



Fulfillment Network Transformation Frequently Asked Questions (FAQs)

Following the customer letter that was distributed on June 25th, 2026 (contained in appendix), this FAQ is designed to help customers understand how Baxter's fulfillment network transformation may affect ordering, delivery, temperature control, inside delivery, and service continuity.

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Ordering & Delivery

What will be different for me compared to how I receive product today?

The most likely customer-facing differences are ship-from location, carrier, tracking reference, delivery mode, packaging, or delivery frequency. Baxter's goal is to keep the receiving experience as consistent as possible unless a change is required to support the future-state network.

Will my delivery carrier change?

Yes. Your delivery carrier will change as part of Baxter's future-state transportation network. Baxter has selected carriers that meet our service, temperature-control, and delivery performance requirements.

Will my delivery schedule change?

Delivery schedules are expected to remain the same for most customers. If schedule changes are required due to network consolidation, transportation mode, or customer receiving constraints, Baxter will communicate those changes before implementation.

Will shipment tracking capabilities change?

Customers can continue to obtain shipment status updates through Baxter Customer Service, which will have enhanced tracking visibility. Direct customer access to tracking information will be enabled following completion of the system integration after network go-live.

How will deliveries be coordinated for customers with limited receiving capabilities?

Customers with limited receiving hours, appointment requirements, security constraints, dock limitations, or access restrictions must be identified during transition planning. Baxter will coordinate delivery requirements through Customer Service, Fulfillment, and Commercial teams as needed.

What changes should customers expect during the transition period?

Customers may receive communications about their future-state shipping model, assigned distribution center, carrier, packaging, tracking process, or delivery schedule. Baxter will aim to minimize customer disruption and provide advance notice for any meaningful changes.

What actions must customers take before the network transition occurs?

Most customers are not expected to take significant action. Customers may be asked to confirm receiving requirements, delivery hours, access constraints, contact information, or special handling needs so Baxter can configure the future-state shipping model correctly.

When will customers be informed of their future-state shipping model?

Customers will be informed after customer segmentation, lane design, packaging validation, and operational readiness activities are sufficiently complete. Baxter's intent is to communicate customer-impacting changes approximately 60 days before transition.

How will issues be escalated during the transition?

Customer Service will serve as the primary contact for customer issues during the transition and will coordinate with Fulfillment, Quality, Transportation, and Commercial teams based on the issue type. Temperature excursions, missed deliveries, access issues, or critical supply concerns should follow the defined exception-management process.

Will order cut-off times change?

Order cut-off times are expected to remain consistent for most customers. However, Baxter reserves the ability to modify cut-off times as needed to support transportation schedules, operational requirements, service commitments, or future network changes. Any customer-impacting changes will be communicated before implementation.

Will order lead times change?

Order lead times are expected to remain consistent for most customers. Some locations may require different lead times depending on transit distance, shipping mode, and validated shipper performance.

Will customers need to place orders earlier than they do today?

Most customers will not need to change ordering behavior. If a customer's future-state lane requires an earlier order placement to meet service or temperature-control requirements, Baxter will communicate that requirement in advance.

How will rush orders be managed?

Rush orders will continue to be managed through the appropriate Customer Service and Fulfillment escalation process. Available options may include expedited parcel, air service, dedicated courier, or other exception-based transportation solutions when operationally feasible.

How will customers in remote or hard-to-reach locations be serviced?

Remote and hard-to-reach locations will be reviewed during lane design and customer segmentation. Transportation may include ground parcel, expedited parcel, air, LTL, or dedicated freight solutions depending on the location, transit time, volume, and receiving constraints.

How will Baxter ensure continuity of supply during and after the network consolidation?

Continuity of supply will be supported through transition planning, validated transportation lanes, inventory readiness, customer communication, and exception management. Baxter will monitor service performance throughout implementation and address shipment issues through defined escalation channels.

Transportation modes and customer assignment

Will I receive product via ground, next-day air, second-day air, LTL, or truckload service?

The shipping mode will be assigned based on your customer location, transit time, order size, product requirements, receiving profile, and annual volume. Baxter will define the future-state modality before transition and communicate any expected changes to impacted customers.

What factors determine whether a customer receives parcel, air, or freight transportation?

Key factors include order volume, shipment frequency, customer location, transit distance, temperature hold-time requirements, receiving constraints, service level expectations, and the ability to consolidate shipments efficiently.

What shipment volumes will be converted to parcel, air, or LTL delivery?

Shipment conversion rules will be determined through customer and lane analysis. Lower-volume shipments are more likely to move through parcel or expedited parcel channels, while higher-volume or consolidated shipments may continue to move through LTL, dedicated freight, or truckload service where feasible.

How will my shipment method be determined?

Your shipment method will be determined through a combination of order history, expected order volume, destination geography, required delivery speed, validated shipper performance, and operational feasibility. The goal is to select the least-disruptive model that maintains product quality and service reliability.

Which distribution center will serve my location?

The assigned distribution center will be based on the final network design, product availability, customer location, transportation lanes, and service requirements. Customer-specific assignments will be communicated before transition.

Will my assigned distribution center change over time?

It may change if network conditions, inventory positioning, carrier performance, or customer demand patterns change. Any future changes would be managed through the normal communication and change management process.

Will order volume impact the transportation mode used for my shipments?

Yes. Order volume is one of the primary inputs used to determine whether a shipment is better suited for parcel, air, LTL, dedicated freight, or truckload service. Volume will be evaluated together with distance, service requirements, and temperature-control constraints.

What shipment volumes will continue to qualify for pallet deliveries?

Pallet delivery qualification will depend on final volume thresholds, shipment density, delivery location, carrier capability, and customer receiving requirements. High-volume customers and customers with recurring palletized demand are the most likely to remain on pallet or freight-based service.

What is my expected future-state shipping modality?

The expected future-state shipping modality will be determined at the customer level. Baxter will use customer order history, shipment volume, location, and validated lane performance to assign the future-state model and communicate that model before implementation.

How does my future-state shipping model compare to my current shipping model?

For many customers, the practical receiving experience should remain similar. Any differences will be communicated as part of the customer-specific future-state assignment.

How will service be tailored for my location, order profile, and annual volume?

Service will be tailored by segmenting customers based on geography, volume, shipment frequency, receiving requirements, and temperature-control needs. This allows Baxter to define a practical transportation model rather than applying a single approach to every customer.

Customer volume and delivery frequency

How will high-volume customers be serviced under the new network?

High-volume customers may continue to receive consolidated, palletized, LTL, dedicated, or truckload shipments where volume and service requirements support that model. Baxter will evaluate high-volume accounts individually to minimize disruption and protect service continuity.

How will low-volume customers be serviced under the new network?

Low-volume customers may be serviced through parcel or expedited parcel shipments using validated frozen packaging. The objective is to maintain reliable delivery without requiring unnecessary palletized or dedicated freight service where order volume does not support it.

Will shipment frequency change based on order volumes or location?

Shipment frequency may change for some customers if consolidation improves service reliability or transportation efficiency. Any changes will be assessed customer by customer and communicated before implementation.

How will customers currently receiving weekly pallet deliveries be serviced in the future?

Customers currently receiving weekly pallet deliveries will be reviewed for future-state pallet, LTL, dedicated, or truckload service. Where weekly pallet deliveries remain justified by volume and receiving requirements, Baxter will seek to preserve a similar service model.

Will order minimums change?

Order minimums are not expected to change for most customers. In limited situations, Baxter may review order minimums if a customer requires specialized transportation services, low-volume expedited shipments, or unique delivery requirements that are not sustainable under the future-state network design. Any proposed changes would be communicated well in advance of implementation.

Inside Delivery

What is inside delivery?

Inside delivery is a delivery service in which the carrier moves product beyond the receiving dock or standard delivery point to a designated interior location at the customer site, when that service is required and supported by the customer's receiving setup.

Will customers currently receiving inside delivery continue to receive it?

Customers currently receiving inside delivery will be reviewed to determine whether the service remains required and operationally feasible under the future-state network. Where inside delivery is required, Baxter will coordinate the service through the appropriate transportation and customer service process.

Will inside delivery requirements need to be reconfirmed?

Yes. Customers with inside delivery requirements may be asked to confirm delivery address details, receiving hours, access restrictions, elevator or security requirements, dock limitations, contact information, and the specific interior delivery location.

Will inside delivery affect order lead times or scheduling?

Inside delivery may require additional coordination if appointment scheduling, special equipment, building access, or carrier capability is needed. Any customer-specific scheduling requirements will be reviewed as part of transition planning.

Who should customers contact if inside delivery is missing or incorrect?

Customers should contact Baxter Customer Service if inside delivery is expected but not reflected on an order or shipment. Customer Service will coordinate with Fulfillment, Transportation, and Commercial teams to review the account requirements and determine the appropriate resolution.

Cold Chain

How will temperature requirements be maintained during longer transit distances?

Temperature requirements will be maintained through validated frozen packaging, appropriate carrier service selection, lane qualification, and transit-time controls. Longer transit distances will be evaluated to confirm that the selected shipping method supports required product temperatures.

What safeguards are in place to prevent temperature excursions during shipment?

Safeguards may include validated packaging, defined pack-out procedures, carrier service controls, shipment tracking, exception monitoring, temperature excursion procedures, and escalation paths for delayed or at-risk shipments. These same procedures are in place today.

How will my frozen products be transported from the new distribution centers?

Frozen products will primarily be transported through expedited parcel or special services designed to meet frozen temperature requirements. Transportation methods will be assigned based on customer location, shipment profile, and service requirements to ensure reliable product delivery and temperature control.

My facility has badge access or security restrictions. How will deliveries be handled?

Customers requiring specialized delivery access, including badge access, will be evaluated through Baxter's exception-management process. Availability of alternative delivery solutions will depend on operational feasibility and carrier capabilities.

Will frozen products ship in a new temperature-controlled shipper?

Some frozen shipments may use a new temperature-controlled shipper if required to support the consolidated network and longer transit lanes. Implementation will depend on validation results, product requirements, and customer shipping profiles. Any change to shippers will be communicated prior to implementation.

How will customers be notified if packaging changes?

Baxter will communicate any customer-impacting packaging changes before implementation, including whether the change affects unpacking, storage, disposal, return steps, tracking, or receiving workflow. Customer-specific instructions will be provided when a new shipper or packaging process requires a change in site-level handling.

How long can the new shipper maintain required product temperatures?

The validated hold time will be confirmed through testing and will depend on the shipper design, pack-out, ambient conditions, and transit profile. Baxter will not implement a shipper for a lane unless validation supports the required temperature performance.

What validation or testing will occur before the new shipper is implemented?

Validation may include packaging qualification, lane testing, simulated transit testing, pilot shipments, and review of customer receiving constraints. Customer-specific testing may be used where order profile, location, or delivery conditions require additional confirmation.

What are the implementation timelines for the new shipper?

Implementation timelines will be tied to validation completion, operational readiness, customer communication, and network transition timing. Customers impacted by a packaging change will be informed before the new shipper is used.

Will customers need to change receiving, unpacking, or handling procedures?

Most receiving processes are expected to remain consistent. If a new shipper requires different unpacking, storage, disposal, or return steps, Baxter will provide instructions before implementation.

What are the disposal or return requirements for the new shipper?

Disposal or return requirements will depend on the final shipper design. Baxter will communicate whether materials are disposable, recyclable, reusable, or subject to a return process before the shipper is implemented.

How will service levels be maintained with fewer freezer locations?

Service levels will be maintained through inventory planning, carrier selection, and customer-specific shipping rules. The reduction in freezer locations is intended to change fulfillment origin, not lower the service standard customers receive.

How will the reduction from 22 freezer locations to 3 affect service to my facility?

For most customers, the day-to-day ordering and receiving process is expected to remain largely consistent. Some customers may see a different ship-from location, carrier, or transportation mode. Baxter's future-state model will protect product integrity and maintain reliable delivery performance.

I do not have a freezer near my location. How will my product reach me?

Frozen product will be shipped from the assigned freezer distribution center using the appropriate transportation mode for the customer's location, order profile, and temperature-control requirements. Proximity to a freezer distribution center will not be the only factor used to determine service.

What contingency plans are in place if one of the three freezer locations experiences an outage?

Contingency planning will include predefined escalation paths, inventory and order prioritization rules, alternate shipping options, and the ability to redirect volume where operationally feasible. Specific outage response procedures will be finalized as part of implementation readiness.

Appendix: Customer Letter

June 25, 2026

RE: Upcoming U.S. Distribution Network Changes

Dear Valued Customer, Baxter is evolving its U.S. distribution network with the goal of creating more efficiency. As part of this effort, we are consolidating our third-party logistics network and transitioning direct order fulfillment to FedEx Supply Chain, a partner that brings exciting capabilities.

This transformation is designed to enhance supply consistency and order completeness through increased end-to-end delivery visibility across the supply chain. The transition includes Infusion Therapies & Platforms products, including Baxter's IV solutions, nutrition, and pharmaceutical portfolio. Baxter and Cardinal Health will continue our strong partnership to support customers during the transition phase to ensure continuity.

The transition is expected to begin no earlier than November 2026 and will occur in phases by region with an expected completion date of February 2028. We will provide at least 60 days' advance notice before any change affecting your location takes effect with details on both order and delivery schedules.

WHAT IS CHANGING

For impacted direct orders, the warehouse location fulfilling your order and the third-party logistics provider supporting fulfillment may change as your region transitions to the new network. As part of this new model, Baxter expects to increase network capacity and improve shipment visibility and order reliability.

WHAT IS NOT CHANGING

How you place orders will remain the same, including through Baxter eServices. Your order cut-off times may be adjusted to account for transit times, however, delivery days are not expected to change. Your Baxter representative will contact you with details on any expected changes. You will continue receiving deliveries through the current network until Baxter notifies you that your region is transitioning. Orders placed through wholesalers are not impacted.

WHAT ACTION IS NEEDED FROM YOU

No immediate action is required. If a future regional transition requires any customer-specific updates, Baxter will communicate those details in advance.

OUR COMMITMENT TO YOU

We are committed to making this transition as seamless as possible while continuing to provide dependable service. Our teams will work closely across the transition to help maintain continuity and minimize disruption. If you have questions, please contact your Baxter representative or Baxter Center for Service at (888) 229-0001 or via email at cfs_customer_service@baxter.com.