



WHEN IT'S  
A QUESTION  
OF ETHICS,  
OUR ANSWER  
IS ALWAYS  
THE SAME



CODE OF CONDUCT

**Baxter**

# Our Integrity

Baxter's success is based on our personal accountability for results and integrity. Patients, doctors, customers, regulators, investors, and our employees count on the integrity of our work every day:

**INTEGRITY** in our work place

**INTEGRITY** in research and development

**INTEGRITY** in manufacturing

**INTEGRITY** in our products

**INTEGRITY** in sales and marketing

**INTEGRITY** in community relations

At Baxter, integrity means we are honest and fair.  
We keep our promises. We encourage questions.  
We value discussion, and we follow legal requirements.

**Integrity works here. Integrity wins here.**



***Baxter***



## A message from Robert L. Parkinson, Jr.

*Dear Colleagues:*

Baxter's long-term success is premised on our integrity. Every day, our many stakeholders around the world – patients, customers, investors, regulators, and employees – count on our commitment to the highest standards of business ethics and compliance.

Whatever your role at Baxter, the judgments you make reflect on our reputation and are critical to our success. I am counting on your leadership to embrace and drive a culture in which we aggressively grow our business consistent with our values and, of course, legal requirements, in all markets that we serve.

We should all recognize that our industry is heavily regulated and that in many cases the rules are complex and strictly enforced. For these reasons, I expect every employee to ask questions and raise concerns at the time they arise to ensure that we are always comfortable with our conduct. And it is the responsibility of every manager to create an environment where such questions and concerns are welcome.

This Code of Conduct sets forth the core principles that govern all Baxter employees. It also identifies the many resources available to help you understand how these principles relate to your job.

Please take the time to read and understand our Code. Seek answers to any questions. And make sure you are conducting Baxter's business accordingly. We will be a stronger, more competitive, and more sustainable company as a result.

A handwritten signature in black ink, reading "Bob Parkinson". The signature is fluid and cursive, with a small dot above the "i" in "Parkinson".

ROBERT L. PARKINSON, JR., CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Our Code is organized into four basic parts:

**Our Company** provides principles governing virtually every employee.

**Our Products** provides principles governing the research, development, and manufacture of our products.

**Our Customers** provides principles governing the sales and marketing of our products.

**Our World** provides principles governing our relationship with investors, regulators, and other outside constituents.

YOUR TOOLBOX

*In addition to the basic rules set out in the Code, we have identified applicable policies, subject-matter experts to consult for guidance, and places to look for more information to assist employees in making appropriate decisions. Additional information and resource links are available on the Intranet version of this document on the Ethics and Compliance Intranet website.*

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## Our Company

For more than 75 years, Baxter has built its reputation around its mission of applying innovative science to save and sustain lives. Baxter employees develop, manufacture, sell, and support products that treat hemophilia, immune disorders, kidney disease, and other chronic and acute medical conditions.

Baxter has a strong global presence among major healthcare companies – we sell thousands of products in more than 100 countries. Our name is known in the mountain villages, jungles and major cities of Latin and Central America; across Europe, Asia and Africa; in rapidly growing nations in Asia-Pacific, and even the loneliest corners of the Australian Outback. We touch every corner of the world every day.

### A LONG TRADITION OF INNOVATION

Working at Baxter makes you part of a long tradition of employees dedicated to patient care – in the research lab, on the manufacturing line, in offices, and in the field. Over the years, Baxter employees have produced many medical breakthroughs, some of which have revolutionized medicine. Baxter “firsts” include:

- ❖ *The first commercially manufactured intravenous (IV) solutions;*
- ❖ *The first flexible plastic blood-collection system, which made it possible to separate blood into its components;*
- ❖ *The first commercially built artificial kidney, making life-saving dialysis possible for people with kidney disease;*
- ❖ *The first concentrated factor VIII clotting factor for people with hemophilia;*
- ❖ *The first flexible plastic IV container, which quickly became the standard for IV therapy;*

- ❖ *The first premixed drugs in IV solutions;*
- ❖ *The first “needle-less” IV access system;*
- ❖ *The first recombinant factor VIII, produced genetically in cell culture;*
- ❖ *The first and only albumin, used to treat victims of shock and burns, packaged in a flexible plastic container; and*
- ❖ *The first portable dialysis system, offering new freedom to kidney disease patients worldwide.*

These are just some of the ways Baxter has advanced healthcare over its history. More advancements await in Baxter’s pipeline, offering hope to many more patients worldwide.

As a healthcare company, the nature of our business offers a heightened sense of purpose to what we do. We are privileged to work in an industry where the products we make have such a profound impact on people’s lives. How we go about our work is equally important. Acting with integrity is crucial to all aspects of our operations in advancing our reputation as a global leader in healthcare.

#### OUR COMPANY

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**EACH OF US, IN EVERY JOB, IS A GUARDIAN OF THE COMPANY’S REPUTATION. BAXTER DOES BUSINESS ETHICALLY. OUR INDIVIDUAL ACTIONS, LARGE AND SMALL, DETERMINE THE STRENGTH OF BAXTER’S REPUTATION.**





# General Expectation

Baxter's reputation is attained through our individual business conduct. Every interaction with our stakeholders is an opportunity for us to demonstrate that integrity is central to our business success – that "integrity works here."

Each Baxter employee, officer, and director must endeavor to deal fairly with our customers, suppliers, competitors, and each other. We will not take unfair advantage through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair practice.

We do not change our standards because others behave differently. We do not compromise our standards to meet financial goals.

Ethical business conduct is part of everyone's job:

## EMPLOYEE RESPONSIBILITIES

- ❖ *Understand and comply with all of the Code of Conduct standards that apply to your work at Baxter.*
- ❖ *Prevent compliance violations and protect Baxter's reputation by actively supporting ethical behavior.*
- ❖ *Consult with your management, the Ethics and Compliance department, Legal Department or subject matter experts when in doubt as to the correct compliance action to take.*

❖ *If you believe or suspect a compliance violation has occurred, report the situation immediately through the resources identified in this Code of Conduct including the Ethics and Compliance Helpline.*

❖ *Fully and honestly cooperate in any investigation of alleged violation of the Code of Conduct or Baxter policies and procedures.*

## MANAGEMENT'S ADDITIONAL RESPONSIBILITIES

- ❖ *Inspire those with whom you interact to be accountable for delivering results with integrity.*
- ❖ *Create an open environment to aid and support others so they may successfully raise compliance questions without hesitation.*

Because the standards and the supporting policies and procedures may change from time to time, we are each responsible for knowing and complying with the current laws, rules, regulations, standards, policies, and procedures that govern our work. The most current version of this document can be found on the Ethics and Compliance homepage on Baxter's Intranet website.

Baxter employees who fail to comply with applicable laws, rules, regulations, standards, policies, and procedures are subject to discipline up to and including termination.

## CORE PRINCIPLES

### INTEGRITY AND COMPLIANCE

Baxter employees are personally accountable for achieving their goals with integrity and in compliance with Baxter policy and legal requirements.

### OPEN COMMUNICATION

Baxter employees are responsible for encouraging open, honest, and full debate of any issue related to compliance with Baxter policy or legal requirements.

### RAISING QUESTIONS

Baxter employees are responsible for raising and resolving questions about compliance with Baxter policy or legal requirements when they arise.

### REPORTING VIOLATIONS

Baxter employees are required to report perceived violations of Baxter policy or legal requirements to management, the Legal Department, Finance, Human Resources, or the Ethics and Compliance Helpline.

### COOPERATION

Baxter employees are required to assist fully with any audit, compliance assessment, or internal inquiry with candid, accurate, and complete information.

### NON-RETALIATION

Baxter employees may not punish or retaliate against anyone for raising a good-faith concern about compliance with Baxter policy or legal requirements.





# Employment Practices

One of Baxter's greatest strengths is its highly skilled, motivated, and diverse workforce. Baxter employees are required, at a minimum, to treat each other with dignity and respect.

## DIVERSITY AND NON-DISCRIMINATION

Baxter seeks out and retains highly skilled and motivated employees, regardless of gender, age, race, national origin, or sexual orientation. Baxter will not tolerate discrimination.

## HARASSMENT

Baxter provides a safe workplace. Baxter does not tolerate verbal or physical harassment or intimidation.

## DRUGS AND ALCOHOL

Baxter employees may not possess, use or sell illegal drugs on Baxter property or perform their work under the influence of alcohol or illegal drugs. Baxter may require employees to take drug tests to ensure a drug-free workplace.

## MINIMUM HIRING AGE

In most cases, regular full-time employees must be 18 years old. Baxter does not manufacture or distribute products using forced or indentured child labor.

Any violation of these standards should be reported to the employee's supervisor, Human Resources or Legal Department representative, Ethics and Compliance department or any manager.

# Q&A

My co-worker jokes about my colleagues' race and sexual preference. Is that OK?

No, this behavior is inconsistent with our standards and Baxter's Leadership Expectations. Ask your manager or human resource representative to address the situation.

My shift supervisor has a few beers at lunch. What's the problem?

Drinking alcoholic beverages impairs good judgment and poses a potential safety risk in the workplace. Except where expressly permitted, employees may not drink alcohol in the workplace.

## YOUR TOOLBOX

### POLICIES

- Equal Employment Opportunity
- Prohibition of Drugs and Alcohol
- Prohibition of Workplace Harassment
- Minimum Hiring Age/Child Labor

### RESOURCES

- Corporate policies Intranet website
- Human Resources policies Intranet website
- Global Inclusion Intranet website
- Baxter HR Center at BaxHR4U@baxter.com or (in the U.S. and Puerto Rico) call 1-877-BaxHR4U (1-877-229-4748).

### CONTACTS

- Human Resources department
- Legal Department
- Ethics and Compliance department

# Baxter Assets and Property

Baxter employees must conserve, preserve, and protect Baxter's physical and intellectual property and financial assets.

## INTELLECTUAL PROPERTY AND CONFIDENTIAL INFORMATION

Baxter's intellectual property and confidential information are valuable assets, and employees are required to take all appropriate steps to optimize the value of and/or maintain the secrecy of these assets.

For example, employees must maintain the secrecy of innovations for which Baxter will seek or is seeking patent protection, the company's plans with respect to its use of trade or service marks, and any strategies regarding copyright protected material. To preserve Baxter's rights, trade secrets must be closely and rigorously guarded and protected.

Confidential information must not be shared outside Baxter without a confidentiality agreement approved by the Legal Department. Confidentiality obligations continue even after you leave Baxter.

Baxter's financial information is confidential and should not be shared outside the company without authorization.

Any unauthorized disclosure of Baxter's confidential information, whether inadvertent or not, must be reported to the Legal Department immediately.

## PRODUCTS

You must protect, store, and transport products as your department requires.

## PHYSICAL PROPERTY AND INVENTORY

Facilities and equipment must be well maintained and secured appropriately against theft and misuse. Baxter's property is to be used only for company business, unless approved by the appropriate level of management.

## MOBILE DEVICES, ELECTRONIC MEDIA, INTERNET AND E-MAIL USE

These are critical tools for our business. Baxter employees are required to take precautions to protect these tools.

Take special care to protect confidential business information and mobile devices such as laptop computers, external drives, disks, and the like:

- ❖ *Encrypt or password protect data;*
- ❖ *Keep mobile devices with you or lock these while traveling;*
- ❖ *Protect Baxter's confidential information and electronic media;*
- ❖ *Comply with local data-protection laws;*
- ❖ *Use these tools primarily for business purposes; only incidental personal use is permitted; and*
- ❖ *Use these tools consistent with Baxter's Global Acceptable Use of Information and Technology Policy.*

Baxter monitors electronic communications in accordance with applicable laws.

## YOUR TOOLBOX

### POLICIES

- Financial Policies and Procedures Manual
- Corporate Authorization Policy
- Expense Report, Fraud, Abuse and Misuse Policy
- Global Acceptable Use of Information and Technology Policy
- Global Information Protection Policy
- Notification Process for Reporting Lost or Stolen Data or Equipment

### RESOURCES

- Corporate policies Intranet website
- Intellectual Property Intranet website
- Information Protection Intranet website
- Legal Department Intranet website
- Corporate Finance Intranet website
- Corporate Safety and Security Intranet website
- Security Agreement templates on Baxter's Intranet website

### CONTACTS

- Legal Department
- Corporate Security
- Ethics and Compliance department
- IT Global Help Desk Services

## Q&A

I suspect that a former co-worker, who now works for a competitor, has shared Baxter marketing data with their new employer. What, if any, action should I take?

If you are aware of anyone misusing or inappropriately disclosing Baxter's intellectual property or confidential information, or have good reason to believe this is happening, promptly report your observations to a Legal Department representative.

I lost my laptop that contains Baxter business information. What should I do?

Immediately notify your supervisor, IT Global Help Desk Services, Security, or the Ethics and Compliance Helpline.

## Accurate Business Records

Baxter's business is highly regulated. Many stakeholders inside and outside of Baxter rely on the integrity of our business records. Inaccurate records put the company at legal risk and threaten our competitive advantage.

Baxter employees must legibly record information accurately and completely and in accordance with Baxter requirements. Original data (the result of an original observation and activity) must be recorded exactly as it was first observed and cannot be rounded (outside of specifications), guessed at, or altered in any way. Special care should be taken with the following records, whether paper or electronic records:

- ❖ *Financial records, including financial statements, accounting entries, and supporting detail information;*

- ❖ *Manufacturing and research records, including production data, quality records, and research test results;*
- ❖ *Records filed with or required by government agencies; and*
- ❖ *Other business-related records including time records and business expenses.*

### RECORD MANAGEMENT

The preservation of records is necessary to run our business. The routine removal of records that are no longer needed improves our operation.

To ensure appropriate record management, each Baxter employee must:

- ❖ *Maintain records in accordance with the applicable record management policy or quality system for their business, region, or function;*
- ❖ *Review documents under his or her control at least annually to ensure that unnecessary records are not being created or retained; and*
- ❖ *Preserve all documents pertaining to pending or anticipated litigation and governmental audits or investigations.*

## Q&A

I am concerned that my region's quarterly sales report is not accurate. What should I do?

Speak openly with your manager. If you are still uncomfortable, contact your Corporate Internal Audit representative or the Ethics and Compliance department.

I suspect one of my peers is recording false readings into a quality-control document, but I have no evidence. Should I report my suspicion?

Yes, you must notify your manager of your concern immediately. It is absolutely critical that quality records are accurate and complete since inaccurate records could compromise our product and subject the Company to unnecessary liability.

## YOUR TOOLBOX

### POLICIES

- Financial Policies and Procedures Manual
- Accounting Classification Manual and Authorization Policy 0101
- Ask your business unit or function representatives for a copy of your applicable record management policy or review the U.S. Record Management Policy.

### RESOURCES

- Corporate policies Intranet website
- Corporate Finance Intranet website
- Legal Department Intranet website

### CONTACTS

- Business unit Finance representative
- Legal Department
- Ethics and Compliance department

### CHECK LIST

- ✓ *The representation of the original data is 100% accurate.*
- ✓ *Check that the information is all-inclusive and complete.*
- ✓ *The documentation complies with the applicable policy, procedure, regulation, or legal requirements.*

# Conflicts of Interest

A conflict of interest may arise when an employee's private interest interferes or even appears to interfere with Baxter's interests. Employees must work objectively and effectively for Baxter.

**Financial Conflicts of Interest** may arise when you or a relative have financial interests, a job or a position on the Board of Directors with any Baxter competitor, supplier, distributor, or vendor.

A potential financial conflict of interest may exist when you or a relative directly or indirectly have a "significant financial investment" in any company that competes, does business, or seeks to do business with Baxter.

A "significant financial investment" exists if:

- ❖ *The employee or relative owns more than 1% of the outstanding capital of a business, and/or*
- ❖ *The investment represents more than 5% of the total assets of an employee or relative.*

**Internal Conflicts of Interest** may arise when you have a person who is a family member, domestic partner, or other close personal relationship working in your department or on your management team. Disclose the relationship to your manager to determine whether there is a conflict, and what to do about it.

**Time Conflicts of Interest** may happen when you are engaged in a second job or business of your own that may conflict with your responsibilities to Baxter.

**Corporate Opportunities Conflicts of Interest** arise when you take advantage of personal opportunities based on information obtained through Baxter. Employees may not personally take for themselves any opportunities that are discovered or advanced through the use of Baxter property, information, or position. Employees may not compete with Baxter, and generally owe a duty to advance Baxter's legitimate interests when the opportunity arises.

In all of these situations, Baxter employees must disclose any apparent or actual conflicts to management. When Baxter management approves an apparent or actual conflict, the approval decision must be documented.

## YOUR TOOLBOX

### POLICIES

- Conflicts of Interest
- Employment of Relatives Policy

### RESOURCES

- Corporate policies Intranet website
- Conflicts of Interest information and disclosure process on the Ethics and Compliance Intranet website

### CONTACTS

- Your manager
- Human Resources
- Legal Department
- Ethics and Compliance department

### CHECKLIST

- ✓ **Do you or any family member have a financial interest in, own or operate, or work for a supplier, consultant, distributor, or other third party that is, has, or is trying to do business with Baxter?**
- ✓ **Does anyone else with whom you have a close relationship work for a supplier, consultant, distributor, or other third party that is, has, or is trying to do business with Baxter?**
- ✓ **Do you or any family member have a significant financial interest in or work for a competitor of Baxter?**

**If you answered yes to any of the above, you may have a potential conflict of interest that must be disclosed, discussed with your manager, and documented appropriately.**

## Q&A

My manager's cousin is our human resources manager. What should I do?

Notify your manager's supervisor or the Ethics and Compliance department. They will determine if the required disclosure and approval exist.



# Data Privacy

Baxter respects the confidentiality of the personal information of its customers, patients, and employees.

## **These are examples of Baxter's most critical personal information:**

- ❖ Social Security or national identification number(s)
- ❖ Marketing information
- ❖ Patient information
- ❖ Clinical trial information
- ❖ Employee information
- ❖ Adverse-event information
- ❖ Other sensitive personal information from our customers, patients, and employees

## **To protect personal information, Baxter employees must:**

- ❖ Be aware of personal information in the area in which they work;
- ❖ Understand the legal and contractual limitations on the use of personal information;
- ❖ Collect, use, and disclose personal information in compliance with all applicable data privacy laws and regulations;
- ❖ Share personal information with other employees only when it is required to do their job;
- ❖ Not share personal information externally unless approved by the Legal Department;
- ❖ Properly store or transport personal information (e.g., encrypt, password protect, secure in locked area, etc.); and
- ❖ Report unauthorized use, disclosure or loss of personal information to your supervisor, IT Global Help Desk Services, Security, or the Ethics and Compliance Helpline immediately.

## Q&A

What steps should I take when personal data gets stolen, lost, or is disclosed in an unauthorized manner?

Report this immediately to your supervisor and to the Ethics and Compliance department. In addition, report lost or stolen laptops to IT Global Help Desk Services, Security, or the Ethics and Compliance Helpline.

I am initiating a new process involving the collection or disclosure of personal information. Must I contact the Legal Department for approval?

Yes, data privacy laws in many countries provide specific rules we need to follow when collecting or disclosing personal information. Violating these laws exposes you, and Baxter to legal liability.

## YOUR TOOLBOX

### POLICIES

- Global Privacy Policy
- Global Information Protection Policy and Global Acceptable Use of Information and Technology Policy
- Baxter's Global Privacy Principles
- Notification Process for Reporting Lost or Stolen Data or Equipment

### RESOURCES

- Global Privacy Intranet website
- Corporate policies Intranet website
- Corporate Safety, and Security Intranet website
- Information Protection Intranet website

### CONTACTS

- Legal Department
- Ethics and Compliance department
- Ethics and Compliance Helpline
- IT Global Help Desk Services

### DECISION GUIDE

**Before obtaining or releasing personal data, consider the following:**

- Is the information I want to use or disclose considered personal information?
- If so, do Baxter internal policies, external laws, or business contracts restrict the use or disclosure of this information?
- Does the person or entity requesting this information need to have it to do his/her job for Baxter?
- Has personal information been lost, stolen, or otherwise used in an unauthorized manner?

# Employee Gifts and Entertainment

In many cultures, exchanging courtesies such as modest gifts and entertainment is an integral part of conducting business. However, providing or accepting inappropriate gifts and entertainment has the potential to harm Baxter's business and reputation and may be illegal.

## WHAT YOU CAN ACCEPT

Receiving gifts or entertainment must relate to Baxter's business. Generally, accepting modest gifts, entertainment, or other business courtesies is permissible if the gift or entertainment helps improve business, political, or community relationships. Baxter employees can accept modest meals, entertainment, or small gifts as long as they are not given during the purchasing or contracting decision process with an agreement (implicit or explicit) to purchase.

In some circumstances, Baxter employees can accept corporate gifts of significant value to follow local custom; this is acceptable provided that the gift becomes Baxter property for proper accounting and disposition.

## WHAT YOU CANNOT ACCEPT

- ❖ *Paid extravagant recreational outings, travel, or lodgings at supplier sponsored events;*
- ❖ *Tickets to sporting events or artistic performances where the giver will not be present;*
- ❖ *"Prizes" sponsored by a commercial entity; and*
- ❖ *Gifts valued at an amount which you would not be able to reciprocate in equal value.*

In addition, Baxter employees are not permitted to solicit gifts or ask suppliers or other business associates to support charitable causes.

## DECISION GUIDE

When government employees such as doctors, clinicians, procurement specialists, etc., are involved, always consult with legal counsel before engaging in an activity involving gifts and entertainment.

For all others, exchanging modest gifts, entertainment, or other business courtesies is generally permissible if:

- It is allowed under applicable legal requirements, regulations, and industry standards;
- The reason for the gift or entertainment is appropriate;
- It legitimately helps improve business, political, or community relationships;
- You would be authorized to reciprocate in equal value;
- You are not involved in a current purchasing decision or procurement process;
- Your ability to act in the best interest of Baxter would not be compromised; and
- You cannot be perceived as giving or accepting a bribe or kickback.

## Q&A

A supplier has offered me four tickets to a local sporting event that they cannot use. Can I accept?

No. Attending without the supplier does not offer the opportunity to build a legitimate business relationship.

Can I attend with the vendor?

You can attend so long as the value of the ticket is modest, there is a legitimate business relationship that will be discussed, and the vendor is not currently responding to a request for proposal. Be sure to check with your business's gifts and entertainment policy which takes precedence when more restrictive.



## WHAT YOU CAN GIVE

In our industry, particular rules govern our ability to provide gifts or anything of value – meals, entertainment, and free product, for example – to doctors, hospital employees, business partners and government officials. All such activities are governed by the *Relationships with Healthcare Professionals* standard and the *Prohibition of Corrupt Practices* standard found in the “Our Customers” section of this code.

### ***If you give a gift to a healthcare professional in the United States:***

You must abide by the U.S. Healthcare Regulation policies.

### ***If you give a gift to a healthcare professional outside of the United States:***

You must abide by the International Interactions with Healthcare

Professionals, Medical Institutions and Non-Profit Organizations and International Anticorruption policies governing gifts, grants, and financial expenditures to healthcare professionals residing or practicing medicine in those countries.

### ***When exchanging gifts and entertainment with other non-government business associates, Baxter employees must:***

- ❖ *Comply with local laws, regulations, or more stringent business unit or regional policies;*
- ❖ *Ensure gifts are in good taste, reasonable, and customary in value;*
- ❖ *Adhere to the receiving entity’s gift policy;*
- ❖ *Not exchange cash, gift cards, or cash equivalents;*
- ❖ *Avoid the appearance of giving or accepting a bribe or kickback;*
- ❖ *Avoid embarrassment; act as if the public could view the exchange; and*
- ❖ *Avoid compromising the ability or appearance of being able to make decisions in the best interest of Baxter.*

## Q&A

After attending an industry meeting, I was notified that I won a professional digital camera system. Can I keep it?

No. Baxter discourages participation in raffles, as the “winners” are often hand picked by the sponsor who is likely trying to influence a purchasing decision or favor. Any prizes obtained through events paid for or expensed to Baxter are Baxter property.

A potential vendor gave each of the selection team members a gift bag that included a MP3 player. Can we accept it?

No. You may not accept any gift when involved in a purchasing decision or procurement process.

## YOUR TOOLBOX

### POLICIES

- Relationships with Healthcare Professionals and Prohibition of Corrupt Practices standard in this document
- International Anticorruption Policy
- Gifts, Meals and Entertainment to U.S. Healthcare Professionals and Patients
- No Solicitation Policy
- U.S. Government Sales Ethics Standards
- Baxter Global Business Travel and Reimbursement Policy

### RESOURCES

- Conflicts of Interest information disclosure process on the Ethics and Compliance Intranet website
- U.S. Government Sales Intranet website
- U.S. Healthcare Regulations Intranet website
- Corporate policies Intranet website
- Global Citizens Intranet website
- Global Purchasing and Supplier Management Intranet website

### CONTACTS

- Legal Department
- Finance representative
- Ethics and Compliance department
- Community Relations department
- Vice-President of Global Purchasing





## Our Products

Baxter is known for its history of pioneering products. Innovation remains the key to our future success. Baxter has increased its investment in research and development (R&D) to the highest levels in the company's history and plans to continue to grow R&D spending. More of our R&D dollars will be invested in exploratory and early-stage initiatives as well, which may yield future product breakthroughs.

Across its businesses, Baxter's pipeline is robust with initiatives to continue the advancement of patient care. Baxter is involved in adult stem-cell therapies to fight cardiovascular and peripheral artery disease, advanced therapies for hemophilia and primary immune deficiency, and research on a potential treatment for Alzheimer's disease. We continue to innovate in enhanced drug delivery technologies, tissue regeneration, and the next generation of home-based products to treat patients with kidney disease.

Coupled with Baxter's commitment to R&D is a global network of world-class manufacturing facilities. We operate plants in 26 countries to serve local and regional needs.

All of Baxter's plants are built on a foundation of quality and safety, and each is committed to continuous improvement, environmental responsibility, and operational excellence.

In both R&D and manufacturing, attention to detail is critical in making sure our research follows clinical protocols, and that our

finished products are of the highest quality. This attention to detail extends to matters of ethics and compliance, whether that's adhering to bioethical principles, complying with regulatory guidelines, logging production data, protecting the health and safety of our employees and the environment, or ensuring the ethical conduct of our suppliers. All of this goes hand-in-hand in securing a world-class organization.

**CULTURAL NORMS MAY VARY LOCALLY, BUT BAXTER IS UNWAVERING IN ITS FUNDAMENTAL BELIEF IN PRINCIPLED OPERATIONS. WE DO NOT COMPROMISE TO COMPETE IN ANY MARKET. THAT IS OUR COMMITMENT TO INTEGRITY, AND IT GIVES BAXTER'S PRODUCTS A COMPETITIVE ADVANTAGE.**



## OUR PRODUCTS

- 18 *Bioethics*
- 19 *Protecting Patients and Producing Quality Products*
- 20 *Environment, Health and Safety*
- 21 *Suppliers*

# Bioethics

Baxter's expertise in biotechnology is a critical part of our mission to save and sustain lives. Baxter also recognizes that we must carefully consider the risks and benefits to patients and society prior to making any decision to commercialize a biotechnology-derived product or therapy.

Research performed by Baxter or at the direction of Baxter must:

- ❖ *Comply with applicable law, regulations, and accepted ethical and professional standards;*
- ❖ *Protect the life, health, privacy, and dignity of those participating in clinical trials;*

- ❖ *Minimize the use of animals in our research to the extent possible, and support the conscientious use and highest standards of animal care in research when no other valid scientific alternative exists; and*

- ❖ *Protect the environment and maintain global biodiversity and sustainability.*

Our Bioethics policy extends to work performed at the direction of Baxter by external contract research organizations, consultants, and third-party vendors.



## YOUR TOOLBOX

### POLICIES

- Bioethics
- Blood Collections for Studies
- Bioethics position statements
- Contract Research Organization Policy
- Clinical Trials Policy
- External PreClinical Studies

### RESOURCES

- [Bioethics@Baxter](mailto:Bioethics@Baxter) Intranet website
- Corporate policies Intranet website
- Purchasing and Supplier Management Intranet website
- Science and Technology Intranet website

### CONTACTS

- Your business unit's Vice-President of R&D or medical director
- Legal Department
- Ethics and Compliance department

## Q&A

We are considering conducting a Phase III clinical study in a country where we will not be selling the product. Is this acceptable?

No. International standards governing clinical trials discourage conducting clinical trials in markets where the product will not be made available.

Are contract research organizations engaged to conduct research on behalf of Baxter required to be in compliance with Baxter's Bioethics policy?

Yes. Any research done at the direction of Baxter or on Baxter's behalf must be conducted in compliance with Baxter's Bioethics policy.

# Protecting Patients and Producing Quality Products

Delivering safe and effective life-sustaining products to patients is the most critical aspect of our work. Baxter's reputation is built on our ability to consistently provide quality products to the marketplace. To safeguard our customers' trust, every Baxter employee is expected to demonstrate uncompromising dedication to quality.

Baxter employees are expected to:

- ❖ *Deliver quality services conforming with the Baxter Corporate Quality System;*
- ❖ *Act as champions of product quality and quality systems;*
- ❖ *Meet commitments to regulatory authorities;*

❖ *Immediately raise quality issues to your supervisor and/or to the appropriate quality personnel;*

❖ *Report all product complaints from any source to Product Surveillance within one business day;*

❖ *Report all adverse events from any source to Pharmacovigilance within one business day; and*

❖ *Fully understand, be trained in, and follow your department's Standard Operating Procedures (SOPs). Any confusion on how to properly follow the SOP should be brought to the attention of your manager.*

## Q&A

I am concerned that one of our new employees is not completing the required number of inspections. What should I do?

You must let your supervisor and Quality Manager know of your concerns immediately so the situation can be appropriately addressed.

I found some testing data that appears to be suspect. My supervisor said we can handle it locally. Is there anyone else that should be informed of the issue?

Yes. Corporate Quality Compliance must be informed of this issue immediately.

## YOUR TOOLBOX

### POLICIES

- Corporate Quality Policy
- Quality Management System policies

### RESOURCES

- Global Post Market Surveillance Intranet website
- Global Quality Intranet website
- Regulatory Affairs and Pharmacovigilance Intranet website
- Brand Integrity Intranet website

### CONTACTS

- Quality System representative
- Legal Department
- Ethics and Compliance department
- Product Surveillance (Devices/ Hardware)  
Phone: 1-800-437-5176  
Fax: 1-847-270-4022 or  
E-mail: [corporate\\_product\\_complaints\\_round\\_lake@baxter.com](mailto:corporate_product_complaints_round_lake@baxter.com)
- Global Pharmacovigilance (Drugs/Pharmaceuticals)  
Phone: 1-847-948-4977  
Fax: 1-847-948-3188 or  
E-mail: [global\\_pharmacovigilance\\_deerfield@baxter.com](mailto:global_pharmacovigilance_deerfield@baxter.com)





# Environment, Health and Safety

Baxter is committed to being a global leader in Environment, Health and Safety (EHS). Our EHS policies have been developed to:

- ❖ *Protect employees, neighbors, and the environment;*
- ❖ *Manage EHS issues, including regulatory compliance, by using best-demonstrated management standards and systems;*
- ❖ *Conserve resources, reduce costs and minimize adverse EHS effects and risks that may be associated with our products, services and operations; and*
- ❖ *Promote sustainable practices and communities.*

We must understand and follow all applicable Baxter and governmental EHS requirements. We must work in a way that assures our personal safety and the safety of co-workers. Any accidents, emergencies, or known non-compliance to legal requirements or policy must be promptly reported and addressed.

## YOUR TOOLBOX

### POLICIES

- Environmental, Health and Safety Policy
- EHS Requirements Book

### RESOURCES

- Corporate policies Intranet website
- Environment, Health and Safety Intranet website

### CONTACTS

- Your local EHS manager
- Ethics and Compliance department

## Q&A

Must I report a minor work-related injury that may ruin my facility's long safety record?

Yes. EHS performance should be based on truthful reporting. Please remember that prompt medical attention should be sought where appropriate.

If I am required to follow a safety procedure weekly and document that I did, can I skip a couple of weeks if I am convinced that nothing has changed since I last did the procedure?

No. Required procedures are not optional. If you have questions about a procedure, raise it with your manager or go through the process to revise the procedure.

Can I delay a costly environmental equipment upgrade until next year when I will have more budget dollars, even if the deadline for complying will have passed?

No. Baxter's position is to comply with legal requirements. However, you may contact Baxter's Legal Department, which may explore options such as obtaining a variance or an extension to comply.



## Suppliers

Baxter relies on its network of suppliers to produce quality products for our customers. It is critical that all Baxter suppliers share our commitment to conducting business with integrity.

When engaging or dealing with a supplier, Baxter employees are required to:

- ❖ *Clearly define requirements and engage in fair and open competition;*
- ❖ *Ensure suppliers are reputable and qualified;*
- ❖ *Ensure the engagement of a supplier does not create an actual or apparent conflict of interest;*
- ❖ *Evaluate and approve suppliers before any materials, components, products or services are purchased from them in accordance with Baxter's Supplier Quality Standard and other requirements;*
- ❖ *Incorporate into any written agreement Baxter's Ethics and Compliance Standards for Suppliers or the supplier's own ethics and compliance standards when those standards meet Baxter's expectations; and*
- ❖ *Obtain approval from Corporate Communications prior to any public endorsement of a business partner.*

## Q&A

I am uncomfortable with the quality and source of a supplier's product. What should I do?

Immediately notify management and Global Quality's Corporate Compliance Services group of your concerns.

Can I supply a list of our suppliers to an outside charitable organization as part of a charity fundraising effort?

No. Supplier lists are a valuable asset and are considered confidential. Supplier lists should never be disclosed to anyone outside of Baxter without specific management approval.

## YOUR TOOLBOX

### POLICIES

- Bioethics, Conflicts of Interest, Gifts and Entertainment, and Prohibition of Corrupt Practices standards contained in this document
- Ethics and Compliance Standards for Baxter Suppliers
- Contract Research Organization Policy
- External PreClinical Studies
- Representing Baxter Externally
- Supplier Quality Standard
- No Solicitation Policy

### RESOURCES

- Supplier website on [www.baxter.com](http://www.baxter.com)
- Supply Chain and Purchasing and Supplier Management Intranet websites
- Corporate policies Intranet website
- Ethics and Compliance Intranet website
- Global Citizen Intranet website
- Science and Technology Intranet website

### CONTACTS

- Vice-President of Global Purchasing
- Quality's Corporate Compliance Services
- Legal Department
- Ethics and Compliance department





## Our Customers

Meeting the healthcare needs of people with life-threatening conditions requires relationships built on trust and understanding. For more than 75 years, Baxter has nurtured long-standing relationships with a range of customers in healthcare – doctors, nurses, pharmacists, patients, governments, and many others.

Thousands of hospitals and healthcare providers depend on Baxter for life-saving intravenous solutions and other products that deliver essential fluids and medications to patients.

The company has established itself as a trusted partner to pharmaceutical and biotechnology companies looking for expertise in the development of unique formulations for their drugs. Baxter also maintains strong relationships with key communities of patients, such as those with hemophilia and kidney disease. This includes bringing therapy home, from delivery specialists that regularly provide supplies to home dialysis patients, to therapies for hemophilia, immune disorders, parenteral nutrition, and other therapies used in the home. Many Baxter employees form close personal as well as professional relationships with these patients and their caregivers.

Baxter also manages a \$4 billion global supply chain to ensure that customers safely and securely receive their products and therapies when and where needed – more than 100 million cases of finished products each year. Baxter has shipped dialysis products on flat-bottom boats on the Amazon to patients in remote Brazilian villages, via all-terrain vehicles to Aborigines in the Australian Outback, and through mudslides to reach patients in Kentucky.



Healthcare is ultimately about helping people. In many ways, Baxter's relationships with customers and patients are the backbone of the company's business, and a valuable corporate asset. These relationships help drive growth for Baxter by enabling the company to identify and anticipate customer and patient needs and develop unique new products and technologies to meet them.

At the same time, such relationships can be fragile, and healthcare is a highly competitive industry, where price, competition and other factors can sway purchasing decisions as in any business. It is critically important that Baxter maintain the highest ethical standards in its dealings with customers, including its advertising, promotion, and marketing practices, in all markets where the company does business.

**IN OUR ENVIRONMENT,  
DOING THE RIGHT THINGS  
FOR OUR CUSTOMERS SAVES  
LIVES, AND DOING THE  
WRONG THINGS COULD  
COMPROMISE SAFETY. CUSTOMER  
RELATIONSHIPS ARE CRUCIAL  
TO BAXTER'S BUSINESS. THAT'S  
WHY BAXTER'S SALES PRACTICES  
AND SUPPLIER POLICIES  
MUST HAVE CLEARLY DEFINED  
ETHICAL BOUNDARIES TO HELP  
EMPLOYEES DELIVER EVERY  
ORDER WITH INTEGRITY.**

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- 28 *Trade Compliance*
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# Relationships with Healthcare Professionals

Baxter's relationships with healthcare professionals are heavily regulated and strictly enforced across the globe. A healthcare professional is any individual or entity, directly or indirectly involved in the delivery of healthcare, that can purchase, prescribe, lease, recommend or use Baxter products.

The rules that govern the payment or provision of anything of value such as gifts, meals, entertainment, honoraria, sponsored trips or grants, are complex and differ from country to country. The consequences for failing to comply with these rules can result in significant monetary and sometimes criminal penalties. It is important that you understand and comply with all applicable rules.

Baxter has established specific policies governing our interactions with healthcare professionals in every region of the world. Any payment or benefit provided to a healthcare professional must comply with the policy of the country or region in which the healthcare professional resides and/or practices medicine.

## ***Within the United States, U.S. territories and Puerto Rico:***

- ❖ *Our conduct is guided by our U.S. Healthcare Regulation policies. Contact the Regulatory Legal Department for guidance.*

## ***Outside of the United States:***

- ❖ *International Interactions with Healthcare Professionals, Medical Institutions and Non-Profit Organizations and International Anticorruption policies and procedures govern this type of activity. Contact a member of the Legal Department, Ethics and Compliance department, or Finance for guidance.*

In general, any payment or benefit provided to a healthcare professional must comply with the following standards:

- ❖ *All payments must be accurately documented and transparent.*
- ❖ *Payments should never, directly or indirectly, be linked to sales or other decisions that impact the company without approval of the Legal Department.\**
- ❖ *Payments must be for legitimate services, or in support of legitimate research or education, that are of value to Baxter or the scientific community at large.*
- ❖ *Baxter does not pay more than fair market value for services or more than necessary to support clinical or medical education and research.*

\*A few countries outside of the U.S. may permit such payments in particular circumstances. Legal approval is required.

## YOUR TOOLBOX

### **POLICIES**

- International Anticorruption Policy
- International Interactions with Healthcare Professionals, Medical Organizations and Non-profit Organizations Policy
- U.S. Healthcare Regulation policies
- Global Product Donations Policy

### **RESOURCES**

- U.S. Healthcare Regulation Intranet website
- U.S. Healthcare Regulations Manual
- Field Guide for Baxter Personnel
- Corporate policies Intranet website

### **CONTACTS**

- Regulatory Legal Department
- Country Legal counsel
- Ethics and Compliance regional counsel

## Q&A

Can Baxter hire a physician to provide needed consulting services?

Yes, as long as there is a legitimate need for the services; the physician is qualified to perform the services; payment for services is no more than fair market value; the agreement is documented in a contract approved by the Baxter Legal Department, and Baxter makes appropriate use of the services.

A loyal physician "hinted" that if I provide her with consulting fees, she would increase her purchases of our products. What should I do?

Decline the physician's offer and inform your manager. Baxter will pay for services only where there is a legitimate need for those services, identified in advance.

May I invite a healthcare professional to attend a sporting event with me as my guest?

No. This type of activity is not permitted.

# Advertising and Promotion

Our customers can be assured of Baxter's credibility because Baxter is committed to honestly and accurately describing its products and services.



## ADVERTISING AND COMPETITORS

Baxter employees must not unfairly criticize a competitor's products or services. In addition, comparisons between products on safety and efficacy must not be made without appropriate clinical data to support the claims being made. In some countries, all comments about a competitor or their products or services are prohibited, and special care must be taken in such cases to ensure legal compliance.

## PROMOTION

All Baxter promotional material, including advertising, literature, and public statements about products and services, must include a balanced picture of risks and benefits. The materials must be supported by appropriate back up, such as clinical trials, and must not contain false or misleading information.

## OFF LABEL

Baxter employees are prohibited from promoting products prior to approval or for a use that has not been approved by the appropriate regulatory authorities. On-label claims are those supported by the product's approved label copy.

## Q&A

Many physicians use our products for a particular procedure, even though it is not approved for that use. Is it acceptable to discuss use of our product for this procedure with my customers?

No. Baxter employees may not promote or advertise our products for uses or indications for which they are not approved or indicated. In the U.S., all questions or inquiries about off-label uses of our products must be directed to Medical Affairs. Outside the U.S., it is preferred that questions are directed to Medical Affairs for your country or region, but if necessary you may respond to unsolicited requests for off label information, provided that such responses are factual and non-promotional and that you document the requests and responses.

## YOUR TOOLBOX

### POLICIES

- Dissemination of Off-Label Information Policy
- U.S. Samples, Evaluation and/or Demonstration Products Policy

### RESOURCES

- Global Regulatory Affairs Advertising and Promotion Center of Excellence Intranet website
- U.S. Healthcare Regulations Intranet website

### CONTACTS

- Global Regulatory Affairs/Advertising and Promotion team
- Medical Affairs team
- Regulatory Legal Department
- Ethics and Compliance department

# Prohibition of Corrupt Practices

The legal requirements of every country where Baxter does business prohibit improper payments to government officials. In many parts of the world, government officials include healthcare professionals like doctors and hospital administrators who work in the public sector.

Baxter employees are prohibited from directly or indirectly paying anything of value to a government official in order to:

- ❖ *Win or retain business or to improperly influence the act or decision of any government official, political party, candidate for political office, or official of a public international organization;*
- ❖ *Gain an improper advantage; or*
- ❖ *Illegally influence the action of any individual, customer, company, or company representative.*

## ACCURATE BOOKS AND RECORDS

All Baxter officials, employees, and agents are required to keep accurate and transparent records that reflect actual transactions and payments consistent with Baxter's system of internal accounting controls.

## CONTRACTING WITH THIRD PARTIES

Baxter often meets its obligations to patients through partnerships with third parties, such as agents, representatives, independent contractors, consultants, distributors, and suppliers. To safeguard Baxter's relationships of trust with our stakeholders, Baxter employees who select and monitor third-party relationships are required to:

- ❖ *Conduct adequate due diligence on third-party partners to ensure they are reputable and qualified;*
- ❖ *Document third-party relationships in writing and ensure all transactions are transparent;*
- ❖ *Verify that Baxter is paying no more than fair market value for products or services;*
- ❖ *Ensure that third parties are not being engaged to conduct activities on behalf of Baxter that Baxter employees would be prohibited from performing directly; and*
- ❖ *Adhere to Baxter's Corporate Policy on Contracting with Third Parties, available on the Corporate policies Intranet website.*

## GOVERNMENT CONTRACTING

Baxter employees involved in sales to government organizations also are responsible for ensuring compliance with the special laws and regulations of government sales in many parts of the world. Engage the Law Department on all government sales.

## YOUR TOOLBOX

### POLICIES

- Accurate Business Records and Suppliers standards contained in this document
- Relationships with Healthcare Professionals
- International Anticorruption Policy
- International Interactions with Healthcare Professionals, Medical Organizations and Non-profit Organizations Policy
- Global Product Donations
- Financial Policies and Procedures manual
- U.S. Government Sales Ethics

### RESOURCES

- Corporate Finance Intranet website
- Corporate policies Intranet website
- U.S. Healthcare Regulations Intranet website
- U.S. Government Sales Intranet website

### CONTACTS

- Ethics and Compliance regional counsel
- Legal Department
- Your business unit controller
- Corporate Audit
- U.S. Government Sales department

## Q&A

An agent that we have hired to assist in registering Baxter's products has requested an additional \$50,000 USD retainer to "help move the process along." Is this a cause for concern?

Absolutely. Baxter will not expend funds without a clear understanding as to the purpose and use of those funds and must ensure that funds will not be used as a bribe or for another improper purpose. Contact the Legal Department or Ethics and Compliance department for assistance in handling the situation.



# Fair Competition and Antitrust

Baxter believes in free and fair competition. We sell our products based on quality, efficacy, and price, in accordance with our Antitrust Compliance Guide. In general, the following standards govern our behavior. Work closely with the Legal Department for clarification and pre-approval of exceptions.

## COMMUNICATION WITH COMPETITORS

**Do not** share the following with competitors:

- ❖ *Confidential information including price, sales, marketing, cost, R&D, or supply information;*
- ❖ *Terms in contracts with any customer, supplier, or vendor;*
- ❖ *Bids, quotes, pricing proposals, or responses to RFPs and RFQs with customers and governmental agencies;*

- ❖ *Whether refusing – or would refuse – to deal with any customer, supplier, or vendor.*

## COMMUNICATION WITH CUSTOMERS OR DISTRIBUTORS

**Do not** communicate with customers or distributors concerning the following:

- ❖ *Whether Baxter would refuse to deal with a competitor of a customer/distributor;*
- ❖ *Specific prices that Baxter charges a customer's competitor.*

## CERTAIN SALES METHODS MAY BE ILLEGAL

- ❖ *Bundling: Requiring customers to buy one product as a condition of their ability to buy a different product, or discounting a product conditioned on the purchase, or commitment to purchase, a bundle of products;*
- ❖ *Minimum resale price: Agreeing with a customer/distributor as to the minimum resale price they may charge for a Baxter product it purchases;*
- ❖ *Exclusive contracts: Entering into exclusive dealing or distribution contracts with customers/distributor.*

## Q&A

A competing sales representative would like to exchange price information for informational purposes only. Is this OK?

**No.** Exchanging price information could constitute (or be perceived as) evidence of an agreement to fix prices.

A competing sales representative wants to know if we should “coordinate” bids submitted to a government agency. Is this OK?

**No.** Coordination of bids could constitute “bid rigging” and result in criminal penalties.

## YOUR TOOLBOX

### POLICIES

- Antitrust Compliance Guide
- U.S. Government Sales Ethics

### RESOURCES

- Corporate policies Intranet website

### CONTACTS

- Legal Department
- Ethics and Compliance department

# Trade Compliance

Baxter is committed to compliance with applicable trade regulations, including export and import controls. Violations of these laws jeopardize Baxter's ability to service customers and also subject Baxter to substantial fines and other penalties.

Trade regulation is complex. Employees must follow Baxter's International Trade Policy. Employees are encouraged to raise regulatory related questions to the Ethics and Compliance department.

Examples of significant regulations that must be followed include:

## SANCTIONS

The U.S. has imposed sanctions and trade limits on a number of countries. For updates on U.S. sanctions against countries and other sanctions, see the U.S. Department of Treasury's Office of Foreign Asset Control's sanction program list or contact the Legal Department.

## DENIED PARTIES

Prohibits conducting business with certain individuals, groups, or organizations that have been designated as terrorists, those supporting terrorism, drug traffickers, etc.

## PROHIBITED ACTIVITIES

Prohibits transactions with "end-users" who may be involved in chemical or biological weapons development, ballistic missile development, or sensitive nuclear activities in certain countries.

## ANTIBOYCOTT RESTRICTIONS

Prohibits the support of the Arab League boycott of Israel.

## RESTRICTED PRODUCTS AND TECHNOLOGIES

Requires an export license for certain products, software, and technologies even when they are shipped to an appropriate customer in a friendly country for peaceful use. Transfer of technical data to foreign nationals, including Baxter employees who reside in the U.S., are considered to be exports.

## CLASSIFICATION OF GOODS

Requires that imported goods are classified accurately and assigned the correct tariff number in order to determine the appropriate duty owed.

## VALUATION

Undervaluing goods on commercial documents in an attempt to reduce duty are prohibited.

## YOUR TOOLBOX

### POLICIES

- International Trade Policy

### RESOURCES

- Baxter International Trade and Customs Intranet website
- U.S. Department of Commerce Bureau of Industry and Security [www.bis.doc.gov](http://www.bis.doc.gov)
- Foreign Asset Control's sanction program list <http://www.treas.gov/offices/enforcement/ofac/programs>

### CONTACTS

- Ethics and Compliance department
- Baxter International Trade and Customs group

### QUESTIONS TO CONSIDER

- Does the transaction include shipping product to, or conducting business or sharing technology with, individuals or organizations in trade restricted or prohibited countries?
- Am I aware of a trade transaction that might involve an agreement to engage in boycott activity or a request for boycott-related information?
- Am I aware of a trade transaction that may involve inaccurate documentation, including inaccurate tariff information or inaccurate value documentation?
- Am I concerned that a visitor coming to my plant or office may be from a restricted/prohibited country or on the denied-parties list?
- Does the transaction raise a suspicion or "red flag" if the final destination is not what the documents state? For example, does the shipment include electrical equipment for a country using 110 volts but the destination on the document uses 220 volts?

If your answer is yes to any of the above, discuss your concern with a member of the International Trade and Customs group, Legal Department or Ethics and Compliance department to seek further review of the matter.

# Business Intelligence

Information is critical in the global, fast-paced environment in which we conduct business. Baxter is committed to obtaining the business intelligence necessary for the operation and success of our business in a way that is both legal and ethical.

Baxter employees and agents may not compromise our integrity in the pursuit of business intelligence by engaging in any of the following types of activity:

- ❖ *Fraud or misrepresentation;*
- ❖ *Invasive techniques such as illegal entry or trespass;*
- ❖ *Use of gifts, bribes, or coercion to obtain confidential information;*
- ❖ *Solicitation or acceptance of information that is protected by trade-secret laws;*

- ❖ *The violation of legitimate non-disclosure agreements; or*
- ❖ *Utilizing third parties to engage in activities in which Baxter employees are prohibited from engaging.*

## CHECKLIST

**Baxter employees frequently attend trade shows to keep current on industry trends. When attending these types of events, there are a few ground rules to keep in mind:**

- ✓ *Baxter employees must always wear name badges that accurately describe the employee's affiliation with Baxter.*
- ✓ *Baxter employees may not obtain information at trade shows through any type of misrepresentation or deceit.*
- ✓ *Baxter employees are not permitted to enter private or invitation-only areas without authorization.*

## Q&A

I have been asked to collect industry intelligence about a competitor. To do so, I would have to violate Baxter's policies. Can I engage a third-party consultant to collect this information?

**No.** Third parties may not be hired to engage in any activities from which Baxter employees would be prohibited from engaging.

A medical doctor has access to confidential competitive documents and is a close friend. During a routine sales call to the hospital, the doctor offers to share the competitor document with me. What should I do?

**Politely but firmly tell the physician that you do not want to hear about a competitor's confidential information.**

## YOUR TOOLBOX

### POLICIES

- Relationships with Healthcare Providers and Prohibition of Corrupt Practices standards contained in this document
- Global Industry and Competitive Intelligence Policy
- Baxter's U.S. Government Sales Ethics Standards

### RESOURCES

- Corporate policies Intranet website
- U.S. Government Sales Intranet website
- Renal Global Marketing Competitive Intelligence Intranet website

### CONTACTS

- Legal Department
- Ethics and Compliance department





## Our World

Baxter and its employees are part of both large and small communities around the world. We take a responsible approach to operating our business, always evaluating the short- and long-term social, economic, and environmental impacts of the work we do, the products we make, and the services we provide.

To maintain our reputation as a trusted partner in the communities in which we operate, we work hard to build relationships with an array of groups and agencies – patients, employees, investors, governments and regulatory agencies, the news media, and many others.

Being a great company also means fostering a safe, diverse, and healthy workplace, and conducting business ethically and in full compliance with the legal requirements in all of our communities.

We balance the current and future needs of society with the goals of our business through sustainability activities. One way we do this is through product stewardship. This requires addressing social and environmental issues across the product life cycle, from bioethics and sustainable design during research and development, to efficient use of energy and materials during manufacturing and transport, to responsible product promotion, and finally, repair, refurbish, and recycle, or proper disposal at the end of the product's life.

Baxter works to increase access to healthcare in communities around the world. This is achieved through product donations, grants from

The Baxter International Foundation, employee volunteerism, and other programs. Baxter will continue to build productive partnerships with all our communities by increasing access to care, addressing social and environmental concerns, and meeting our standards of corporate responsibility and governance.

The number and range of stakeholders with whom Baxter interacts in communities around the world requires strong adherence to a variety of ethical principles and practices. There are guidelines for dealing with governments and regulatory bodies, the investment community, charitable organizations, and many other groups. While Baxter's board of directors and various committees are in place to ensure proper corporate governance and business practices, it is the responsibility of every employee to protect and enhance Baxter's reputation by acting with integrity, both within and outside the normal scope of business, with all stakeholders in communities worldwide.

**AS WE WORK WITH  
COMMUNITIES TO BUILD A  
MORE SUSTAINABLE WORLD,  
BAXTER NEVER LOSES SIGHT  
OF OUR FUNDAMENTAL  
BELIEFS ABOUT DOING  
BUSINESS THE RIGHT WAY.**

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- 34 *Public Affairs and Political Activities*
- 35 *Providing information to Governmental Organizations*
- 36 *Raising Concerns and Doing the Right Thing*
- 38 *Baxter's Board of Directors, Public Policy Committee, and Corporate Responsibility Office*



# “Inside Information” and Securities Trading

Baxter periodically discloses to the public important information concerning the company. These disclosures should be full, fair, accurate, timely, and understandable.

Until Baxter has made important information about the company public, employees must keep it confidential and may not use it for their own personal gain. It is a violation of United States law to purchase or sell Baxter stock on the basis of material non-public information.

In the course of their jobs, Baxter employees also may receive material non-public information about other companies. Employees must also hold this information confidential and may not trade in the stock of other companies on the basis of it.

Employees at the vice president level or above and employees who regularly have access to material non-public information have additional obligations, including restrictions on trading in derivatives, and in some cases quarterly closed “windows” or obligation to pre-clear trades with the legal team. These obligations – and more information about trading generally – are provided in the Baxter Securities Trading Policy.

## WHAT IS “MATERIAL” INFORMATION?

Material information is information that investors in securities would consider important. More precisely, information is material if there is a substantial likelihood that a reasonable shareholder would consider it important in making an investment decision or if it would be viewed as having significantly altered the total mix of information available.

Examples of information that may be material include:

- *Acquisitions or divestitures of businesses, product lines or technologies;*
- *New products or research or clinical initiatives;*
- *Financial results and trends; or*
- *Significant regulatory, litigation, or contractual developments.*

## YOUR TOOLBOX

### POLICIES

- Securities Trading Policy
- Disclosure Policy

### RESOURCES

- Corporate policies Intranet website

### CONTACTS

- Corporate Secretary
- Legal Department

## Q&A

I want to sell shares of my Baxter stock. May I?

You may, as long as you do not have material non-public information. If you have any questions about information you possess, please contact the Corporate Secretary’s team.

Also, while employees who are subject to pre-clearance and other restrictions generally are aware of the restrictions, you should contact the Corporate Secretary’s team with any questions.

# Communications with the Media and Investors

Baxter's reputation with the community depends on having appropriate channels for discussion and providing accurate, timely and consistent information.

Baxter authorizes only certain individuals to speak to the media and financial community.

Unless you have been expressly authorized to speak on behalf of Baxter, you must direct all inquiries from the media to Corporate Communications and from the financial community to Corporate Investor Relations.

## CHECKLIST

**Prior to speaking with the media or the financial community, or at events where they will be present, answer the following questions:**

✓ *Have you been authorized to speak on behalf of Baxter by either Corporate Communications or Corporate Investor Relations?*

**If you answered "yes" to the above, consider the following additional questions:**

✓ *Have you reviewed Baxter's policies on speaking to the media and the financial community?*

✓ *Is the information you plan to provide already in the public domain? If not, do you have written authorization allowing you to share the information externally?*

**If the answer to any of the above is "No", you must obtain authorization from Corporate Communications or Corporate Investor Relations to disclose the information.**

## YOUR TOOLBOX

### POLICIES

- Representing Baxter Externally Policy
- Disclosure Policy

### RESOURCES

- Corporate policies Intranet website
- Corporate Communications Intranet website
- Corporate ID Intranet website

### CONTACTS

- Corporate Communications department
- Corporate Investor Relations department
- Legal Department

## Q&A

What information does the Disclosure Policy cover?

The policy covers any information to be provided to anyone in the financial community (i.e., anyone who is expected to trade in Baxter's securities, including shareholders and securities market professionals).

Under the Disclosure Policy who is authorized to speak to the financial community on behalf of Baxter?

Only the CEO, CFO, Treasurer, and the Vice President of Investor Relations are authorized to communicate with the financial community. These individuals may occasionally designate others to speak on behalf of Baxter under the Disclosure Policy. Any such designation must be in writing.





## Public Affairs and Political Activities

Across the globe Baxter regularly engages in appropriate political activities, such as legislative lobbying and providing input on administrative rulemaking, to advance the interests of the company and the patients we serve.

The rules governing participation in the political process differ greatly from country to country, are complex, and often carry significant penalties for violation. In general, all such activity should be conducted with Baxter's Government Affairs and Public Policy team (GAPP).

### **Global Rules on Lobbying**

Wherever you are located, you are required to consult and coordinate first with your GAPP representative on all efforts to influence a government decision on:

- ❖ *Legislation and regulations;*
- ❖ *Tenders, contracts, and grants;*
- ❖ *Any other issue in which Baxter has an interest, except for requests for information, inspections, investigations, and litigation.*

### **Global Rules on Political Contributions**

Wherever you are located, you are required to consult and coordinate with your regional or GAPP or Legal Department representative before you make a monetary contribution on behalf of Baxter to a political campaign, political party, or to any event or entity at the direction of a government official.

### **Global Rules on Gifts to Government Officials**

Wherever you are located, Baxter's policy on providing gifts to government officials is restrictive.

You are required to consult and follow Baxter's Gift and Entertainment and Anti-Corruption policies, and direct all questions to the Legal Department or Ethics and Compliance department.

### **Additional Rules for Political Activity in the U.S.**

- ❖ *Federal and State lobbying: must be coordinated with Government Affairs and Public Policy;*
- ❖ *Corporate Political Contributions: In general, Baxter cannot make monetary or in-kind contributions to federal candidates or their campaigns, except through BAXPAC;*
- ❖ *Over 20 states forbid Baxter from making corporate contributions. Contributions to state or local candidates or other political campaigns must be cleared with GAPP;*
- ❖ *Travel, Gifts and Meals: Baxter's ability to provide gifts or travel expenses is extremely limited, and all such activity must be approved by GAPP.*

### **Personal Political Activity**

Baxter encourages its employees to engage in personal political activity as they wish, provided:

- ❖ *Their activity is purely personal and not on behalf of Baxter;*
- ❖ *Contributions to state political campaigns by director-level and above are cleared with GAPP first to ensure compliance with new state laws;*
- ❖ *Baxter facilities are not used;*
- ❖ *The activities do not conflict with work responsibilities.*

## YOUR TOOLBOX

### **POLICIES**

- Gifts and Entertainment standard contained in this document
- International Anticorruption Policy

### **RESOURCES**

- Government Affairs and Public Policy U.S. Intranet website
- Government Affairs and Public Policy Europe Intranet website
- Government Relations Canada Intranet website

### **CONTACTS**

- Government Affairs and Public Policy representative in your Region
- Legal Department

## Q&A

Can I use Baxter facilities to promote political candidates?

No, not without reimbursing Baxter at fair value.

Can I contribute Baxter funds to a political candidate?

Not in the U.S. Outside the U.S., you must consult with your GAPP representative first.

Can I recommend a political candidate to my work colleagues and ask them to donate to the election campaign?

Yes. But be careful with subordinates to avoid the perception of coercion.



# Providing Information to Governmental Organizations

Baxter's businesses are highly regulated and governments may often request information from us. We will cooperate with legitimate requests for information through appropriate channels.

- ❖ *All routine requests for information by any government agency must be reported to the legal counsel responsible for the business or function, unless the Legal Department has agreed that another business or function may handle that type of matter alone.*
- ❖ *All subpoenas, court orders and requests for depositions, testimony, interviews, or documents must be reported to the lawyer responsible for the business or function, who must report the matter to the chief litigation counsel.*
- ❖ *Any sudden request to inspect Baxter's facilities or to execute a search warrant must be immediately directed to your business or function legal counsel, who will report this matter to the chief litigation counsel. You must allow access where required by local law.*
- ❖ *All requests for information by the U.S. Congress must be reported to the Office of the General Counsel or to the Vice-President of Government Affairs and Public Policy for appropriate action.*

## Q&A

What should I do if a law enforcement official contacts me and requests information about Baxter?

You should promptly notify the Legal Department of the request before providing any information. Explain to the official that Baxter policy requires notification to the Legal Department before any information is provided. The Legal Department will evaluate the request, including whether a subpoena will be required for disclosure of the requested information.

## YOUR TOOLBOX

### POLICIES

- Government Investigation policies

### RESOURCES

- Corporate policies Intranet website

### CONTACTS

- Chief litigation counsel
- Vice-President of Ethics and Compliance
- Chief regulatory counsel
- Vice-President of Government Affairs and Public Policy



## Raising Concerns and Doing the Right Thing

In Baxter's complex and highly regulated environment, making the proper decision can be challenging. Occasionally, you may need advice or assistance in order to resolve an issue. You are encouraged to seek information about or guidance on our ethics and compliance standards.

Baxter encourages the open discussion of questions and concerns in order to avoid inappropriate decision-making or action that is a potential violation of the standards. Baxter employees have an obligation to raise perceived violations of the standards with respect to Baxter's financial affairs, accounting practices, auditing matters, corruption, fraud, or other serious concerns where the interest of the company or the moral or physical integrity of our people or assets are at stake.

We encourage employees, as a first step, to seek out local management or resources for assistance in addressing concerns. Alternative contacts include the Ethics and Compliance department, Ethics and Compliance regional counsel, or the Corporate Responsibility Office through the Ethics and Compliance Helpline.

Baxter enforces a non-retaliatory environment, making it safe for employees and other stakeholders to raise ethics and compliance concerns in good faith. The Non-Retaliation Policy is actively supported by Baxter's senior management and is strictly enforced.

### **ETHICS AND COMPLIANCE HELPLINE**

Representatives on the Ethics and Compliance Helpline are available 24 hours a day, 7 days a week to consult with you in almost any language. You may file a report online or dial the toll-free number for your country as provided on the website.

When using the Ethics and Compliance Helpline, an individual's identity will be treated confidentially and shared with a limited number of people who have a need to know or who are responsible for dealing with reports and investigations. Your personal information will be held and used in accordance with Baxter's *Global Privacy Policy* and data privacy laws. You are not required to identify yourself unless required by the specific laws or regulations of that country.

Using these resources in your decision-making process will help us maintain Baxter's reputation as a responsible corporate leader whose people are respected for performance and integrity.



# Q&A

It is common knowledge in my department that we are not adhering to compliance-related standard operating procedures. I am sure someone else will call the Ethics and Compliance Helpline and identify the situation. Do I really need to raise this issue?

Yes, every employee has an obligation to report a potential violation of our Code of Conduct and support Baxter's vision to be recognized and trusted worldwide. You cannot count on someone else to raise the issue.

I am afraid that my career at Baxter will end if I raise an ethics and compliance concern without hard evidence of wrongdoing. What assurances can you give me that this will not happen?

Baxter management is committed to maintaining an open environment where ethics and compliance issues can be raised in good faith without negative consequences to the person for doing so. Baxter management will quickly respond to all reported instances of retaliation and take immediate corrective actions. Retaliatory behavior by any Baxter employee will not be tolerated.

## RESOURCES FOR RAISING AN ETHICS AND COMPLIANCE QUESTION OR CONCERN



## YOUR TOOLBOX

### POLICIES

- Baxter Code of Conduct
- Management Policy on Ethics and Compliance

### RESOURCES

- Ethics and Compliance Intranet website

### RAISING COMPLIANCE QUESTIONS OR CONCERNS

- Your supervisor, manager, or department leader
- Function experts such as Legal Department, HR, controller, VP of quality, etc.
- Ethics and Compliance regional counsel
- Ethics and Compliance department  
*Ethics and Compliance Intranet website*
- Corporate Responsibility Office  
*P.O. Box 154,  
Deerfield, IL 60015, USA  
Email: [corporate\\_responsibility\\_office\\_deerfield@baxter.com](mailto:corporate_responsibility_office_deerfield@baxter.com)  
Confidential fax: 1-847-948-2867*
- Ethics and Compliance Helpline  
*[www.baxter.com/compliance](http://www.baxter.com/compliance)  
USA phone: 1-877-229-8373  
International phone: check [www.baxter.com/compliance](http://www.baxter.com/compliance) for your country's toll free number.*

# Baxter's Board of Directors, Public Policy Committee and Corporate Responsibility Office

Baxter's Board of Directors recognizes the importance of having a strong organizational foundation that supports an ethical environment and assists us in achieving results with integrity.

The board's Public Policy Committee is charged with ensuring that Baxter operates with integrity, has an effective compliance program, and operates as a socially responsible member of our global community.

The Public Policy Committee created the Corporate Responsibility Office (CRO) in 1993. The CRO is responsible for communicating Baxter's ethics and compliance standards, providing guidance and training to employees and directors, maintaining multiple channels for employees to report concerns, and monitoring compliance. The CRO reports to the board's Public Policy Committee and reports on financial matters to the board's Audit Committee (see graphic).

Any waiver of Baxter's Code of Conduct for executive officers or members of the Board of Directors may be made only by the Public Policy Committee subject to approval by the full board. Any waiver must be promptly disclosed to shareholders as required by applicable law and stock exchange rules.

## WHAT ROLE DOES THE ETHICS AND COMPLIANCE DEPARTMENT HAVE?

**The Ethics and Compliance department implements the CRO's activities. With representatives in Asia, Europe, Latin America, and the U.S., the Ethics and Compliance department is responsible for compliance policy development, training, compliance assessments, counseling, and investigations.**

## BAXTER ETHICS AND COMPLIANCE STRUCTURE



## YOUR TOOLBOX

### POLICIES

- Baxter Code of Conduct
- Management Policy on Ethics and Compliance
- Public Policy Committee charter

### RESOURCES

- Ethics and Compliance Intranet website
- [www.baxter.com](http://www.baxter.com)

### CONTACTS

- Ethics and Compliance department

## ***Baxter***

The standards and supporting policies contained in this document may change from time to time. Baxter employees are responsible for knowing and complying with the current laws, regulations, standards, policies and procedures that govern our work.

The most current version of this document can be found on the Ethics and Compliance homepage on Baxter's Intranet website.

This document is not an employment contract between Baxter and its employees.

***Baxter***

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[www.baxter.com](http://www.baxter.com)



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