



FROST & SULLIVAN
INSTITUTE

2022 Frost & Sullivan Institute Enlightened Growth Leadership Award



FROST & SULLIVAN
BEST PRACTICES
AWARDS

Baxter Inc.



Congratulations!

Frost & Sullivan Institute, in partnership with Frost & Sullivan, is proud to present Baxter Inc. with the Enlightened Growth Leadership Award.

Frost & Sullivan's global team of growth pipeline experts continuously identifies and evaluates growth opportunities across multiple industries, technologies, and regions of the world. As the world emerges into the new norm disrupted and accelerated by the COVID-19 pandemic, it is becoming increasingly important for companies to leverage opportunities to shed old ways of thinking, build value chains that leave no stakeholders behind, and create foundations for stable growth to thrive in these new environments. We identify companies that demonstrate the commitment to embrace emerging technologies and protocols and generate opportunities for all while sustaining continued growth and highlighting best practices for sustainable development. This approach involves deep strategic deliberation around best practices and the development of core analytics across the entire value chain of specific products and services. Against the backdrop of these analytics, Frost & Sullivan Institute, in partnership with Frost & Sullivan, recognizes Baxter Inc. for its valuable achievement.

Frost & Sullivan strictly reserves this recognition to companies at the innovation to zero and growth forefront in their respective industries. These companies demonstrate proactivity in utilizing business practices to 'innovate to zero' and address global priorities while securing sustainable growth. These companies also uniquely leverage technology and boost their industry partner ecosystem to serve ever-evolving customer needs in a way that facilitates environmental initiatives and supports the planet's well-being. Moreover, by combining business sense with a moral imperative, these companies demonstrate aspirational ideals beyond the simple goal of generating profits.

Moreover, this recognition is the result of many individuals (employees, customers, partners, and investors), making critical decisions every single day to support the organization and meaningfully contribute to its own future in a sustainable and socially responsible way. Frost & Sullivan in partnership with Frost & Sullivan Institute enthusiastically acknowledges and celebrates their contributions.

Once again, congratulations on your accomplishments, and we wish you great success in the future.

Sincerely,

David Frigstad

Chairman, Frost & Sullivan and Executive Director, Frost & Sullivan Institute



Best Practices Criteria for World-Class Performance

Frost & Sullivan Institute leverages Frost & Sullivan's rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria for each nominated company. Baxter Inc. excels in multiple criteria.



Introduction

Baxter International is a global medical products company that develops and markets products to treat various medical conditions. Products from the company are used in hospitals, clinics, and homes worldwide. The company's mission is to develop and deliver products that save and sustain lives. The company's biopharmaceuticals are used to treat a wide range of conditions, including hemophilia and immune deficiency disorders, and cancer. The company has a long history of helping people in need, and its work is aligned with the Sustainable Development Goals set out by the UN. Baxter has worked to provide clean water and sanitation, promote health and well-being,

'Innovating to Zero' on Global Priorities

Baxter has been working to reduce its environmental impact and set its goals to become a carbon-neutral company by 2040 and reduce Scope 1 and 2 greenhouse gas emissions by 25% by 2030. The company aims to achieve this goal by prioritizing operational excellence and environmental consciousness throughout its customer and supplier value chain. In 2021, the total Scope 1 and 2 emissions from Baxter's operations were 598,000 metric tons of CO₂e, representing a 0.4% decrease in absolute emissions and a 7.4% decrease in revenue-indexed emissions compared to 2020.

Moreover, to reduce GHG (Greenhouse gas) emissions, the company has invested in a variety of renewable energy and energy efficiency projects. In 2021, the company spent \$8.9 million to implement 196 energy-saving projects across its manufacturing facilities. These projects are expected to help save 33,800 MWh of energy and \$3.3 million per year, while also preventing 8,800 metric tons of CO₂e



“Baxter's commitment to the Sustainable Development Goals is evident in its actions to reduce emissions and conserve water. The company's efforts are making a positive impact on the environment and helping to create a sustainable future for all.”

**- Priyanka Sharma, Research Analyst,
Frost & Sullivan Institute**

emissions. Additionally, between 2020 and 2021, the company installed on-site solar systems in three of its manufacturing facilities and purchased over 430,000 MWh of 100% certified renewable energy. As a result, by 2021, renewable energy was expected to 30% of its operations, totaling 846,000-megawatt hours (MWh) per year.

Besides, the company is committed to reducing GHG emissions through various initiatives and collaborations across its customer and supplier value

chain. It has collaborated with ZeoSys Medical to pilot the CONTRAfluran Anesthetic Gas Capture system in nine European countries, allowing hospitals to capture anesthetic gas exhaled in operating rooms, thereby reducing GHG emissions into the atmosphere. Similarly, the company has joined United Airlines' CarbonChoice program, under which United Airlines will provide Baxter with quarterly enterprise-level carbon emissions reports resulting from its travels, and the company will purchase offsets to counterbalance these emissions. This accounted for 14% of Baxter's air travel emissions in 2021 and included 758 metric tons of CO₂e offset on Baxter's behalf.

In 2021, the company observed a total of 6.6% revenue reduction in water use and a 7.7% revenue reduction in water use in its sites under water stress. In 2021, the company collaborated with UNICEF USA through the Baxter International Foundation to improve access to safe water in Colombia. Frost & Sullivan Institute lauds Baxter's efforts to conserve water and reduce greenhouse gas emissions by reducing energy consumption and utilizing innovative technologies to enable an emission-free future.

Growth Excellence & Industry Partner Ecosystem

Baxter has 90 years of experience in positively impacting and changing the lives of people. The company has manufacturing facilities in more than 20 countries and operates a global network of distribution and customer service centers, and its products are sold in more than 100 countries. In recent years, Baxter has seen significant growth, due to its focus on innovative products and its strong relationships with healthcare providers. In 2021, the company reported net sales of \$12.8 billion, compared to \$11.7 billion in 2020.

The company is consistently looking for new ways to improve people's lives and improve access to healthcare and information by introducing new products. For example, in 2021, the company launched 'My Kidney Journey', a comprehensive online portal to support chronic kidney disease (CKD) patients. The portal provides appropriate information to prepare and guide the patients throughout their battle with the disease. Similarly, in September 2021, the company released premix Norepinephrine Bitartrate in 5% Dextrose Injection (norepinephrine), a ready-to-use formula that helps raise blood pressure in adult patients with severe, acute hypotension (low blood pressure). Norepinephrine can be administered quickly, increasing operational efficiency, particularly in life-threatening situations, and lowering the risk of compounding errors and contamination caused by touching.



"Baxter's growth through innovation and acquisition is a true testament to its dedication to excellence. Their products have helped shape the industry and complement their journey toward 'innovating disease to zero', and their growth demonstrates their commitment to customer satisfaction."

**- Priyanka Sharma, Research Analyst,
Frost & Sullivan Institute**

The company announced the release of the Sharesource Analytics 1.0 premium module in June 2021. The module improves the clinical management of home dialysis patients by allowing healthcare professionals to remotely monitor and adjust therapy for their patients without requiring them to make unplanned visits to the clinic. It also provides clinically relevant data for the past 180 days, which can identify potentially slow-building issues and aid healthcare professionals in making informed decisions to resolve potential complications that the patient may be

experiencing.

Likewise, the company received approval from the US FDA for its Artificial Kidney 98 (AK 98) dialysis machine in March 2021. The machine helps Hospitals and other patient care centers that provide dialysis reduce the operational challenges of administering multiple hemodialysis sessions per machine per day. It also makes the task easier because it is portable, easy to use and administers hemodialysis (HD) treatments. It also supports encrypted, two-way connectivity, which enables the system to pull prescriptions directly from the electronic medical record (EMR), simplifying workflow and data handling.

In 2021, Baxter acquired Hillrom, a medical technology leader with a forte in-Patient Support Systems: such as smart beds and patient lifts, Front Line Care: such as ventilators and vital signs monitoring systems, and digital health products and software that support connected care across the healthcare continuum. The acquisition has enhanced the company's ability to grow and innovate in new areas of healthcare unlocking its potential to drive greater impact for patients, care teams, and all the associated stakeholders they serve. Frost & Sullivan applauds Baxter for its significant contribution to the medical technology industry. Through its products, it has continuously improved the lives of people over the years.

Technology Leverage

In response to technological advancements, healthcare services and delivery are evolving. As a result, Baxter places a high value on innovation, research, and development. Baxter spent \$521 million on research and development in 2020, and it spent \$534 million on R&D in 2021, a 2.5% increase over the previous year. The company values R&D and has centers in Belgium, Sweden, Italy, Germany, India, China, Japan, and the United States. Its R&D efforts are primarily focused on improving access to care, clinical outcomes, and efficiency.

In 2021, Baxter collaborated with Amazon Web Services, Inc. (AWS) to migrate from physical data centers to the cloud. The transition will benefit Baxter in various ways, including the ability to quickly market new tools and solutions, expand technology solutions to new geographies, and save money. As a result, by leveraging one of the world's leading cloud providers' unrivaled reliability and proven security, the company will be able to unleash the potential of healthcare data and develop a more personalized approach to care.



Baxter and Digital Diagnostics formed a partnership in March 2022. The collaboration will provide Digital Diagnostics' industry-leading IDx-DR[®] autonomous AI software as a diagnostic service combined with the Welch Allyn[®] RetinaVue[®] 700 Imager to Baxter. These technologies will respectively aid in the detection of diabetic retinopathy (including diabetic macular edema) at the point of care and provide primary care providers with a simple-cost-effective way to perform retinal exams during office visits. Additionally, the collaboration has aided Baxter in expanding its portfolio of connected care diagnostics.

Furthermore, Baxter was approved as a CVE (Common Vulnerabilities and Exposures) Numbering Authority by the Common Vulnerabilities and Exposures program in February 2022. With the authority, Baxter is now responsible for assigning CVE identifiers to cyber vulnerabilities in commercially available Baxter-Hillrom products, as well as publicly disclosing information about the vulnerabilities in the associated CVE Record. As a global MedTech leader, the company will not only help to strengthen cybersecurity across its network and portfolio, but it will also help to strengthen the cybersecurity of the world's healthcare organizations. Additionally, it will aid in the rapid identification and resolution of cyberattacks, allowing healthcare units to provide superior service to their patients.

Frost & Sullivan Institute recognizes Baxter's efforts to use technology to improve patient care and outcomes. The company places a strong emphasis on developing innovative products and services to meet the needs of patients and caregivers to improve their quality of life. Baxter's use of technology to strengthen cybersecurity across its network is an important contribution to the global healthcare system and patients.



Conclusion

Access to quality healthcare is difficult for people living in developing and underdeveloped countries for a variety of reasons, including rising costs, a shortage of providers, and a lack of care. Baxter Inc is responding to the healthcare crisis by developing new products and services that improve access to healthcare while reducing costs. Frost & Sullivan acknowledges Baxter's contribution to the medical technology industry. Its use of technology to stay ahead of the competition is admirable. Its products have consistently improved people's lives over the years. It consistently works to reduce greenhouse gas emissions to achieve global goals. Frost & Sullivan Institute bestows the '2022 Frost & Sullivan Institute Enlightened Growth Leadership Award' on Baxter in recognition of its invaluable contributions to the industry.



What You Need to Know about the Enlightened Growth Leadership Recognition

Frost & Sullivan Institute's Enlightened Growth Leadership Award recognizes the company that addresses the global priorities as identified by the Institute and demonstrates sustainable growth in the industry.

Best Practices Award Analysis

For the Enlightened Growth Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

'Innovating to Zero' on Global Priorities: The company demonstrates proactivity in 'Innovating to Zero' in terms of one or more of the following global priorities that form the seven pillars of the Frost & Sullivan Institute:

- i) **Environment:** Environmental initiatives can include climate change, vulnerable groups, behavioral change, international governance, waste management, or others.
- ii) **Education:** Education can encompass equal access, gender parity, EdTech, quality education, education resources, vocational training, or others.
- iii) **Infrastructure:** Infrastructure can incorporate infrastructure as a basic right, technology and infrastructure, environment and infrastructure, urban infrastructure, and financing models, among others.
- iv) **Healthcare:** Healthcare can comprise healthcare crisis, mental health, finance, healthcare systems, advanced healthcare, and technology and healthcare, among others.
- v) **Security:** Human security can refer to transnational governance, human security, food security, or others.
- vi) **Human Rights:** Human rights can involve governance, special group rights, justice, or other such elements.
- vii) **Economics:** Economics can pertain to inequality, new economic regime, FinTech, behavioral change, or others.

Growth Excellence: The company demonstrates healthy growth over a span of 10 years. It focuses on short-term and long-term growth strategies to maintain a superior industry position. The executive team's vision aligns with the company's growth strategy, effectively translating this vision into growth. The socially responsible organization enforces strategies to increase its share of the customer wallet, successfully differentiating itself from competitors and positively impacting its market share. It also adopts strategies to build upon achieved growth and sustain continued growth while highlighting best practices for sustainable development.



Customer Value Chain: The company pays heed to the planet's well-being and addresses environmental initiatives such as climate change, carbon footprint reduction and elimination, waste management, or clean energy production. Its key value proposition is refined by building on client feedback and continuously improving products and services. The organization prioritizes its customers' needs and provides significantly greater value for the price. It offers exceptional customer value by providing the best purchase experience to customers, placing importance on providing a high degree of satisfaction amongst existing and potential clients, or ensuring the best and differentiated service experience.

Integrated Competition - Industry Partner Ecosystem: The company makes use of unique business models such as corporate partnerships and public-private collaborations to boost the industry partner ecosystem. By combining business sense with a moral imperative, the company demonstrates aspirational ideals beyond the simple goal of generating profits. The organization's efforts to cooperate with competitors reveal its cognizance of a broader vision and endeavors towards positively impacting the overall industry.

Technology Leverage/Innovation: The company incorporates or uniquely leverages technology, standing out among the competition. The technology addresses key future needs and applications and is disruptive to or supersedes existing technologies. The company's technology or technology leverage can be diversely applicable or has created new markets or applications where none existed before. It has introduced creative features and functionality by jumping through hoops to convert its vision into a reality. The organization has a structured process or best practices to incubate new technologies developed internally or through strategic partnerships. The company's innovations or technology incorporation has the potential to become an industry standard.



About Frost & Sullivan Institute

Frost & Sullivan Institute (FSI) is a non-profit organization dedicated to utilizing business practices to address global priorities. The genesis of the institute goes back to our vision of either creating or becoming part of a solution that addresses threats to humanity. Frost & Sullivan Institute has identified strategic imperatives for transformation and believes that by using a Socratic approach, we can truly accelerate innovation to zero. The Institute works in collaboration with leading analyst teams, its internal research team, industry experts, and other partners. It works closely with Frost & Sullivan Inc. to leverage in-house thought leadership in order to identify opportunities for transformation that will arise from innovation, disruptive technologies, and overarching megatrends that will alter the world as we know it today. To learn more about FSI, visit <https://www.frostandullivaninstitute.org/>.

About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at <http://www.frost.com>.

The Growth Pipeline Engine™



Frost & Sullivan's proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.



Key Impacts:

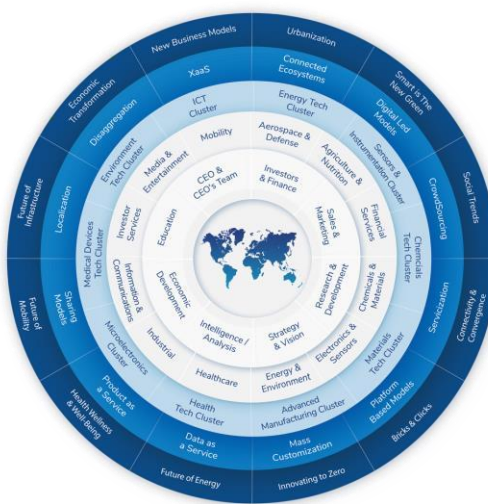
- **Growth Pipeline:** Continuous flow of Growth opportunities
- **Growth Strategies:** Proven Best Practices
- **Innovation Culture:** Optimized Customer Experience
- **ROI & Margin:** Implementation Excellence
- **Transformational Growth:** Industry Leadership

The Innovation Generator™

Our six analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

Analytical Perspectives:

- Mega Trend (MT)
- Business Model (BM)
- Technology (TE)
- Industries (IN)
- Customer (CU)
- Geographies (GE)





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