week, established in April 2011 with support from Baxter, raises the recognition and diagnosis of primary immunodeficiencies (PI). During the event, organizers worldwide encourage improved PI awareness and diagnosis among medical professionals and the general public. Activities in 2012 included government awareness initiatives, PI treatment center openings, and...
others, reinforcing the message that detecting the disease early can have an important impact on patients' lives.

**World Kidney Day:** In March 2012, Baxter organized several World Kidney Day activities worldwide, to raise awareness of chronic kidney disease detection, prevention and treatment.

For example, Baxter sponsored World Kidney Day celebrations in hospitals and kidney research centers across India, reaching about 2,000 renal patients and their family members, 150 nephrologists and nurses, and health officials and paramedic staff. These events highlighted the treatment options available for kidney failure through literature and videos, and offered free kidney health screenings.

Baxter Mexico collaborated with ALE Association—a Mexico City-based organization dedicated to organ donation and transplant awareness—and other non-governmental groups to organize a high profile photo exhibition and poster contest aimed at increasing awareness of kidney disease prevention, kidney donation and the need for stronger public health policies that address chronic renal disease in Mexico. The photo exhibition, held on Mexico City's busiest street, featured the faces and personal stories of 12 Baxter PD patients who receive therapy through Mexico's social security program. Each patient described the benefits they've experienced with PD. Baxter Thailand organized a “Quality Lifestyle for PD Patients” campaign where TV and radio journalists interviewed PD patients, nephrologists, and a renal nurse about kidney disease and therapy options. The objective was to educate the public about the disease and the potential benefits of PD.

1 4th and 12th grade results based on the 2009 Nation’s Report Card assessment – the latest year that science proficiency was evaluated for those grade levels. 8th grade results are based on 2011 Nation’s Report Card assessment.

2 Primary Immunodeficiencies (PI) are a class of approximately 175 hereditary genetic defects of the immune system that cause increased susceptibility to a wide range of infections, which are often chronic and can be serious. An estimated 10 million people suffer from PI worldwide.

### Employee Involvement

#### Employee Volunteerism

In 2012, more than 6,500 Baxter employees volunteered more than 127,000 hours in their communities, addressing local concerns such as healthcare, the environment and education. Employee involvement takes many forms, such as volunteering at a school or blood drive, serving at a hospital or food pantry, participating in community park clean-up days, or joining a local non-profit organization board or committee. Employees at each Baxter site select volunteer activities to undertake and organizations to support, as they can best determine the most relevant and highest impact projects.

In 2012, Baxter sponsored its fourth annual “Baxter World Environment Week” to promote sustainable living in employees' communities and encourage employees to support the company's commitment to creating a more sustainable world. "Understanding Our Impact" was the theme of the 2012 event, which was again held the first week of June to correspond with the United Nation’s World Environment Day. More than 120 Baxter sites worldwide sponsored events that promoted earth-friendly activities. Highlights included:

- **Cali, Colombia** - The facility provided employees with an ecological footprint calculator to determine the number of trees they would need to plant to offset their environmental impact.
- **Pisa, Italy** - Pisa's Environment, Health and Safety Team organized a guided tour of the Italian League for Bird Protection’s Massaciuccoli Oasis to teach students about the area and encourage them to enjoy and respect nature.
- **Auckland, New Zealand** - Employees took part in the Motuihe Restoration Project, planting native trees on Motuihe, an island in the Hauraki Gulf. This project aims to restore the island to its natural state of beaches, native forests, wetlands and open spaces, which are home to rare and endangered birds and insects.
Making a Meaningful Difference Month

Each October, Baxter employees in the Asia Pacific region volunteer time and contribute funds to “Making a Meaningful Difference” month activities to improve the lives of people in local communities and care for the environment. Highlights from 2012 included:

- **Japan** (all offices) – Employees collected bottle caps to donate to Ecocap Movement, which sold them to recyclers and then used the proceeds to buy polio vaccines for children in developing countries.
- **Taipei, Taiwan** – Employees taught children from the Taiwan Fund for Children and Families how to cook healthy food and pack a wholesome lunch box.

Employees can track their efforts using Baxter's internal volunteerism website. Since 2008, the company has recognized employees who volunteer for 40 or more hours of community work during the year. Baxter contributes to organizations on behalf of employees who donate 75 or more hours. More than 680 Baxter employees volunteered at least 40 hours in 2012.

In the United States, The Baxter International Foundation Dollars for Doers program provides grants to qualified organizations in which Baxter employees have actively volunteered for at least six months of the year. Past recipients include hospitals and hospices, humane societies, emergency shelters, historical societies, volunteer fire departments, substance-abuse prevention services and youth service organizations. In 2012, the program provided 61 grants to 43 organizations for a total of $24,500.

75 Days of Caring

To commemorate Baxter Canada’s 75th anniversary in 2012, employees in the country participated in more than 20 team events during “75 Days of Caring,” including environmental education, gardening and horticulture, socializing with senior citizens, and packing physician kits for overseas medical missions. Baxter employees contributed more than 6,100 volunteer hours and supported organizations such as Camp Dorset, a camp for children with chronic disease, and the Mississauga Food Bank.

Employee Giving

Baxter employees also contribute financial resources to worthy causes. The Baxter International Foundation Matching Gift Program matches employee donations of $25 or more, up to $5,000, to non-profit, tax-exempt U.S. hospitals and healthcare agencies, schools and cultural organizations. In 2012, The Baxter International Foundation matched gifts to eligible organizations submitted by nearly 2,000 U.S.-based employees from 39 states. Gifts totaled $701,175, which doubled the impact to 730 charitable organizations.

Case Study: Feature Story

Baxter employees host sessions for critical thinking and debate at Chicago high school

Nestled in the pages of magazines like *Time*, *Ebony*, *Latina*, *Chicago Magazine*, *Sports Illustrated* and *The Economist* are news items, ideas and controversies that high school students from Muchin College Prep in Chicago—a charter school that serves 500 students from more than 45 zip codes throughout the city and features many educational innovations—eagerly await to pore over each month.
Magazines in hand, students gather in the school's library once a month to bring the topics found in these publications to life through spirited discussion and debate, transforming the space into a salon of critical thinking.

Facilitated by six Baxter International Inc. employee volunteers, Muchin College Prep's magazine club was launched by the company's African American Leadership Council (AALC) to fill a need for periodicals to keep the students up-to-date on thought-provoking topics and current events. When touring the school in 2012, Heather Polk, senior marketing manager in Baxter's Medical Products business and community co-lead for AALC, noticed that the school didn't have magazines in its library that could help engage the students.

"Magazines are a great way to get young people reading and involved in current events," Polk says. "They can also be a good option for those who have limited attention spans or who aren't as receptive to books."

AALC raised money to purchase magazine subscriptions for eight publications for the library, and started a club on campus to promote reading, critical thinking and discussion. About 40-60 students attend each meeting, during which the Baxter volunteers guide an hour-long conversation about hot topics or current events.

"We try to keep it fresh and relevant to where the students are in their lives," says Polk. "For example, an article we selected about the Lance Armstrong scandal prompted questions about ethics and peer pressure. We asked students, 'What prompted him to cheat?' and 'When do you feel that ethics develop in one's life?'

Other topics have included gun control, entrepreneurship, AIDS, the presidential inauguration, and even the marketing behind the Super Bowl. Reading the articles can also help impart more general life lessons—such as the need to be discerning about the writer's perspective and the potential for media bias.

Baxter's support as part of its Science@Work program helped launch the charter high school in 2009, and the company has remained involved with students since then through career development activities and science, technology, engineering and mathematics (STEM) programs. However, the company has recognized the value in fostering critical thinking and analysis skills through non-science avenues, in addition to more traditional STEM programs.

Polk explains, "Through these discussions we encourage debate, trying to show the students how to develop, articulate and support their opinions. We hope that these skills will help them not only in high school, but also in college and in their careers."

Lauren Craft, Muchin College Prep Founding Dean of Students, has seen a warm reception to the magazine club since its inception.

"The Baxter volunteers pose great questions that really get them thinking, which they appreciate. Students are showing up in large numbers, and word of mouth has been spreading about the program," Craft says.

She adds that beyond the opportunity for students to engage in thought-provoking discussion and debate, the partnership with Baxter also exposes students to professionals from the corporate sphere.

"Getting face time with Baxter volunteers is really valuable, as it provides students a chance to learn what they do in their careers and what corporate culture is like," Craft explains.

Students from Muchin have had the opportunity to get face-to-face with corporate culture and careers through other Baxter initiatives as
well. In 2009, last year, more than 20 employees at Baxter Round Lake facility welcomed Muchin students to tour the microscopy and biology labs. This year, 15 employees from research & development and the commercial group visited the school three times to support biology, physics and chemistry classes at Muchin. And more than 20 Baxter executives have participated in career day opportunities with Muchin students both on site at Baxter and within their classrooms.

Polk says that she and the other Baxter volunteers are eager to remain involved in the club, and to see students continue to improve their critical thinking and debate skills.

"Teenagers can often feel they are being talked down to, or aren't really given the chance to be heard," Polk says. "I tell them that everyone has a voice. We're giving them a chance to express their opinions and perspectives."

Case Study: Baxter Helps Connect Local Community through Millennium Trail

Employees and visitors heading to Baxter's Round Lake, Illinois, United States facility will soon have an alternate mode of transportation for getting there. Over the past decade, the company worked with the Lake County Forest Preserves (LCFP) to help develop the Millennium Trail, which, once finished, will connect central, western and northern Lake County communities and forest preserves through 35 miles of trails for hiking, biking and horseback riding. Today, more than 20 of those miles are completed and available for public use, and Baxter has been instrumental in making some of them a reality through a series of land sales and easement permissions throughout the last several years. The company's efforts will help ensure the trail is built without obstruction, said Bonnie Thomson Carter, LCFP commissioner and chairman of its Planning and Restoration Committee.

"Baxter's support has made it possible for the Forest Preserves to reach its goals of bringing trail access and connected preserves to the western quarter of Lake County," Thomson Carter said. By linking residential areas to parks, forest preserves, schools, businesses and shopping districts, trails allow people to alter their travel behavior by bicycling or hiking to their destination instead of driving. At the end of the day, it means cleaner air, less traffic and a greater quality of life for all Lake County residents -- including many Baxter employees.

The Millennium Trail's complex network of connected open spaces also provides a vital and diverse habitat for a variety of plants and animals. Baxter has worked with the Forest Preserves to establish natural areas on both sides of the trail as it runs adjacent to Baxter's facility to encourage the growth of native prairie and woodland species, designed to attract a variety of wildlife and create a scenic passageway.

"I continually hear from residents about how much they use these trails and how much they appreciate this connection to nature," Thomson Carter said. In addition to connecting residents to nature, the trail also helps encourage connections between neighboring areas by improving regional transit -- a priority in building more environmentally sustainable communities, said Art Gibson, Baxter vice president of Environment, Health and Safety and Sustainability.

"Many Baxter employees live and work in Lake County -- we are part of this community -- and we're committed to working with the Lake County Forest Preserves to make it a more environmentally sustainable community," Gibson said.

The expansion of the Millennium Trail is not the first time Baxter has partnered with local agencies to benefit the environment and improve quality of life for Lake County residents. In 2002, Baxter launched a novel water reclamation project that reused the majority of treated wastewater at its Round Lake campus. The project, a first-of-its-kind in Illinois at the time, involved Baxter leasing up to 185 acres of land to a local nursery for the planting of nursery stock, which were then irrigated with Baxter's treated wastewater. And in 2008, Baxter donated $40,000 to assist in the rebuilding and modernization of the Long Lake Dam. The dam, built in 1930, helps control
of the flow of water from Long Lake to Fox Lake and allows pleasure boat traffic from Long Lake to the rest of the Chain of Lakes.

For more information about the LCFP and the Millennium Trail, visit http://www.lcfpd.org/

Case Study: Feature Story
Health System in Savannah, Ga. Recognized for Community Service Commitment with Foster G. McGaw Prize

2012 Winner Honored for its Holistic Approach to Healthcare

After back surgery and an extended stay in the hospital, Savannah, Ga. resident Denet Whitfield found herself out of a job and without a source of income. She couldn't even afford groceries and feared losing her apartment. After reaching out to several government agencies for help, she was eventually referred to St. Joseph's/Candler Health System's St. Mary's Community Center and Health Center, a community outreach initiative dedicated to helping people in the poorest neighborhoods in Chatham County, Ga. improve their quality of life.

"When someone answered on the other end of the line, I felt hope immediately," Whitfield recalls. "Now every time I walk into the building I feel safe."

St. Mary's helped Whitfield get stabilized and assisted her in setting up and providing transportation to and from several medical appointments at the Health Center. She received a new pair of glasses at the center's eye clinic, and attends healthy cooking classes as well as a dance class at the Community Center.

"Whatever state you are in, they accept you and want you to be better," Whitfield says. "My self-esteem has really increased since coming to St. Mary's, and my health has also improved."

In addition to helping people like Whitfield get healthy and connect with other community members, St. Mary's also offers General Education Development (GED) test preparation, money management counseling, job training skills, after-school tutoring and a preschool program, thanks to the efforts of St. Joseph's/Candler. The recent recipient of the 2012 Foster G. McGaw Prize for Excellence in Community Service, sponsored by The Baxter International Foundation, the American Hospital Association (AHA) and Health Research & Educational Trust, St. Joseph's/Candler was honored for its multifaceted programs that have improved quality of life and access to healthcare for the surrounding area.

"St. Joseph's/Candler Health System and the finalist organizations are outstanding examples of how community outreach is improving the health of our local communities and making a real difference in people's lives," said Donna Namath, Executive Director, The Baxter International Foundation.

"Through sponsorship of the Foster McGaw Prize, The Baxter International Foundation celebrates excellence in community service."

Each year, this $100,000 prize is presented to a healthcare organization that provides innovative programs that significantly improve the health and well-being of its community. The long-running prize, first awarded in 1986, inspires hospitals, health systems and communities to assess and implement impactful healthcare initiatives. St. Joseph's/Candler programs such as the health and human services found at St. Mary's Community Center and Health Center, free computer access available through the African-American Health Information and Resource Center and free healthcare at the Good Samaritan Clinic, have impacted the lives of diverse community members who previously lacked adequate healthcare due to financial or accessibility limitations.
St. Joseph/Candler's also partners with the Internal Revenue Service and about 30 volunteers each year to prepare taxes for many of the center's "working poor." The Volunteer Income Tax Assistance (VITA) program has grown from 65 tax returns prepared in 2002, with total combined refunds just shy of $100,000, to 745 tax returns filed in 2012, with a combined refund value of $1.5 million. Much of this money is then put back into the local economy through resident spending at restaurants and retail services, says Sister Pat Baber, director of St. Mary's Community Center, St. Mary's Health Center and the Good Samaritan Clinic.

"With the VITA program, the tax returns these folks get are also spent on extremely important everyday items like medication, paying the water or electricity bill or even buying a bed," Baber says. "Before this program many of them never would have dreamed of getting a tax return."

The $100,000 that St. Joseph's/Candler has been awarded through the McGaw Prize will go towards continuing the important work of these programs, as well as several other initiatives the Health System spearheads within the community to bridge the gap in healthcare access and coverage in its community, and promote a healthier lifestyle among residents.

"We have always believed that external factors strongly influence good health, including safe and adequate housing, education, access to information and meaningful employment," says Paul P. Hinchey, President & CEO, St. Joseph's/Candler Health System. "This award honors our community partners and the Savannah community in general, for focusing on the social determinants of a healthy person."

For more details about St. Joseph's/Candler Health System and the award, please read the press release or visit the AHA website.