

## ACHIEVEMENTS

### *Environmental Health and Safety*

- 84.41% reduction in Lost Time Days, 2000 - 2006
- 90.5% reduction in Lost Time Accidents, 2000 - 2006
- No Lost Time Accidents in the last two years, 2006-2007
- 44% reduction in gas consumption, 2004 - 2006
- 9% reduction in energy consumption, 2003 - 2006
- 25% reduction in total waste, 2003 - 2006
- First ISO 14001 certified company in Central America, 1998
- First OHSAS 18001 certified company in Central America (2004), taking ergonomics and safety to a world-class level
- First manufacturing facility in Costa Rica to attain carbon neutral recognition, 2007

### *Quality*

- First ISO 9002 certified company in Central America, 1994
- Upgrades to ISO 9001, ISO 13485, and EU Medical Device Directives audits have resulted in continued recertification, with no major observations issued on the annual based schedule, since 1998
- Pioneer in the medical device industry in the implementation of 100% electronic batch record
- 100% of product codes covered under the APQP methodology (Advanced Product Quality Planning, a methodology used for risk management and defect prevention)
- 40% reduction in complaints per million (CPM), 2005 - YTD
- Over 45% reduction in defects per million (DPM), 2004 - 2006
- 58% reduction in quality exception situations 2005 - YTD

### *Delivery*

- 17% service level improvement 2005 - 2007
- 29% reduction in lead time (for components of the main product), 2006 - 2007
- 66% reduction in backorders, 2005 - 2007
- 64% reduction in manufacturing cycle time, 2004-2007

## RECOGNITION

### *National Recognition*

- White Flag Award, by the Costa Rica Ministry of Health: 2000
- Ecological Flag Award, by the Costa Rica Ministry of Energy and Environment: 1995 - 2001, 2003 - 2005
- Preventico National Safety Award, by the Costa Rica National Institute of Insurances: 1999, 2001, 2002, 2004, 2006

- Ecological Merit Award, by the Costa Rica Chamber of Exporters: 1998
- Exports Merit Award, by the Costa Rica Chamber of Exporters: 2000
- Community Service Award, by the Costa Rican-American Chamber of Commerce: 1997, 2001, 2003

### *Other Recognition*

- Best Use of Data - ASQ International Team Excellence Award: 2004
- Finalist at ASQ International Team Excellence Award Competition: 2004
- Finalist at ASQ International Team Excellence Award Competition: 2008
- Shingo Prize recipient (2008), becoming the first company outside North America to attain this recognition

## PEOPLE

Baxter Cartago is highly committed to attracting and retaining the best team by offering its associates a safe, stable and participative environment based on respect, fairness, talent development, recognition, and competitive salaries and benefits.

Its workforce is currently comprised of approximately 1200 people. Ninety-seven percent of the associates are members of AseBaxter (Asociación Solidarista de Empleados de Baxter), an associate-based organization according to the Costa Rican law model, which offers health services, financial and housing support to the associates, among other benefits. Through an engagement survey applied every two years since 1999, the organizational climate has repeatedly been rated as one of the best across the company.

Guided by its Quality Leadership Process (QLP) foundations, Baxter Cartago has developed a strong culture towards continuous improvement based on teamwork participation, constant learning, open communication and non-stop innovation.

## PROCESS

Baxter Cartago established its focus on operational excellence early in its history, first through QLP implementation, then by following the Baldrige model and later by enforcing the lean approach established through the Shingo Prize. Today, the plant's operations are guided by the strategic plan established around six key areas: customer, finance, quality and regulatory, continuous improvement, people and team, and innovation. A balanced scorecard is used for monitoring and objectives are cascaded into personal management objectives, which allows for strategy deployment.

Performance improvement and innovation are driven by the systematic analysis and update of the plant's value stream map (VSM) and corresponding key processes. Teams are in place to lead the implementation of all VSM initiatives, as well as for process control and problem solving purposes. Supporting functions contribute to this process through the implementation of projects derived from the Business Alignment performed as part of the strategic planning process, and through the application of lean techniques in non-manufacturing processes.

## **PRODUCT**

Baxter Cartago manufactures a range of products, including IV administration sets, and supplies subassemblies to other Baxter plants. IV sets are used for administering medication and IV solutions and accessing chemotherapeutic medication vials. In 2003, the production of nutrition sets was transferred to Cartago from another Baxter plant. This product is used for preparation of parenteral nutrition for patients who require feeding by the parenteral route. In 2005, new codes were transferred, including irrigation sets, catheter extension sets and tri-layer sets used for specific applications. Baxter Cartago currently has a portfolio of 169 codes.

The plant exports most of its production to the U.S. and also serves many other countries and other Baxter plants around the world; currently it is the 4<sup>th</sup> largest exporter in Costa Rica.

## **PLANT**

Baxter Productos Médicos, Ltda. launched its medical device manufacturing operations in 1987 at Parque Industrial de Cartago, Costa Rica (Central America). Since then, the plant has experienced continuous growth – the operation has developed from 40,000 sq. ft. to 152,228 sq. ft. – adding to its original extrusion and manual assembly of other technologies and processes. The plant is now about to complete a significant step in its vertical integration process, with the construction of its own sterilizer.

## **CORPORATION**

Baxter International Inc. is a global diversified healthcare company that develops products and therapies to make a meaningful difference in the lives of people with hemophilia, kidney disease, immune disorders and other chronic and acute conditions. The company is organized into three segments: Renal, Bioscience and Medication Delivery, the business under which the Cartago site is primarily aligned.

For more information contact:

Chester Zelaya  
Plant Manager  
Baxter Productos Médicos, Ltda.  
P.O. Box: 1-7052; Parque Industrial Cartago  
Phone: (506) 590-1000