Baxter International response re alleged advocacy campaign by Innovative Pharmaceutical Association of South Africa (IPASA) opposing South Africa's efforts to introduce intellectual property reforms aimed at increasing access to essential medicine:

19 February 2014

Business & Human Rights Resource Centre invited Baxter to respond to the following items:

- "South African pharma firms accused of delaying patents law reforms", Guardian [UK], 17 January 2014
 http://www.theguardian.com/world/2014/jan/17/south-african-pharma-accused-delay-patents-law-reform
- "New leaked Merck missive reveals deep drug, medical device company opposition to South African patent reforms", KEI, 20 January 2014 http://keionline.org/node/1908
- "'Genocidal' drug patent plot angers doctors, rights groups"
 http://www.timeslive.co.za/politics/2014/01/17/genocidal-drug-patent-plot-outrages-doctors-rights-groups
- "Leaked pharmagate emails prove big pharma involvement in scandal"
 http://www.tac.org.za/news/leaked-pharmagate-emails-prove-big-pharma-involvement-scandal
- "TAC, Section27 and MSF react to Pharmagate" http://www.fixthepatentlaws.org/?p=823

Comment to Business & Human Rights Resource Centre by Baxter International re alleged advocacy campaign by Innovative Pharmaceutical Association of South Africa (IPASA) to oppose South Africa's efforts to introduce intellectual property reforms aimed at increasing access to essential medicine:

Baxter International Inc. Reply to Business and Human Rights Resource Centre February 17, 2014

Baxter has had a longstanding relationship with the South African company Adcock Ingram, under which Baxter licenses its technology to Adcock Ingram for local manufacturing and sale of products, which are generic. Adcock Ingram also has distributed within South Africa other Baxter products. Baxter has maintained a small but growing presence in South Africa, and our local colleagues joined IPASA only in recent months.

It is worth noting that Baxter is not a traditional, brand-name pharmaceutical company – rather the company is focused on life-saving and life-sustaining products and therapies in the form of biologics, devices and specialized pharmaceuticals (like IV solutions and anesthetic agents) that are typically administered in a hospital or clinical setting.

Baxter is focused on collaborating with government partners to expand access to quality care, and sees significant potential within a number of our businesses to work directly with governments to address critical healthcare concerns through unique arrangements that improve health outcomes with controlling costs. One recent example is Baxter's exclusive 20-year partnership in November 2012 with Hemobrás (Empresa Brasileira de Hemoderivados e Biotechnologia), a public company dedicated to creating greater self-sufficiency in the production of life-saving therapies for people in Brazil with hemophilia, primary immunodeficiency disease, cirrhosis, severe burns, cancer and AIDS. Through this partnership, Baxter will be the exclusive provider of Brazil's recombinant FVIII treatment over the next 10 years while the companies work together on the technology transfer to support development of local manufacturing capacity by Hemobrás.

In every aspect of its business, Baxter respects and is committed to fostering human rights, dignity and the diverse contributions of all. Baxter's <u>Global Human Rights Policy</u> details the company's commitment in this area. Baxter's philosophy and policy are further supported by mechanisms at the company including Baxter's <u>Leadership Expectations</u>, Culture and Shared Values, Code of Conduct, sustainability program, and numerous other global policies that set the company's direction. Baxter's commitment to fostering this culture extends to its relationships with suppliers. The company has integrated human rights principles into its California Transparency in <u>Supply Chains Act of 2010 statement</u>; Ethics and Compliance Standards for Suppliers; agreements with suppliers; supplier sustainability survey; and ethics training for purchasing and supplier management professionals. While fostering human rights takes many forms, the principles documented in the Universal Declaration of Human Rights are at the core of how and why Baxter does business.