

# FY 2022 Environmental, Social and Governance Report

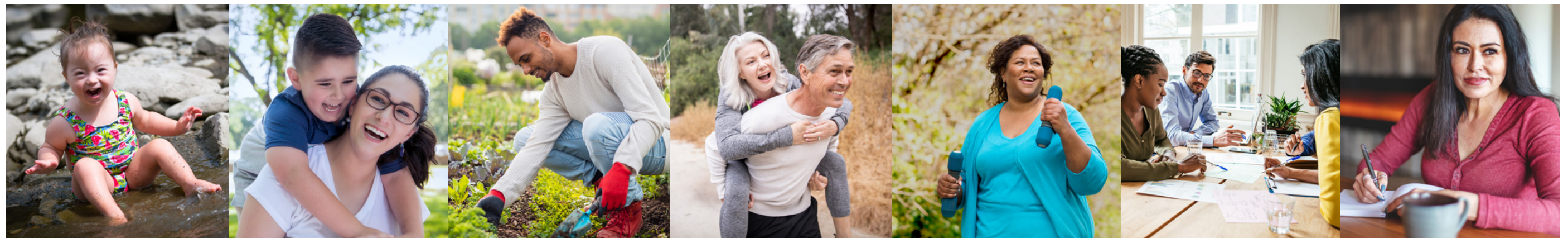
Together We Advance





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## Tom Polen

Chairman,  
CEO and President

# Letter to our stakeholders

At BD, we are pioneering the future of healthcare. With every innovative technology, product and solution we develop, we are improving lives, addressing healthcare’s most pressing challenges and delivering on our Purpose of *advancing the world of health™*. We fundamentally believe that to deliver for customers and patients, we must also advance the health of our company, planet, communities and the people we serve through our environmental, social, governance (ESG) strategy, *Together We Advance*, and our 2030+ goals.

In fiscal year 2022, our dedicated BD associates worldwide delivered meaningful and measurable progress on our ESG goals, from reducing our environmental footprint and addressing the sustainability needs of our customers, to building on our strong culture as a diverse and thriving workforce. I’m proud to share our progress and performance across these important areas as we strive for a healthier world for all.

### Protecting our environment

We are making progress toward reducing our environmental footprint, including our overall waste, water consumption and air emissions. We reduced our scope 1 and 2 greenhouse gas (GHG) emissions by 10 percent, and 34 percent of our electricity came from renewable sources. We established baseline emissions for our significant sources of scope 3 emissions and are setting meaningful and intentional science-based targets that set us on a path to carbon neutrality across direct operations by 2040. We are committed to working alongside new and existing partners to lower our scope 3 emissions to drive long-term and sustainable value.

Our Sustainable Medical Technology Institute continues to work toward reducing the environmental impact of our product portfolio by rethinking how we design, produce, sterilize, use and eventually dispose of products. We partnered with health systems, regulated waste management companies and recyclers in the U.S., Brazil, Denmark, Australia and New Zealand to explore circular economy solutions for managing BD products at the end of their lifecycle.

### Supporting a resilient supply chain through innovation

As a leading MedTech company, we regularly work with our customers and suppliers to advance our ESG goals. We continue to increase opportunities for small and diverse-owned businesses to work with BD and created \$1.1 billion in economic impact through our spending with these suppliers. We have enhanced our responsible sourcing efforts, including our human rights due diligence activities, and we completed 600 supplier ESG assessments this year, representing 48 percent of our total spend.

As supply chains improve in the post-COVID environment and transportation of goods normalizes, we are minimizing GHG emissions across our distribution network and reducing air freight and shipping mileage by optimizing distribution routes, including direct-to-customer shipment from our manufacturing operations.

We opened a new \$38.6 million medication management manufacturing facility in Tijuana, Mexico, and created more than 130 jobs in the expansion of our Limerick, Ireland, R&D facility to drive healthcare innovation. In our business, we continue to transform our pipeline of innovative products across smart connected care, new care settings and chronic disease outcomes, supporting a healthy supply chain for the millions of patients who rely on our products worldwide. In FY 2022, we completed six tuck-in acquisitions, spun off our Diabetes Care business, embecta, and launched 25 new products that are accelerating the future of healthcare.



**Empowering a diverse, thriving workforce**

We have amazing talent at BD, and we want people to feel comfortable being themselves to unleash their full potential in the organization. To do that, we strive to have an inclusive culture that reflects the communities where we live and work. We continue to see increased diversity across our organization year-over-year, including a 4-point increase in ethnically diverse representation in the U.S., and an increase in global gender diversity at the management and executive levels.

Our Associate Resource Groups play a tremendous role in advancing and shaping our cultural priorities, and our annual ARG Summit continues to be hugely impactful in holding us accountable for driving positive change. This year, we also launched the Nurse Network ARG which supports and empowers nurses – within and outside of BD – to lead transformative change in healthcare.

**Advancing health equity and enabling healthy communities**

Throughout the history of BD, we’ve played a tremendous role in addressing health disparities and access to healthcare by advancing health equity in under-resourced areas of the world. We strive to not just develop meaningful healthcare technologies, but to help expand access to these innovations, regardless of a person’s geography, demographics or socioeconomic status.

We are investing in products, solutions and educational programs that directly address these health inequities. For example, we received market approval for the BD Onclarity™ HPV Assay that tests for an extended set of HPV types, resulting in us being the only company with an FDA approved primary screening test that reports substrains often found in minority populations. Also, BD and its nonprofit partners awarded four community health centers \$1.08 million to implement programs to support chronic disease management to underserved communities in the U.S. In addition, the BD Foundation made a three-year commitment to invest in the development of National Nursing Associations across 24 countries in Africa to support health equity and advance nursing education.

Overall, BD and the BD Foundation donated more than \$22.5 million in cash and products worldwide to eligible nonprofit organizations to support resilient communities and expand healthcare access and equity.

**Committed to transparency**

Transparency and good governance are critical elements of our ESG strategy. We are committed to sharing the ongoing progress and performance around how we manage ESG issues relevant to our business, including our annual Inclusion, Diversity and Equity report and Cybersecurity report. We continue to be recognized by prestigious external organizations for our efforts, especially those around transparency, including being named among the winners of the Labrador 2022 Transparency Awards, “Most Improved Overall” for demonstrating commitment to enhancing corporate disclosure documents, and second for “Best Code of Conduct.”

We have an important role to play in creating a better, healthier world, and we take great pride in the progress we’ve made. While there is still work to be done across all areas of ESG, we can achieve success when we all work together, and at BD, we remain steadfast in delivering on our commitments, particularly amid an environment that continues to demand resiliency, innovation and a growth mindset.

We are grateful for your ongoing partnership as we continue *advancing the world of health™*.



Tom Polen  
Chairman, CEO and President





# About this report

This report provides information about our global ESG strategy and programs. It is issued on an annual basis to highlight our sustainability performance and progress. Unless otherwise stated, this report is current through fiscal year (FY) 2022 (October 1, 2021, to September 30, 2022) and the first half of fiscal year 2023 (October 1, 2022, to March 31, 2023). Performance data regarding our 2030+ ESG goals is provided through the end of fiscal year 2022 (October 1, 2021, to September 30, 2022). All information is provided for BD (Becton, Dickinson and Company) and our subsidiaries.

In May 2021, we announced our intention to spin off the Diabetes Care business to create a new independent, publicly traded company called Embecta Corp. (embecta). The separation was completed on April 1, 2022. Unless noted, data relating to embecta has been removed from data tables.

On July 18, 2022, BD completed the acquisition of Parata Systems (Parata), an innovative provider of pharmacy automation solutions and our largest acquisition since C.R. Bard in FY 2018. Since the acquisition date, financial results for Parata's product offerings, along with other data, are being reported within results for BD Medical segment's Medication Management Solutions unit.

BD began assessing our climate management program in alignment with recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in 2019, and we continue to use this framework to advance our initiatives and disclose relevant information. The disclosures in this report follow the guidelines in the October 2021 report, "Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures." Our TCFD disclosures are in the appendices and are also included in our long-standing public disclosure via the CDP (formerly the Carbon Disclosure Project).

The data included in this report pertains to our owned and operated facilities and it has not been externally assured. We have processes in place to provide that reporting on key sustainability performance indicators is as accurate and robust as possible, and we continue to improve them. Various data tables can be found in the appendices.

Throughout this report, we disclose the progress we have made toward our 2030+ energy, water, waste and air emissions goals. It should be noted that this progress was affected slightly due to the 2.6 percent decrease in Cost of Products Sold (COPS) from FY 2021 to FY 2022, since our goals are normalized to COPS.

As part of BD's 2030+ goal to transparent disclosure, we have prepared this reported information with reference to the Global Reporting Initiative (GRI) Standards and the Sustainability Accounting Standards Board (SASB) Medical Equipment and Supplies Sustainability Accounting Standard. The report is not intended to meet the requirements of the GRI or SASB standards. We also evaluated the United Nations Sustainable Development Goals (SDGs) as part of our ESG assessment and outline our support and alignment with the goals.

Throughout this report, we use the GRI definition of materiality in order to identify and prioritize our ESG topics. GRI defines material topics as "topics that represent the organization's most significant impacts on the economy, environment and people, including impacts on their human rights." This standard is different from the definition and concept of materiality within the securities laws that we use to assess, among other things, required disclosure in SEC filings. ESG topics identified as "material" for purposes of this report may not be considered material to the company as a whole, including for SEC reporting purposes.

A GRI index, a SASB index, commonly used acronyms, a glossary of terms and links to BD documents can be found in the appendices. All monetary amounts are U.S. dollars unless otherwise stated.

For a disclaimer regarding forward-looking statements in this report, please see the final page of this report. Statements regarding BD's goals, commitments and objectives may include statistics or metrics that are based on estimates and assumptions under developing standards that may change in the future. Such goals and commitments are not intended to be promises or guarantees, and actual results may differ, possibly materially.

We seek feedback from stakeholders each year, which informs our selection of content for sustainability reporting. For contact information, see [Stakeholder engagement](#) and the [final page of this report](#). Our previous sustainability report is available on our [website](#). Click here for our [Policies, Guidelines and Statement Center](#).



# ESG highlights

Our ESG strategy—a four-pillar framework called Together We Advance—embraces the connections and interdependence between company health, planet health, community health and human health. Through this framework, we address the most relevant ESG issues for our business and stakeholders.

BD is the proud recipient of a wide range of awards and honors that recognize the positive impact of our work and our Purpose: *advancing the world of health™*. A list of our recognitions can be found on our [website](#).

## Company Health

Building a strong business foundation through good governance and transparent reporting

## Planet Health

Implementing sustainable solutions to reduce our environmental footprint

## Community Health

Collaborating with communities and investing our resources to do what's right

## Human Health

Empowering employees to innovate new products and solutions, delivering what's next in healthcare

- [We achieved ISO certification for our enterprise-level Information Security Management System](#)
- [We opened a new \\$38.6 million medication management manufacturing facility in Tijuana, Mexico](#)
- [We announced our 51st consecutive year of dividend increases, raising the dividend 4.6 percent](#)

- [We formed the Sustainable Medical Technology Institute to reduce the environmental impact of our product portfolio](#)
- [Scope 1 and 2 GHG emissions decreased by 10 percent \(market-based\) in FY 2022 from FY 2019 baseline](#)
- [We increased the number of sites using renewable electricity to 31, 17 of which are using 100 percent renewable electricity](#)

- [We donated over \\$22 million in cash and product from BD and the BD Foundation](#)
- [We achieved \\$1.1 billion in economic impact through spending with small and diverse-owned suppliers](#)
- [We collaborated with Intermountain Healthcare to create jobs for the economically disadvantaged in Utah](#)

- [We announced our intention to create more than 130 jobs in the expansion of our Limerick, Ireland, R&D facility to drive healthcare innovation](#)
- [We increased year over year diversity at all levels of the organization, including a 4 point increase in ethnically diverse representation in the U.S.](#)





# About BD

BD is one of the largest global medical technology companies in the world and is *advancing the world of health™* by improving medical discovery, diagnostics and the delivery of care. The company develops innovative technology, services and solutions that help advance both clinical therapy for patients and clinical process for healthcare providers.

BD and our 77,000 employees have a passion and commitment to help improve patient outcomes, improve the safety and efficiency of clinicians' care delivery process, enable laboratory scientists to accurately detect disease and advance researchers' capabilities to develop the next generation of diagnostics and therapeutics.

BD has a presence in virtually every country and partners with organizations around the world to address some of the most challenging global health issues. BD helps customers enhance outcomes, lower costs, increase efficiencies, improve safety and expand access to healthcare.

For more information on BD, visit [bd.com](https://bd.com).

## Our Purpose

Our Purpose – *advancing the world of health™* – is the driving force behind everything we do.

## By the numbers



**37B+**  
devices made annually



**190+**  
countries served



**31,000+**  
active patents



**\$1B+**  
annual R&D spending



**77,000+**  
BD associates



**51<sup>st</sup>**  
consecutive year of dividend increase

Note: BD financial information is for FY 2022. Market share information and rank are based on internal estimates and publicly available information.

# The BD WAY

The BD WAY embodies who we are, what we stand for and why we exist. It reflects the behaviors we're all expected to demonstrate every day, no matter what we do.

## Values

### Our standards of behavior

- We do what is right
- We are all accountable
- We thrive on innovation and demand quality
- We learn and improve every day
- We help each other be great

## Mindset

### The attitude we bring to our work

- Speaking up builds trust and gets to better outcomes faster
- Inclusion and diversity make us a stronger team
- Keeping it simple enables innovation and agility
- The best way to help customers and patients is to truly know them
- Challenges are opportunities to grow and improve

## Leadership commitments

### How we lead ourselves and our work

- Be bold and strategic
- Remove obstacles and empower others
- Deliver results that matter
- Debate and decide, then commit and go
- Win as one BD
- Have the courage to iterate, try new things and embrace change

# Our business

## Our 2025 strategy

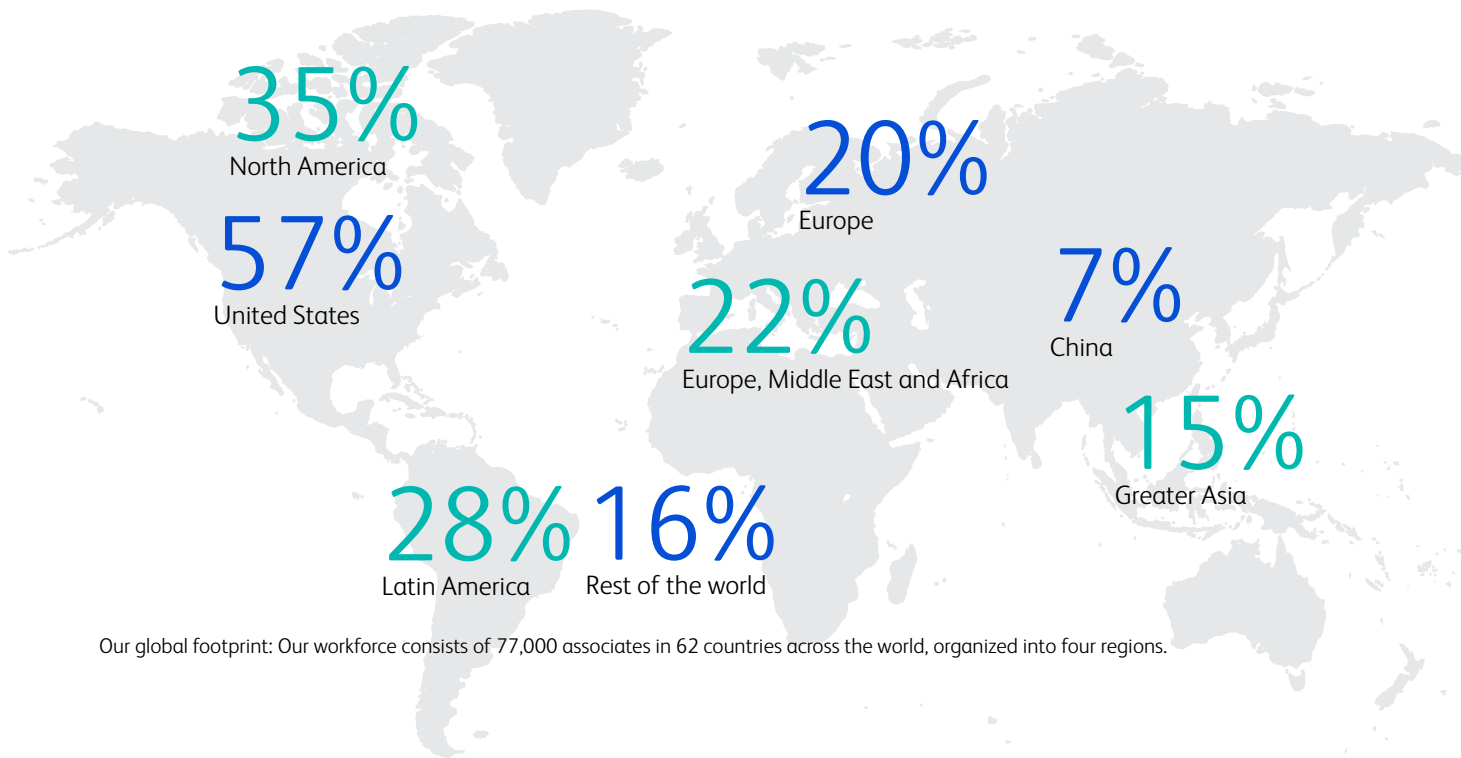
Our BD 2025 strategy is anchored in three key pillars—Grow, Simplify and Empower. This strategy led to a strong base revenue growth in FY 2022 and is transforming healthcare while creating shareholder value and making appropriate investments for the future. Our teams are consistently executing on our goals and commitments, delivering high-quality innovative solutions and creating substantial sustained value. We have also achieved strong top-line growth targets that are driven by purposeful research and development (R&D) and mergers and acquisitions (M&A) investments in higher-growth end markets.



### FY 2022 revenue by region

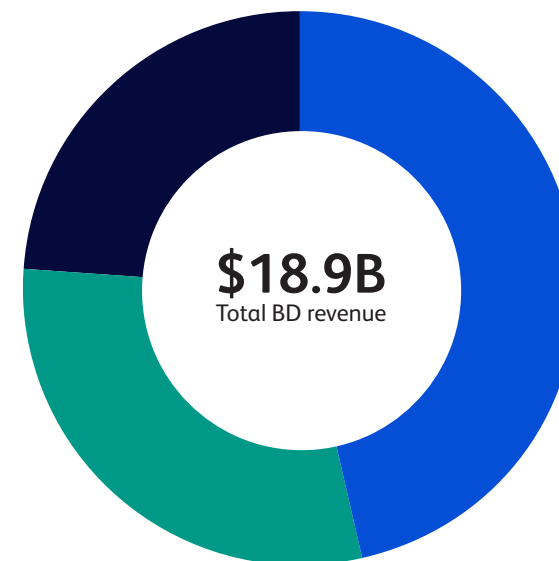
### FY 2022 associates by region

### FY 2022 revenue by segment



Our global footprint: Our workforce consists of 77,000 associates in 62 countries across the world, organized into four regions.

Values in this exhibit reflect rounded numbers in billions of dollars



<b>BD Medical</b>	<b>\$8.8</b>
Medication Delivery Solutions	\$4.3
Medication Management Solutions	\$2.5
Pharmaceutical Systems	\$2.0
<b>BD Life Sciences</b>	<b>\$5.6</b>
Integrated Diagnostics Solutions	\$4.2
Biosciences	\$1.4
<b>BD Interventional</b>	<b>\$4.5</b>
Peripheral Intervention	\$1.8
Urology and Critical Care	\$1.3
Surgery	\$1.2



# BD Medical

The BD Medical segment produces a broad array of medical technologies and devices that improve healthcare delivery in a wide range of settings. We primarily serve hospitals and clinics; physicians' office practices; consumers and retail pharmacies; governmental and nonprofit public health agencies; pharmaceutical companies; and healthcare workers.

# BD Life Sciences

Our BD Life Sciences segment provides products for the safe collection and transportation of diagnostic specimens, as well as instruments and reagent systems to detect infectious diseases, healthcare-associated infections and cancers. Additionally, it produces research and clinical tools that facilitate the study of cells to gain a better understanding of normal and disease processes, aid in the development of new drugs and vaccines, and improve the diagnosis and management of diseases.

Customers served by BD Life Sciences include hospitals, laboratories and clinics; blood banks; healthcare workers; public health agencies; physicians' office practices; retail pharmacies; academic and government institutions; and pharmaceutical and biotechnology companies.

# BD Interventional

The BD Interventional segment provides vascular, urology, oncology and surgical specialty products—with the exception of the V. Mueller™ surgical and laparoscopic instrumentation products to be used once and then discarded or temporarily or permanently implanted.

The primary customers served by BD Interventional are hospitals, individual healthcare professionals, extended-care facilities, alternate site facilities and patients via our Homecare business.

Key categories	Leadership position <sup>1</sup>
<b>Medical Delivery Solutions</b> <ul style="list-style-type: none"> <li>Vascular access devices</li> <li>Vascular care and maintenance</li> <li>Infusion specialty disposables</li> </ul>	#1
<b>Medication Management Solutions</b> <ul style="list-style-type: none"> <li>Acute infusion</li> <li>Acute dispensing</li> <li>Non-acute medication management</li> </ul>	#1
<b>Pharmaceutical Systems</b> <ul style="list-style-type: none"> <li>Prefilled syringes</li> <li>Self-administered injection systems</li> <li>Safety and shielding solutions</li> </ul>	#1

<sup>1</sup> BD position based on management's internal estimates. Represents leadership position across majority of each business unit's portfolio.

Key categories	Leadership position <sup>2</sup>
<b>Biosciences</b> <ul style="list-style-type: none"> <li>Research flow cytometry</li> <li>Clinical flow cytometry</li> <li>Single-cell multiomics</li> </ul>	#1 flow cytometry Top 5 Single-cell multiomics
<b>Integrated Diagnostic Solutions</b> <ul style="list-style-type: none"> <li>Microbiology</li> <li>Specimen management</li> <li>Molecular and women's health</li> </ul>	Top 2 Microbiology #1 Specimen Management Top 5 Molecular
<b>Point of Care</b> <ul style="list-style-type: none"> <li>Professional POC diagnostics</li> <li>At-home diagnostics</li> </ul>	Top 5 Professional POC Diagnostics

<sup>2</sup> BD position based on management's internal estimates. Includes COVID testing revenue.

Key categories	Leadership position <sup>1</sup>
<b>Peripheral Intervention</b> <ul style="list-style-type: none"> <li>Peripheral vascular disease</li> <li>End-stage kidney disease</li> <li>Oncology</li> </ul>	Top 3 Peripheral vascular disease #1 End stage Kidney disease and Oncology
<b>Surgery</b> <ul style="list-style-type: none"> <li>Hernia repair and reconstruction</li> <li>Infection prevention</li> <li>Biosurgery</li> </ul>	#1 Hernia repair and Infection prevention Top 3 Biosurgery
<b>Urology and Critical Care</b> <ul style="list-style-type: none"> <li>Acute urological drainage</li> <li>Endourology</li> <li>Homecare urology</li> <li>Targeted temperature management</li> </ul>	#1 Acute urological drainage and Targeted temperature management Top 5 Endourology Top 3 Homecare urology

# Innovation at BD

## Research and development

Our R&D activities are conducted in operating units and global enterprise centers of excellence in the United States, India, China, Singapore and Ireland, with the majority of the activities being conducted in North America. BD also collaborates with certain universities, medical centers and other entities on programs and retains individual consultants and partners to support our efforts in specialized fields.

## Management highlights

In FY 2022, we [announced](#) the inaugural members of the BD Scientific Advisory Board (SAB), which took shape in the prior year. The members are composed of key top medical opinion leaders, science and technology experts and experienced innovation leaders who are tasked with reviewing our technology capabilities, innovation pipeline, tuck in M&A opportunities, and early-stage investments. The SAB also advises our leadership on the company's growth prioritization as well as emerging trends in healthcare, science and technology, and any potential implications for BD.

We also [announced](#) an expansion of our strategic partnership with Babson to advance diagnostic blood collection in new care settings, including enabling patients to collect blood samples at home for diagnostic testing.

In June 2022, we [announced](#) a collaboration with Mayo Clinic Platform to access de-identified patient data from [Mayo Clinic Platform\\_Discover](#) to perform detailed post-market surveillance on our products to fuel innovation and unlock a faster, more efficient path to market, with the ultimate goal of improving patient care.

Mayo Clinic Platform\_Discover, an enabling product of Mayo Clinic Platform, represents one of the most robust de-identified data sets available from 10 million patients, including both structured and unstructured data, images, 1.2 billion lab test results, 3 million echocardiograms and more than 640 million clinical notes. Using data mining, next-generation artificial intelligence (AI) and machine learning tools, BD will analyze the real-world data—which provides information outside of what is typically gathered in a clinical trial—to generate deeper insight into the patient experience that will help the company accelerate and enhance innovation around both existing products and unmet needs.

We officially opened the BD Innovation Center in collaboration with [University of Maryland BioPark](#), offering University of Maryland, Baltimore (UMB) students and researchers access to state-of-the-art equipment to support and accelerate innovation in medical diagnostic technology. The BD Innovation Center goal is to help streamline clinical laboratory workflows and improve patient care by expanding basic diagnostic knowledge, developing new diagnostic capabilities and shaping the future of diagnostics by allowing students and researchers to provide real-world feedback on early diagnostic concepts.

In FY 2022, we made a number of tuck-in acquisitions including:

- [Venclose, Inc.](#), a provider of solutions for the treatment of chronic venous insufficiency
- [Tissuemed, Ltd.](#), a privately held firm that is an industry leader in developing self-adhesive surgical sealant films
- [Cytognos](#), a privately held company specializing in flow cytometry solutions for blood cancer diagnosis, minimal residual disease detection and immune monitoring research for blood diseases
- [Parata Systems](#), an innovative provider of pharmacy automation solutions
- [Medkeeper](#), a provider of modern, cloud-based pharmacy management applications





# BD innovation

Our engagement and significant investment in R&D have enabled BD to launch new and innovative products and technologies. In November 2021 we targeted launching over 100 new products by FY 2025. In FY 2022 we hit several key milestones and launched 22 new products.

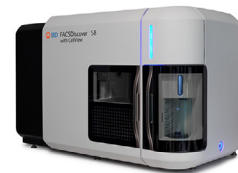
Select FY 2022 product milestones and launches:



**BD Rhapsody™ TCR/BCR Multiomic Assay** speeds discovery in autoimmune disorders, immuno-oncology and infectious diseases.



**BD Horizon RealYellow™ 586 Reagents** have the potential to accelerate discovery and drug development in oncology, autoimmune disorders and infectious diseases.



**BD FACSDiscover™ S8 Cell Sorter** is world's first spectral cell sorter\* with high-speed imaging technology that sorts cells based on visual characteristics.



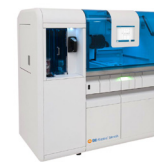
**BD MAX™ Respiratory Viral Panel** is a combination test for COVID-19, Influenza A/B and Respiratory Syncytial Virus that eliminates the need for multiple tests and speeds time to diagnosis.



**BD Effivax™ Glass Prefillable Syringe** is designed for reliability and efficiency.



**BD® Research Cloud** provides scientists with an integrated ecosystem that allows for optimizing panel design, collaboration and analysis.



**BD Kiestra™ IdentifA system**, which is designed to automate the preparation of microbiology bacterial identification testing.



**BD COR™ MX Analytical Instrument** a new option for the BD COR™ Diagnostic System receives 510K clearance.

Visit our [website](#) to view a full list of BD brands. Refer to the [appendices](#) for our R&D expenses and percentage of revenues in FY 2022.

\* This product was introduced in FY 2022 and launched in [FY 2023](#).

# Two axes of growth: Durable core and transformative solutions

Our Durable Core, which was approximately 78 percent of our FY 2022 revenue, is the backbone of healthcare, with 37 billion medical devices per year reaching 90 percent of inpatients in U.S. hospitals. The core consists of our reliable, best-in-class quality healthcare products and solutions around the world, including blood collection tubes, ports and catheters, syringes, urinary catheters, acute-care pumps and IV sets, hernia mesh, and blood culture testing.

The performance of our Durable Core fuels our investments in Transformative Solutions, which constituted about 22 percent of our FY 2022 revenue. Advances in these higher-growth spaces, targeted by our R&D and M&A investments, are reshaping and reinventing the future of global healthcare in three key areas:



**Smart connected care:** We are transforming healthcare processes, tools and treatments with a focus on AI, informatics and robotics.



**New care settings:** We are enabling the shift into new settings—a trend accelerated during the COVID-19 pandemic—and improving patient outcomes and lowering costs.



**Chronic disease outcomes:** By using medical technology innovation, we are positively impacting chronic disease treatment, a leading global health priority.

# ESG issue management

## ESG assessment

During FY 2022, we carried out an [environmental justice assessment](#) and updated our [water risk assessments](#). More recently, in FY 2023, we launched a human rights salience assessment partnering with BSR®, a sustainable business network and consultancy focused on creating a world in which all people can thrive on a healthy planet.

These latest assessments follow our 2019 assessment of ESG issues relevant to our company and stakeholders, in which BD partnered with BSR®. With the help of a series of interviews conducted across stakeholder groups, geographies and job levels and a workshop with associates, we identified and refined relevant ESG issues for the organization.

A full list of our ESG issues and how we define them can be found in the [appendices](#), along with a graphic showing each of our ESG issues in relation to importance to BD's success and importance to stakeholders. Also indicated are issues identified as highly dynamic and/or moved to the top-right quadrant (increased in importance) during our future scenario assessment.

*The inclusion of information in this report should not be construed as a characterization regarding the materiality or financial impact of that information. For additional information regarding BD, please see our current and periodic reports with the SEC, including our Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q. The ESG analysis and assessment is based on our understanding of current events at the time of the assessment and is subject to change, and we undertake no obligation to update or revise this assessment and analysis. We did not interview or account for every stakeholder who may have interests in these subjects.*

## Stakeholder engagement

Due to our global reach and the nature of our work, we serve and rely on a wide range of stakeholders. We engage and collaborate with them through a variety of channels across many parts of our organization. We listen to our stakeholders' views and suggestions and use that feedback to improve our products, services and business practices.

In FY 2022, as part of our annual shareholder outreach and engagement program, we offered engagement meetings to our top 75 shareholders, representing approximately 65 percent of our outstanding shares. As a result, our senior representatives met virtually with shareholders holding approximately 43 percent of our outstanding shares. BD also engages in quarterly earnings calls, industry presentations and conferences, company-hosted events and securities analyst meetings with our shareholders.

Topics discussed during these meetings include corporate strategy; Board composition and refreshment; sustainability and climate change; human capital management; inclusion, diversity and equity (ID&E); and executive composition plan design and practices.

To learn more about how we conduct meaningful engagement with each of our stakeholder groups, visit our [appendices](#).



# ESG strategy

BD's ESG strategy—Together We Advance—directly supports our Purpose: *advancing the world of health™* and addresses the most relevant ESG issues for our organization and our stakeholders. The initiative focuses on enhancing stewardship of the company, communities, human health and the planet. All of these are interconnected, and Together We Advance embraces these connections with the ultimate goal of driving positive collective outcomes and a healthy, resilient world for all.

## 2030+ impact areas and goals

BD has set goals in five key areas to achieve by 2030 (and beyond) where we see the most opportunity for meaningful and measurable change over the next decade. These commitments provide shared value to our stakeholders while making a positive impact across the pillars of health, driving positive health outcomes. These include climate change, product impact, responsible supply chain, healthy workforce and communities, and transparency.



Minimize our contribution to global emissions and utilize our capabilities to address unmet health needs for climate-vulnerable populations.

Reduce the environmental impact of our portfolio and address the sustainability needs of our customers.

Create a supply chain adaptable to disruption and able to contribute to strong environmental and social performance.

Maintain a healthy and thriving workforce that cultivates our culture of inclusion, safety and well-being and contribute to advancing equitable health around the world.

Invite trust across stakeholder groups through transparent performance reporting on ESG issues relevant to our business.



# Alignment with United Nations Sustainable Development Goals



The United Nations Sustainable Development Goals (SDGs) provide a framework for BD to understand our material issues within a greater sustainability context and with reference to broader sustainable development conditions and goals. We evaluated the SDGs as part of our ESG assessment and we carried out an assessment of the type of impact BD has on the SDG targets, the location of impacts within our value chain, and our degree of control. Our 2030+ ESG goals reflect the interdependencies that exist among the SDGs, and an overview of how we support achievement of each SDG can be found in the [appendices](#).

As a healthcare company, BD aligns most prominently with SDG 3, as well as the following SDGs that promote healthy lives and well-being for all.



## Good Health and Well-Being

BD tackles infectious disease challenges through the use of technologies integral to diagnosis and management, and we are stepping up in a meaningful way to positively impact chronic disease treatment—a leading global health priority—using technology innovation. Our long-standing work to protect the safety of health workers through products and partnerships promotes good health and well-being, as do our partnerships that strengthen the capacity of health systems in developing economies and our efforts to reduce and prevent hospital infections. We also have business units focused on addressing noncommunicable diseases, including cervical cancer.



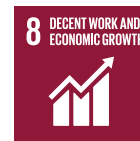
## Gender Equality

In accordance with our Code of Conduct, we believe everyone deserves to work in a supportive, inclusive and safe environment, and we will never discriminate against anyone on the basis of protected characteristics, including gender. This extends to our Expectations for Suppliers and our efforts to support the economic inclusion of diverse- and small-business suppliers and partners.

We conduct targeted annual pay assessments with a goal to expand our assessment to our global associates on a biennial basis. We remain focused on managing our compensation processes to achieve 100 percent pay equity, with the goal of identifying and remedying practices that may contribute to pay gaps, now and over time.

We partner with nongovernment organizations (NGOs) to make investments in women-focused health programs, including advancing mental health, reducing avoidable newborn deaths and expanding access to women's health services at U.S. free clinics and community health centers.

More information about how we build inclusion, diversity and equity can be found in our [Global Inclusion, Diversity and Equity Report](#).



## Decent Work and Economic Growth

Our Global Human Rights Policy is guided by the principles outlined in the UN Declaration of Human Rights and International Labor Organization's Declaration on Fundamental Principles and Rights at Work. The policy extends beyond BD processes and practices to those in our supply chains. Our 2030+ ESG goal for a healthy workforce and communities, and programs such as our Good Jobs Strategy, also support decent work and economic growth.

The Good Jobs Strategy provides a framework to offer attractive careers for our manufacturing associates by fostering a safe work environment, providing job satisfaction and a sense of belonging, and offering competitive healthcare and compensation, as well as training and development opportunities.



## Industry, Innovation and Infrastructure

We foster innovation through our development of products and services related to healthcare and medical research. Through our technology and innovation, public private partnerships and investment in health systems, our work is grounded in an intentional strategy aimed at advancing equity and access.

Through R&D and M&A investments, we are reshaping the future of global healthcare by enabling the shift into new healthcare settings, using technology such as AI and robotics to ensure smart connected care, and employing medical technology innovation to diagnose and treat chronic diseases.



## Climate Action

We are committed to reducing emissions, and joined the UN Race to Zero via the Business Ambition for 1.5°C and Science Based Targets initiative (SBTi). Our goal to set and achieve science-based targets, as well as our 2030+ goal to use our capabilities to contribute to solutions that address unmet climate-related health needs, contributes to the achievement of this SDG. In addition, our 2030+ goals regarding product impact are aimed at addressing plastic and packaging consumption in our product portfolio.

# Climate change

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# Climate change management

**Our commitment:**

Minimize our contribution to global emissions and utilize our capabilities to address unmet health needs for climate-vulnerable populations.

**2030 goals:**

- 1 We will commit to setting science-based emissions reduction targets across all scopes, in line Targets initiative.**  
 Reduce Scope 1 and 2 emissions by 46% by 2030 (from 2019 baseline, absolute).  
 Be carbon-neutral across direct operations by 2040.

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Scope 3 emissions targets for material Scope 3 categories expected to be set within 2 years.
- 2 We will advocate for net-zero emissions.**
- 3 We will achieve additional environmental efficiency targets in our direct operations.**  
 Reduce energy consumption by 25% by 2030 (from 2019 baseline, normalized to Cost of Products Sold [COPS]).  
 Reduce water consumption by 40% by 2030 (from 2019 baseline, normalized to COPS).  
 Reduce nonhazardous waste by 50% by 2030 (from 2019 baseline, normalized to COPS).  
 Increase landfill diversion to 90% by 2030 (from 2019 baseline, absolute).  
 Increase recycling to 80% by 2030 (from 2019 baseline, absolute).  
 Reduce hazardous waste by 50% by 2030 (from 2019 baseline, normalized to COPS).  
 Reduce volatile organic compounds (VOCs) and hazardous air pollutants (HAPs) by 30% by 2030 (from 2019 baseline, normalized to COPS).  
 Reduce ozone-depleting substances (ODS) by 50% by 2030 (from 2019 baseline, normalized to COPS).  
 Eliminate use of R22 by 2030 (absolute).
- 4 We will use our capabilities to contribute to solutions that address unmet climate-related health needs.**

**Current status:**

We anticipate submitting near- and long-term targets to SBTi for verification by end of FY 2023.

Emissions reduced by 10% (market based).

In previous years, we have purchased additional unbundled Renewable Energy Credits (RECs) to offset greenhouse gas (GHG) emissions at our U.S. facilities. However, due to the significant increase in the market price for RECs in FY 2020, we purchased and retired nearly 150,000 metric tonnes CO<sub>2</sub>e of carbon offsets, (these offsets are not reflected in the data provided in this report).

Since FY 2021, we have chosen to divert funds previously set aside for the purchase of unbundled RECs to activities to establish baseline emissions for our significant sources of Scope 3 emissions. Over the coming years we will continue to develop our strategy for achieving our stated commitments to carbon neutrality.

FY 2021 baselines have been calculated for our significant sources. We anticipate submitting near- and long-term targets to SBTi for verification by end of FY 2023.

For further details click [here](#).

While we have not to date advocated for net-zero emissions, our suppliers are encouraged (via our Expectations for Suppliers) to implement methods to minimize energy consumption and greenhouse gas emissions wherever possible and set science-based reduction targets for Scope 1, 2 and 3 GHG emissions.

Reduced by 8%.

Reduced by 13%.

Reduced by 13%.

Diversion rate of 76%.

Recycling rate of 62%.

Increased by 7%.

Reduced by 33%.

Reduced by 88%.

Throughout FY 2021 and FY 2022, we conducted audits of all our locations worldwide in order to capture the number and type of units that use R22 Freon. A replacement schedule is under development.

*No progress to date.*

For details on restatement of data and inclusion of data relating to embecta, please see Data tables in the appendices.



# Metrics and Targets

FY 2022 GHG intensity (Scopes 1, 2 and 3)

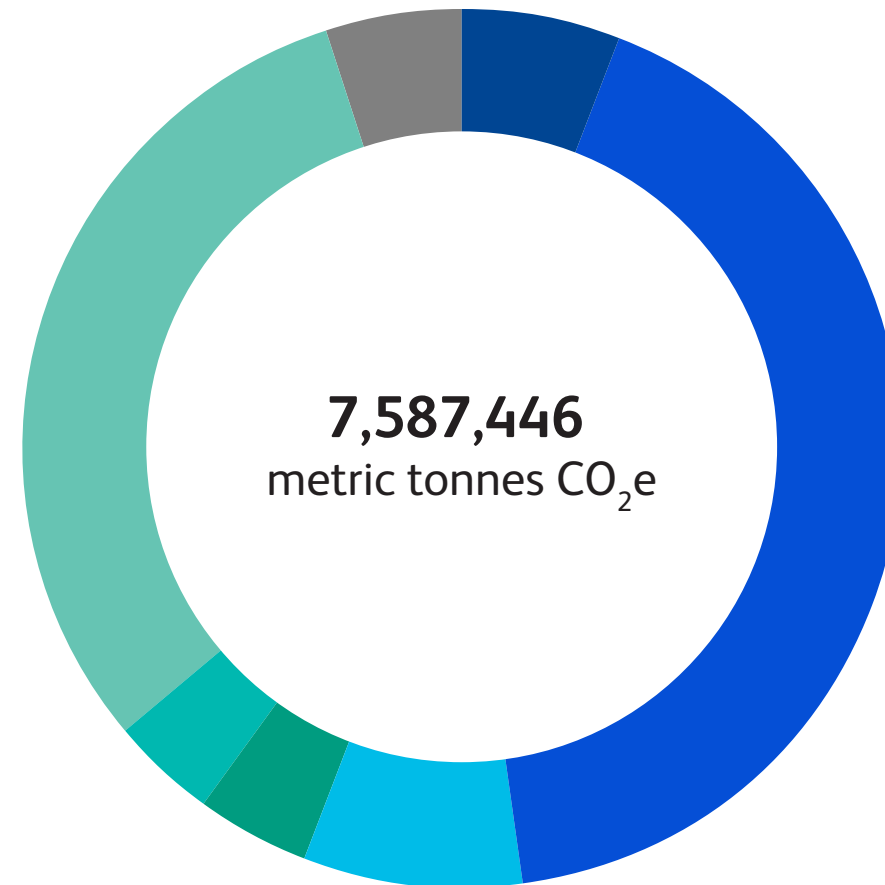
**385 metric tonnes CO<sub>2</sub>e**  
per \$million revenues

We continue to make progress toward our goal to reduce our environmental footprint. In 2020, we announced our first set of targets in the climate change impact area. Reaching these targets would reduce our contribution to global greenhouse gas emissions from direct operations. Our reduction target is science-based, aligned with the 1.5°C global emissions reduction pathway.

In September 2021, we strengthened our commitment to reduce emissions by joining the UN Race to Zero, via the Business Ambition for 1.5°C and Science Based Targets initiative (SBTi).

Throughout FY 2021 and 2022, we partnered with the company ERM—the largest global pure-play sustainability consultancy—to establish baseline emissions for our significant sources of Scope 3 emissions: category 1, purchased goods and services; categories 4 and 9, upstream and downstream transportation and distribution; and categories 11 and 12, emissions from the use of and end-of-life disposal of our products.

## FY 2022 GHG Emissions, by scope and category



●	●	●	●	●	●	●
<b>SCOPE 1 &amp; 2</b>	<b>SCOPE 3 CATEGORY 1</b>	<b>SCOPE 3 CATEGORY 4</b>	<b>SCOPE 3 CATEGORY 9</b>	<b>SCOPE 3 CATEGORY 11</b>	<b>SCOPE 3 CATEGORY 12</b>	<b>SCOPE 3 OTHER CATEGORIES*</b>
Direct and indirect emissions	Purchased goods and services	Upstream transportation and distribution	Downstream transportation and distribution	Use of sold products	End-of-life treatment of sold products	<b>Percentage Total: 5%</b>
<b>Percentage Total: 6%</b>	<b>Percentage Total: 42%</b>	<b>Percentage Total: 8%</b>	<b>Percentage Total: 4%</b>	<b>Percentage Total: 4%</b>	<b>Percentage Total: 32%</b>	

Data tables can be found in the appendices.  
\* Includes categories 2, 3, 5, 6, 7, 8 and 13.

Additional metrics and targets used to assess climate-related risks include the following:

	Metric	Target
<b>Transition risks – upstream</b>	<ul style="list-style-type: none"> <li>Number of ESG desktop audits of suppliers completed</li> </ul>	<ul style="list-style-type: none"> <li>ESG desktop audits for strategic, preferred and critical suppliers completed by 2023; 90% of total spend reflected in completed supplier ESG desktop audits by 2025</li> </ul>
<b>Physical risks – operations</b>	<ul style="list-style-type: none"> <li>Reduction in consumption of water</li> </ul>	<ul style="list-style-type: none"> <li>Reduce water consumption by 40% by 2030 (from 2019 baseline, normalized to COPS)</li> </ul>
<b>Transition risks – operations</b>	<ul style="list-style-type: none"> <li>Reduction in energy consumed</li> <li>Number of projects implemented to reduce energy consumption</li> <li>Annual savings (\$) associated with purchase of energy</li> </ul>	<ul style="list-style-type: none"> <li>Reduce energy consumption by 25% by 2030 (from 2019 baseline, normalized to COPS)</li> </ul>

We expect further metrics to be identified and assessed for suitability to measure climate-related risk and opportunity.

Scopes 1, 2 and 3 emissions data, including calculation methodology where relevant, can be found in the data tables within the [appendices](#). We also disclose emissions annually via the CDP (formerly the Carbon Disclosure Project).

Details of how we manage governance, strategy, and risks and opportunities can be found in the TCFD section of the appendices.



# Energy

## 2030 goals:

Reduce energy consumption by 25% by 2030 (from 2019 baseline, normalized to COPS).

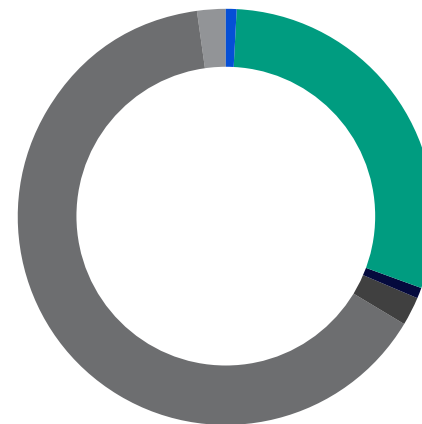
Note: Data includes emissions related to embecta

## Current status:

Reduced by 8%.

While absolute consumption of energy has increased, we have increased the number of sites using renewable electricity to 31. Of these sites, 17 are using 100 percent renewable electricity, five sites are using partial renewable electricity, and nine sites utilizing on-site renewables.

SOURCES OF ENERGY FY 2022



- 1% Liquefied Petroleum Gas (LPG)
- 29% Natural Gas
- 1% Number 2 Fuel Oil
- 2% Propane
- 63% Electric Power
- 2% Green power

### FY 2022 energy intensity

# 365 GJ

per \$million revenue

Energy consumption data, including renewables usage, can be found in the data tables within the [appendices](#).

Further information regarding investments and projects initiated to reduce our energy consumption can be found in the [TCFD section](#) of the appendices.





# Water management

## 2030 goals:

Reduce water consumption by 40% by 2030 (from 2019 baseline, normalized to COPS).

Note: Data includes emissions related to embecta

## Current status:

Reduced by 13%.

While there was a reduction in water consumption normalized to COPS, we saw an increase in absolute water consumption over the past year for two reasons—increased rainwater harvesting (approximately 9,000 m<sup>3</sup>) at our Curitiba, Brazil, facility, and increased data review processes throughout the year, which resulted in improved reporting of water consumption.

FY 2022 water usage intensity

286 m<sup>3</sup>

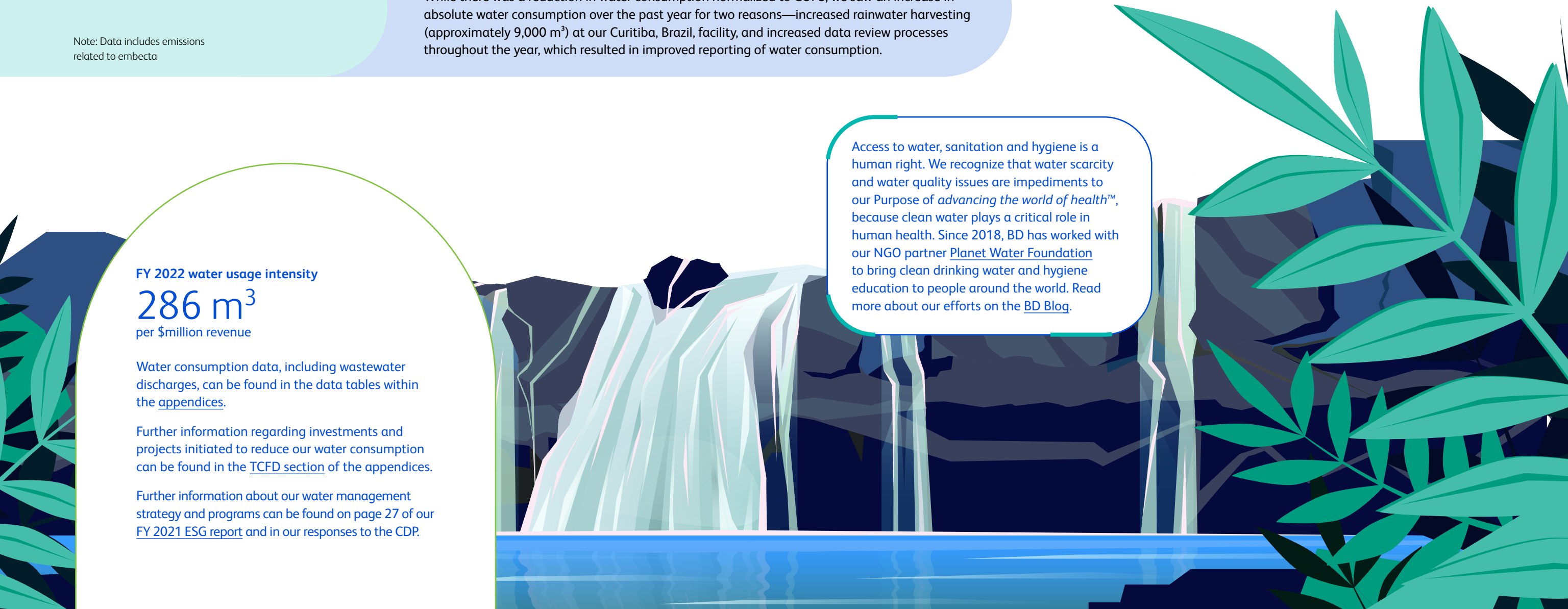
per \$million revenue

Water consumption data, including wastewater discharges, can be found in the data tables within the [appendices](#).

Further information regarding investments and projects initiated to reduce our water consumption can be found in the [TCFD section](#) of the appendices.

Further information about our water management strategy and programs can be found on page 27 of our [FY 2021 ESG report](#) and in our responses to the CDP.

Access to water, sanitation and hygiene is a human right. We recognize that water scarcity and water quality issues are impediments to our Purpose of *advancing the world of health™*, because clean water plays a critical role in human health. Since 2018, BD has worked with our NGO partner [Planet Water Foundation](#) to bring clean drinking water and hygiene education to people around the world. Read more about our efforts on the [BD Blog](#).



## Water risk

We conduct water risk assessments on an annual basis for basin water risk<sup>1</sup> and operational water risk<sup>2</sup> using the WWF Water Risk Filter.<sup>3</sup> The screening tool assesses three types of water-related business risk—physical, regulatory and reputational. It identifies locations or regions that require focused improvement efforts to protect water supply and/or reduce demand.

Once an assessment has been completed, the results are shared with our Sustainable Operations Council, as well as impacted sites, which are required to develop and implement strategies to reduce consumption or improve demand through projects such as rainwater harvesting.

The following are our FY 2022 water risk results:

Basin water risk and operational water risk are medium<sup>6</sup> except at one facility that has a high<sup>7</sup> operational water risk.

### Water consumption<sup>4</sup> and water use<sup>5</sup>

**26 river basins account for 87% of water consumption and 89% of water usage at 78 BD facilities**

**Four river basins account for 44% of water consumption and 59% of water usage at 25 BD facilities**

**Two river basins account for 25% of water consumption and 41% of water usage at six BD facilities**

### Basin water risk

**Overall basin level risk is medium**

**Four locations are identified as high basin water risk and account for 4% of consumption and 6% usage; these facilities are located in the Yamuna, Gulf of Mexico and Rio Grande river basins**

**71 locations in 28 river basins are classified as medium basin water risk; these account for 71% of BD usage and 55% of BD consumption**

**29 locations in 10 river basins are classified as low water basin risk<sup>8</sup>; these account for 27% of BD usage and 23% of BD consumption**

### Operational water risk

**Three locations with high operational water risk account for less than 1% of BD consumption and usage**

- **Two of these high-risk operational locations** completed water reduction projects in FY 2022

<sup>1</sup> Basin water risk refers to the nature and condition of the water basins in which sites operate.

<sup>2</sup> Operational water risk refers to how sites depend upon and potentially impact water.

<sup>3</sup> <https://riskfilter.org/water/home>

<sup>4</sup> Water consumption is the portion of water use that is not returned to the original water source after being withdrawn.

<sup>5</sup> Water use occurs when water is lost in the atmosphere through evaporation or incorporated into a product and is no longer available for reuse.

<sup>6</sup> WWF Water Risk Filter categorizes medium risk between 2.6 and 3.4.

<sup>7</sup> WWF Water Risk Filter categorizes high risk between 3.4 and 4.2.

<sup>8</sup> WWF Water Risk Filter categorizes low risk between 1.8 and 2.6.



# Waste

## 2030 goals:

Reduce nonhazardous waste by 50% by 2030 (from 2019 baseline, normalized to COPS).

Increase landfill diversion to 90% by 2030 (from 2019 baseline, absolute).

Increase recycling to 80% by 2030 (from 2019 baseline, absolute).

Reduce hazardous waste by 50% by 2030 (from 2019 baseline, normalized to COPS).

Note: Data includes emissions related to embecta

## Current status:

**Reduced by 13%.**

Increased data review processes throughout the year have resulted in improved reporting of waste data.

**Diversion rate of 76%.**

Increase in disposal via landfill from FY 2021 was driven by approximately 700 metric tonnes that had previously been disposed of via waste-to-energy.

**Recycling rate of 62%.**

**Increased by 7%.**

Increase in hazardous waste is due to the disposal of expired raw materials related to validation of new suppliers, the disposal of recalled product and the one-time disposal of expired material relating to the COVID-19 pandemic.

In addition, increased data review processes throughout the year have resulted in improved reporting of hazardous waste data.



Waste data and information on how we define categories of waste can be found within the [appendices](#).

FY 2022 waste generated intensity

**3.8 metric tonnes**

per \$million revenue



# Air emissions

## 2030 goals:

Reduce volatile organic compounds (VOCs) and hazardous air pollutants (HAPs) by 30% by 2030 (from 2019 baseline, normalized to COPS).

Reduce ozone-depleting substances (ODS) by 50% by 2030 (from 2019 baseline, normalized to COPS).

Eliminate use of R22 freon by 2030 (absolute).

Note: Data includes emissions related to embecta

## Current status:

**Reduced by 33%.**

We saw a slight reduction of around 34 metric tonnes in VOC emissions due to the installation of additional abatement equipment following a transfer of product lines between two of our manufacturing locations.

We saw a slight increase of around 11 metric tonnes in HAP emissions due to increased production output at one of our locations and recalculation of data from one further location.

**Reduced by 88%.**

We saw a reduction of around 15 metric tonnes of ODS emitted due to process changes that eliminated the use of HCFC materials and replacement of units containing R22 freon at multiple locations.

Throughout FY 2021 and FY 2022, we conducted audits of all our locations worldwide in order to capture the number and type of units that used R22 Freon. A replacement schedule is under development. Using our Replace with a Purpose approach, site-level plans will be developed that focus on compliance, reliability, redundancy and long-term capacity while optimizing efficiency. By avoiding like-for-like replacements, our Replace with a Purpose approach will help to ensure the long-term needs of our sites are met.

FY 2022 VOCs and HAPs intensity

**0.02**  
metric tonnes  
per \$million revenue

FY 2022 ODS intensity

**0.0001**  
metric tonnes  
per \$million revenue

Air emissions data can be found in the data tables within the [appendices](#).



# Environmental data governance and collection

All of our manufacturing sites, distribution centers and large supply chain locations have set annual individual targets for each environmental performance metric, representing approximately 99 percent of Scopes 1 and 2 GHG emissions.<sup>9</sup> Performance toward these targets is tracked by the central Sustainability team via site roadmaps/scorecards. Scopes 1 and 2 environmental data from all locations globally is collected via a third-party data collection and analysis platform.

Our Environmental Inventory Management Plan (IMP) documents key governance and measurement processes for energy, greenhouse gas emissions, water and waste. It also defines roles, responsibilities and processes, including triggers for recalculation and restatement (for example, merger, acquisition or divestiture that results in a significant structural change to the data). The IMP seeks to provide confidence of information to support decision-making and consistent and transparent reporting.

An operational control approach is used for the purpose of setting inventory boundaries at facilities where BD has at least a controlling interest from an operational perspective; where BD has operational control but does not wholly own facilities; and at facilities owned entirely by BD. This approach is consistent with the World Resources Institute (WRI) / World Business Council for Sustainable Development (WBCSD) Greenhouse Gas Protocol (GHGP) and general sustainability reporting protocols and guidance.

Facilities within BD's boundaries include major offices, manufacturing facilities, R&D facilities and distribution centers. A screening approach is applied every year to determine sites that should be excluded from the operational boundary, based on an established material threshold. The threshold values are updated every three-to-four years, or when significant acquisitions happen.

The central Sustainability team meets with each site on a monthly basis to review and resolve issues with data, as well as to receive operational insight into projects that are underway or planned. Improvements in our operational practices and improved visibility into environmental performance metrics have encouraged emissions reduction and facilitated identifying water and waste reduction opportunities.

The Sustainability Operations Council also reviews data on a monthly basis. The council is led by the senior director, operations sustainability, and is composed of individuals from each business unit, as well as central teams such as procurement and facilities management. The purpose of the council is to align site, regional and central team resources to build a multiyear pipeline of sustainability projects tied to site roadmaps to achieve the 2030+ climate change goals.



Updates on performance and site roadmaps are provided to the Integrated Supply Chain leadership team at least quarterly. At the company level, progress on overall sustainability performance is reviewed with the Enterprise Risk and ESG Committee (ERC) and the Board of Directors at least annually.



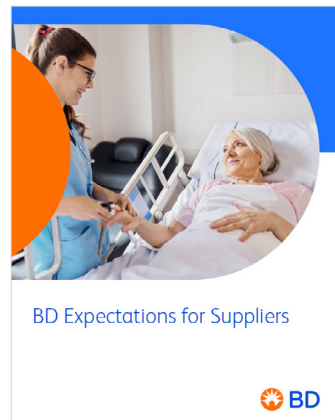
<sup>9</sup> This includes emissions from our fleet, which also has GHG emission reduction targets.

# Environment, health and safety management

At BD, we promote environmentally sound practices and protect the health, safety and security of our associates, customers and partners, and of the communities in which we live and work. We aim to prevent work-related accidents, injuries, illnesses and environmental harm through innovation, associate engagement and continuous improvement methodologies. We set expectations for environmental, health and safety (EHS) management via three key documents and our [Golden Rules](#):



Our EHS Policy



Our Expectations for Suppliers



Our Code of Conduct

## EHS governance

At the corporate level, BD has an EHS team led by the chief EHS & sustainability officer (CSO), who reports to the company's executive vice president & chief integrated supply chain officer (EVP ISC). To continue to build strong accountability and provide continuous improvement of EHS across the organization, a new EHS Leadership structure was created in FY 2023.





## EHS management systems

To foster continuous improvement of environmental performance at a facility level, BD has implemented International Organization for Standardization (ISO) 14001:2015 certified environmental management systems (EMS) at our manufacturing sites around the world. Most of these sites are manufacturing locations, but headquarter offices and some sales offices in Europe are also certified. In total, around 62 percent of BD manufacturing sites are certified to the ISO-14001 EMS standard. Two additional manufacturing sites, in Puerto Rico and Tijuana, Mexico, are in the process of obtaining their certifications.



Currently  
49 BD sites

are certified to the ISO 14001:2015 EMS standard



Two BD facilities in  
Spain and Hungary

are certified to the ISO 50001 energy management standard



Five BD sites in  
Spain, Italy and China

are certified to the ISO-45001 occupational health and safety management standard

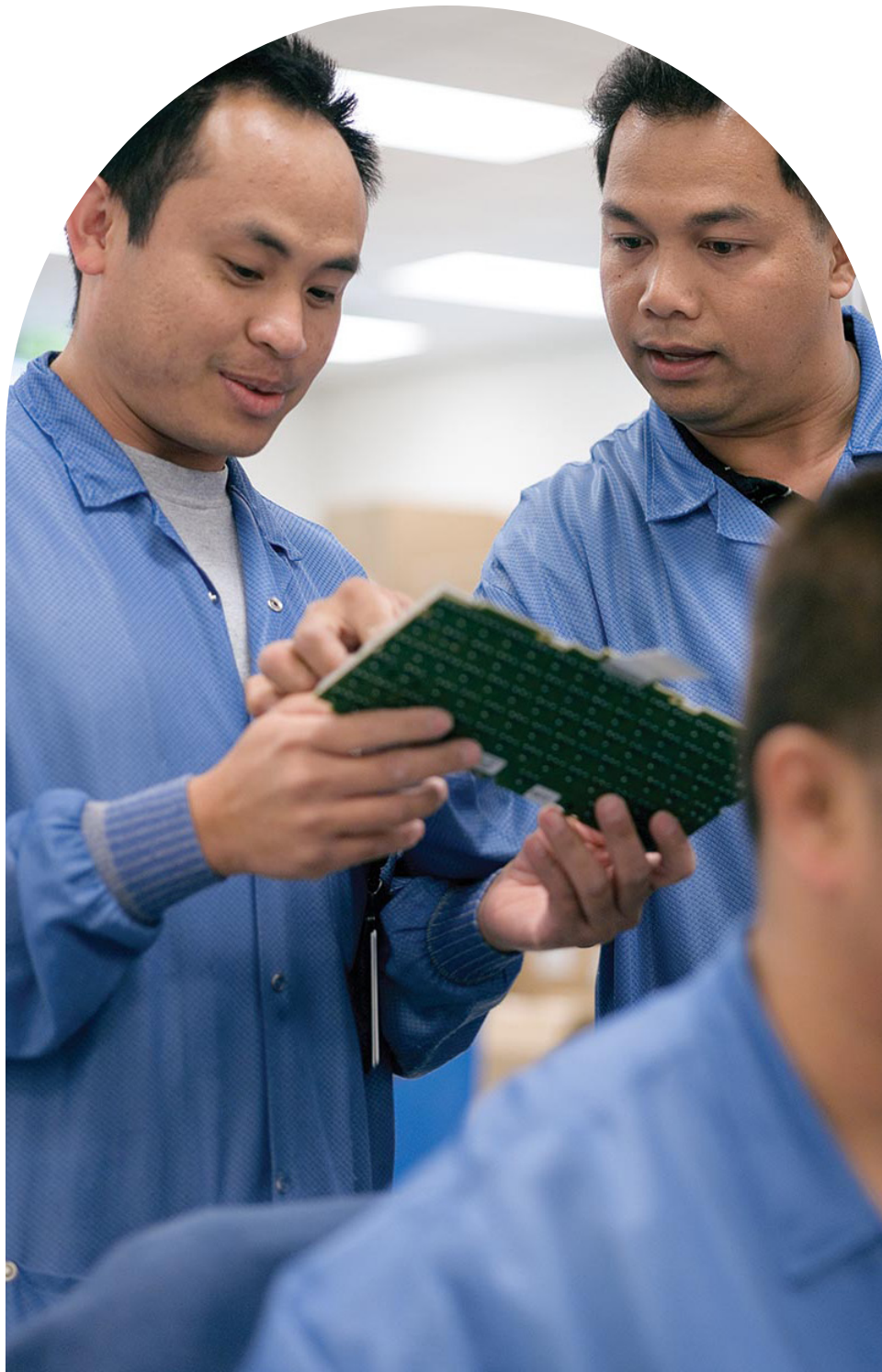
Around two-thirds of these certified locations are part of group certificates where we have established standardized procedures and methods for program implementation. This approach allows sites to work together in a collaborative way with extensive sharing and interaction to enhance program effectiveness. For example, all corrective actions are logged and shared with all sites in the respective group certificates to facilitate learning from each other's experiences and to take proactive actions to prevent similar issues from happening at other sites. Furthermore, every EMS-certified site sets environmental improvement objectives on an annual basis, and they are reviewed for progress quarterly. Our plan is to continue ISO 14001:2015 certification at all BD manufacturing plants over the coming years.

The ISO 50001 energy management standard provides a framework of requirements to measure and employ data for better understanding of energy use, set objectives for energy use reduction and continually improve energy management. Many BD facilities have a strong focus on energy management and reduction and are pursuing many aspects of a responsible energy management program.

All BD manufacturing locations maintain a strong focus on occupational health and safety (OHS) management for injury reduction and prevention. Significant OHS risks associated with our activities are identified and reviewed for elimination and/or control to minimize their potential effects on our associates. Although our other sites are currently not certified to a third-party OHS management standard, their on-site OHS programs follow many of the elements included in the ISO-45001 standards.

For additional details on work carried out in FY 2022 related to associate health and safety, visit the [healthy workforce and communities](#) section of this report.





## Learning and development

EHS training is an integral part of establishing workplace health and safety. The central EHS team provides new hire orientation customized to roles and responsibilities, and encompasses a comprehensive EHS curriculum that includes training on all applicable EHS management information system platforms. In addition, the central EHS team conducts a training needs assessment that is based on current incident trends, audit results and regulatory requirements. A BD EHS training matrix defines training assignments based on the roles and priorities identified, and training is assigned accordingly.

EHS Corporate Standards contain requirements on training frequency and curriculum, and training is provided upon deployment of new or revised standards. The central EHS team uses a variety of mediums, including classroom training, webinars and on-demand compliance training via our company's online training system. Completion of training is evaluated as part of our corporate audit program.

Last year, the central EHS team deployed "Calibrate Your Eyes" training to enhance leadership awareness of safety hazards, elevate importance of the risk assessment process, and reinforce responsibilities to safety through all levels of the organization.

Individual sites are responsible for identifying site-specific EHS training needs and implementing training programs on a variety of EHS topics, taking into consideration the risks that are present, any local regulatory requirements, and job roles, in addition to requirements set by corporate EHS standards.

## EHS management information systems

In FY 2022, we drove adoption of the new EHS management-of-information system across the company, specifically the EHS Incident Management application to provide data transparency. We offered additional application-focused training and guidance tools, and continue to provide a platform to solicit user feedback for an improved experience. In addition, we continue to use a platform provided by a third party to manage safety data sheets within our operations.

## Internal audits

We have a global EHS audit program covering all BD manufacturing, R&D, distribution center and major office locations. Audits are typically carried out by a third party and a representative from the central EHS team who leads and monitors audit performance and outcomes.

In FY 2020, the BD EHS team implemented a new risk-based audit model that evaluates facilities on three main components: inherent risk, changes and performance. The inherent-risk factors include the type and size of the facility and take into consideration any high-hazard processes. The change factors include new regulations, processes and changes to site management or EHS personnel. Performance factors include the site's performance in EHS over the past 12 months, including the outcome of any inspections by relevant authorities. This enabled a more deliberate focus for the selection of sites to be audited during the year.

Audits typically last three full days and consist of an opening meeting, a site tour, document examination and a closing meeting. Findings are included in the audit tool and the site is responsible for ensuring all actions are closed out.

Executive summaries of each audit are provided to site management, operational leaders, EHS business team leaders, the chief EHS & sustainability officer, the EVP & chief integrated supply chain officer, and the CEO. All corrective actions are tracked to closure with follow-up audits carried out approximately 12 months later to verify completion.

Once findings are verified and closed, the site will be issued a closure confirmation from the central EHS team. Starting in FY 2022, all findings that remain open after the follow-up audit are tracked on a monthly basis and are communicated to top management.



# Product impact





# Product impact

**Our goal:**

Reduce the environmental impact of our portfolio and address the sustainability needs of our customers.

**2030 goals:**

- 1 We will address plastic and packaging material consumption in our product portfolio through considerations in product design, including:**

  - Chemical elimination/replacement.
  - Material reduction.
  - Safe product reuse models.
  - Closed-loop recovery and/or open-loop recovery.
- 2 We will apply minimum environmental and human health criteria (based on customer EPP standards) to new products and product changes to ensure meaningful and sustainable product improvements across the life cycle.**

  - Publish BD minimum environmental standards for products by end of FY 2022.
  - Establish medium- and long-term targets for products to meet minimum environmental standards within 6 months of publication of the standard.
- 3 We will work to address the impact of plastics through existing and new strategic partnerships that work across the value chain.**

**Current status:**

In FY 2022, BD launched the BD Sustainable Medical Technology Institute (BD SMTI) to develop support programs and achieve our 2030+ product impact goals.

We completed calculation of our baseline for Scope 3, categories 11 and 12 GHG emissions. As part of this assessment, we were able to determine which categories of products were significant contributors to Scope 3, category 11 and category 12 GHG emissions. This information will assist us in prioritizing where to focus efforts to reduce GHG emissions in our value chain.

We continue takeback and recovery of Pyxis products via our facility in San Diego and, in FY 2022, launched partnerships in Australia and New Zealand to recycle infusion pumps at end of life.

The Human Health and Environment Standards for products are under development. In FY 2022, work began to establish a framework, which will be completed in FY 2023, starting with identifying current best practices internally and benchmarking against peer companies.

In addition to our ongoing membership in the HPRC, in FY 2022 and 2023 we launched a number of pilot studies aimed at reducing the impact of plastic at end of life.

For further details, click [here](#).

For details on restatement of data and inclusion of data relating to embecta, please see Data tables in the appendices.

## Materials of concern and product stewardship

The central Product Stewardship team monitors changing global environmental regulations affecting our product portfolio and provides governance of compliance activities carried out by our eight business units. The team is led by the director of product stewardship compliance, who reports to the CSO.

Our [materials of concern \(MOC\) list](#) and the central database used to manage chemical information for over 90,000 components are maintained by our central Product Stewardship team. Our MOC list guides the way we address the reduction of MOCs across our portfolio. The list contains both regulated and nonregulated substances that we consider to be of concern and is updated twice a year.

Suppliers are requested to provide chemical compliance and packaging information through a series of questions via a third-party platform. Our Supply Base Compliance (SBC) and Extended Producer Responsibility team uses a defined process to accept all returned information before final review and verification by relevant business teams.

BD considers the potential impact of the materials we use in our products and packaging, and reviews customer preferences related to materials of concern and waste criteria in our sales portfolio. In order to monitor the changing landscape around materials of concern among customers, regulatory bodies and advocacy groups, BD established a Chemical Review Board in 2013. This internal board, led by our director of product stewardship compliance, includes functional expertise and representation from toxicology, the BD SMTI, procurement, legal and regulatory, as well as representation from business teams.



Working closely with our business units and regions, our central Product Stewardship team authors thousands of safety data sheets annually and tracks our packaging waste reporting requirements across 28 entities.

This past year has seen a significant proliferation of proposed changes to chemical-related and extended producer responsibility regulations and directives. The EU Green Deal introduced an ambitious set of proposals that will lead to the first climate-neutral continent by 2050. The focus on materials of concern and reducing the environmental impact of products and packaging also extends to other parts of the globe, including the U.S., Greater Asia and Latin America.

BD actively engages in dialogue with our customers and advocacy groups to discuss the use of safer chemicals for consideration in our work to reduce priority MOCs. This engagement includes our continued response to the Chemical Footprint Project (CFP) survey. The mission of the CFP is to transform global chemical use by measuring and disclosing data on business progress toward safer chemicals. It provides a tool for benchmarking companies as they select safer alternatives and reduce their use of chemicals of high concern. As in previous years, we have chosen to make our survey response public and, as such, have been recognized as a CFP 2021 Disclosure Leader.

### Product Stewardship program

By the numbers:

500,000+  
points of feedback from suppliers

1200+ substances incorporated into BD MOC list

More than  
6,000  
suppliers contacted as part of the Product Stewardship data collection program



For details on restatement of data and inclusion of data relating to embecta, please see Data tables in the appendices.

## Sterilization

BD is among the world’s largest producers of medical products that are critical for patient care. To protect patients from the risks of infectious diseases caused by bacteria, viruses and fungi, the U.S. Food and Drug Administration (FDA) requires the sterilization of medical devices and clinical products.

Products manufactured and sterilized at BD facilities save lives and improve patient outcomes in hospitals and care facilities around the world.

Our facilities produce more than 37 billion essential medical products each year, the majority of which require terminal sterilization. BD utilizes radiation, moist heat, and dry heat to safely and effectively sterilize products such as blood collection devices, syringes, IV sets, and various types of testing media. However, for numerous types of devices and other sensitive medical products, EtO is the only type of sterilization that can be used as other sterilization methods may damage the products or are unable to ensure the required level of sterility.

BD operates state-of-the-art sterilization facilities to ensure product sterility while protecting employees, communities and the environment. BD is committed to the safe and responsible operation of our medical sterilization facilities.

We are focused on continuous improvement at our sterilization facilities throughout the United States.

We continue to voluntarily make significant investments to upgrade emissions controls at facilities nationwide and have programs and procedures in place to ensure compliance with all applicable regulatory requirements.

### Investing in safety

BD is an industry leader in developing and implementing capture and control technologies to reduce EtO emissions at our sterilization facilities. BD has voluntarily invested over \$70 million at Georgia, Nebraska and Utah, U.S. facilities for fugitive emissions upgrades. The last of these projects were completed in May 2023. Globally, primary emissions control and aeration upgrades are underway.

### FDA Innovation Challenge

In 2019, the FDA launched its [second innovation challenge](#) focused on reducing EtO emissions. BD was selected as one of eight participants for the challenge. The goal is to develop strategies or technologies to reduce emissions to as close to zero as possible from the ethylene oxide sterilization process. Innovative strategies may entail changing current sterilization processes or workflow, such as changes in the supply chain, transportation of medical devices or procedures in the sterilization site. Strategies may also include making alterations to ethylene oxide process waste to reduce emissions.

As part of our strategy to improve efficiency and reduce emissions, we are optimizing our EtO sterilization cycles, to increase the volume of product that can be effectively sterilized each cycle. To date, around 83 percent of cycles (by volume) in the U.S. have been optimized, with the remainder undergoing optimization. Globally, 35 percent of cycles have been optimized, 40 percent are undergoing optimization, with the remainder under evaluation.

### FDA Experiential Learning Program

In May 2022, BD delivered an FDA Experiential Learning Program (ELP) module focused on EtO sterilization. As part of a larger effort around engagement and education, BD submitted three ELP proposals to the FDA. This represented the second of three FDA ELP modules that we plan to deliver.

In an effort led by our Regulatory Policy team, approximately 68 FDA staff members were in attendance to learn how BD is innovating and ensuring access to our products that are critical to healthcare. Presentations covered our sterilization network, and the activities we undertook as part of the FDA EtO innovation challenge, as well as a discussion of the research and development activities we are exploring for other sterilization modalities.

Further information and resources about EtO are available from [etosafety.bd.com](https://etosafety.bd.com).

Approximately  
**50% of BD products**  
currently can only be sterilized with EtO, including  
**IV catheters, PICC catheters, surgical prep devices, surgical kits, Foley trays, glass syringes, chemotherapy ports, among many others**

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Over  
**60% of the medical devices**  
on FDA’s list of essential devices are sterilized with EtO

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Less than  
**1% of all EtO**  
used for industrial purposes is used for medical product sterilization





## BD Sustainable Medical Technology Institute

In FY 2022, BD launched the BD Sustainable Medical Technology Institute (BD SMTI) to develop support programs and achieve our 2030+ product impact goals. Focused on sustainability, the institute’s central team is helping to guide the environmental impact reduction of our portfolio and engage with our customers to ensure we can help them with their sustainability journeys as well.

The institute is led by our director of sustainability, research and development, who reports to our senior vice president of enterprise research and development, who in turn reports to our EVP and chief technology officer. The director also has a dotted reporting line to the CSO.



The reporting lines of the BD SMTI were created intentionally to ensure visibility and access to senior leadership to drive decision-making, make changes more easily, and address obstacles quickly and efficiently.

The objective of the BD SMTI is to identify and address sustainability issues for all of BD, rather than have each business solving the same or similar problems individually, and to foster linkages in our value chain—both upstream and downstream—to change the linear material flow to a circular economy. Through innovation and partnership, tangible action, and new tools and systems, we aim to improve our processes and our planet.



Materials of concern (MOCs)

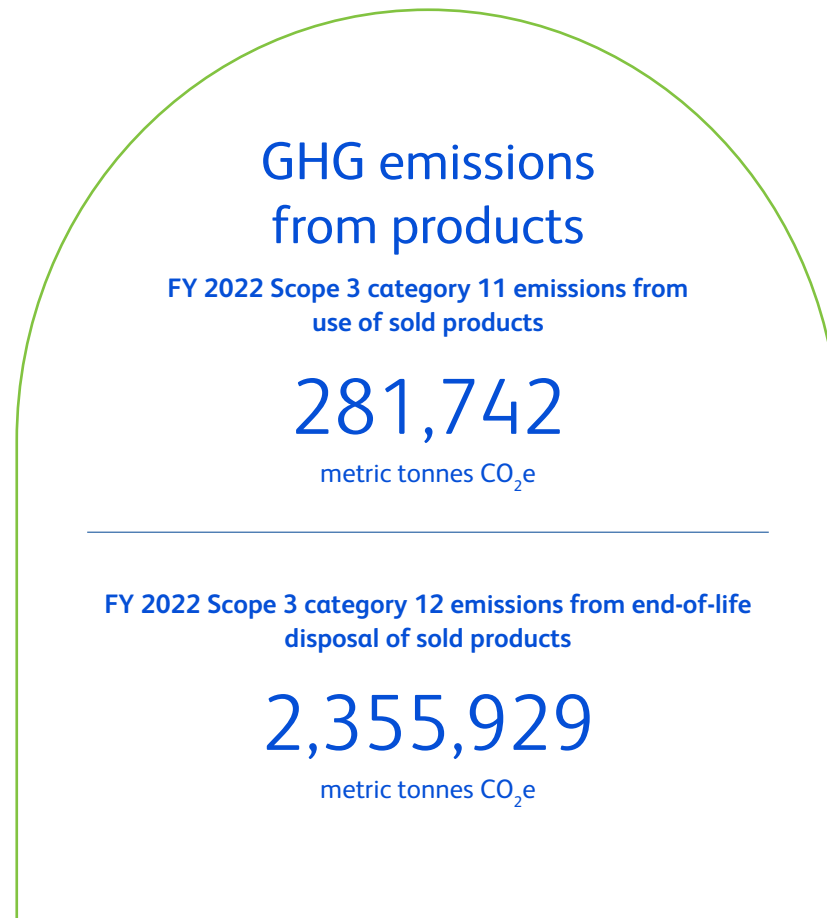


New and more sustainable sterilization technologies



Sustainable product design

By focusing on three key areas—materials of concern (MOCs), new and more sustainable sterilization technologies, and sustainable product design—BD SMTI and its community of practitioners support efforts to reduce the carbon footprint



and environmental impact of our products. The institute works closely with cross-functional teams across all businesses and geographies to identify and address the continuously evolving list of MOCs. It is working to identify alternate modes of sterilization and analyze how they interact with different product materials. It is also integrating sustainable design into product development, including eliminating or reducing materials, selecting more sustainable materials and ensuring products are designed so all or some of the materials can be reused or recycled.

Through the SMTI, BD is currently participating in pilot projects that analyze new sterilization and recycling technologies that have the potential to reduce our environmental footprint and benefit our company, our industry and our global society.

### Product Impact Council

Multiple teams at BD are integral to the success of our 2030+ goals for reducing product impact. These teams – both central and business – are brought together under the Product Impact Council, to guide and facilitate the work across central, business and regional teams. With executive sponsorship from the EVP and chief technology officer and the EVP integrated supply chain officer, the council is led by the director of sustainability, research and development.



- Research and Development
- Procurement
- Supply Chain
- Sustainability
- Product Stewardship

## Design for sustainability

The GHG emissions from disposal of our products at their end of life represent a significant portion of our overall footprint. In addition to designing out embedded emissions through selection of alternative materials and using smart design to help lower emissions during distribution, storage and/or use, designing our products with circularity in mind will keep materials in use for longer, helping to conserve resources and reduce emissions.

To this end, we are continuing to build on existing programs to facilitate improved end-of-life disposal of BD products either through product takeback or by establishing partnerships that provide alternative disposal options for our customers.

Where required by law, we participate in compliance schemes to ensure the responsible collection, management and disposal—including recycling—of packaging, batteries, and electrical and electronic waste.

BD is a founding member of the [Healthcare Plastics Recycling Council](#), a private technical consortium of industry peers across the healthcare, recycling and waste management industries seeking to improve the recyclability of plastic products and packaging within healthcare.

## Advancing circularity in our operations

Over the last decade, Casella and BD have partnered to recover, process and recycle waste at BD sites across the U.S. This includes our injection systems product lines and the sites supported by Casella, where we are effectively recycling 100 percent of the non-saleable product (such as off-specification syringes and related manufacturing waste) generated from our manufacturing process.

In February 2023, we announced a next-generation circularity pilot program to extend recovery efforts to include a wide range of red box waste, inclusive of BD syringes and needles, discarded by a variety of care facilities. The pilot will assess feasibility of recycling these products back into the manufacturing process, creating additional local sourcing options and alleviating pressures on the critically challenged supply chain system.

The team will focus on collection, treatment and scaling of solutions while also evaluating a variety of mechanical and advanced recycling capabilities for processing BD products after disposal in healthcare settings.

BD partnered with two customers and two recycling companies in Australia and New Zealand to explore the recyclability of BD Alaris infusion pumps. Following the rollout of a new fleet of infusion devices, our customers were looking for an alternative disposal route for the devices that had reached the end of their useful life, that would also ensure the secure removal of clinical and network configuration data.

In Australia, BD partnered with the recyclers Shred X to recycle pumps collected from the Central Gippsland Health Service – Sale Hospital. In New Zealand, we partnered with Abilities Group, a registered charity that employs people with disabilities to dismantle infusion pumps collected from Te Toka Tumai Auckland (formerly known as Auckland District Health Board) for recycling.

Through this pilot program, over 1,200 pumps were recycled, diverting 3 tonnes of electronic waste from incineration or landfill. [Learn more here.](#)

We continue to manage the end-of-life disposal of products from the BD Pyxis™ Portfolio at our San Diego, California, facility by recovering materials and components for refurbishment or recycling. In FY 2021, 20,745 units were processed through our facility, representing 2,973 metric tonnes of materials that were either refurbished, reused or recycled. No materials are disposed of via landfill.

In 2022, BD Brazil launched a solution to reduce the impact of products at end of life.

BD Brazil and Rede D'Or have codeveloped the BD Recicla program, which collects certain plastic products, including the BD PosiFlush™ Syringe, at end of life for recycling.

The first pilot program was launched at the Hospital Santa Cruz Rede D'or in Curitiba, Brazil. Following this initial success, the BD Recicla program was launched at the São Luiz Itaim Hospital, in São Paulo. The São Luiz hospital is one of the largest in the Rede D'Or group.

Waste receptacles have been placed in eight areas around the hospital, including the ICU and inpatient care areas such as surgical and obstetrics. From there the waste material is collected and transferred to a central waste container to await collection. Using reverse logistics, the segregated material is then collected and transferred to a processing site where the material is separated, treated and processed into raw material that can be used in the manufacture of new products.

Since the launch, over 4 metric tonnes of waste have been collected, with 99 percent of material collected being recycled. As the program has grown through the hospital, pick up frequency has increased to meet demand. Expansion of the program throughout the hospital is being investigated, where future expansion will continue to be supported by training materials, including a training video created by BD.

# Product safety

Safety, quality and service are at the heart of how we design, manufacture and deliver products. We help to ensure patient and customer safety through the predictable delivery of high-quality and effective products and services. We comply with global regulatory laws, worker safety and product performance, and we develop innovative solutions—*advancing the world of health™*.

This year, we strengthened our commitment to transparent quality communications with the launch of the [Quality Transparency Center](#). The center simplifies customer access to information by housing recall and field action information in one easy-to-navigate location, Customer Care. This aligns with the BD Way of doing what is right and reflects our focus on product safety.

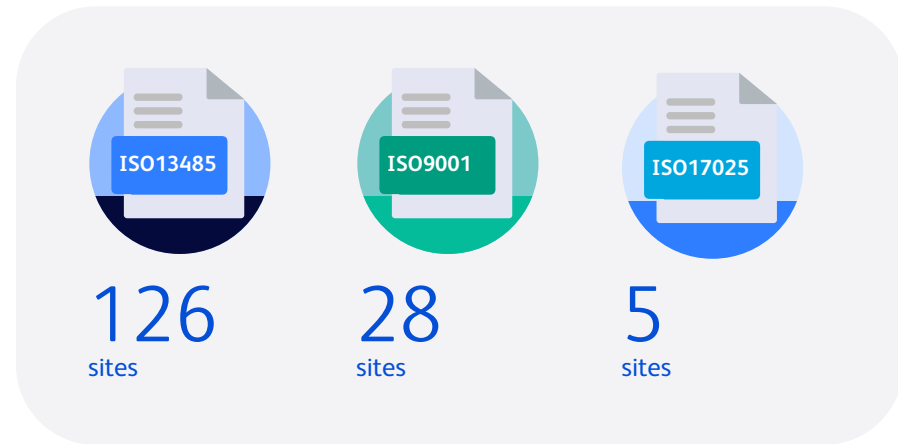
## Inspire Quality

We are on a multiyear journey to simplify the delivery of high-quality products and services to our customers and patients in a way that values compliance, helps reduce enterprise risk and makes it easier to do business with us.





We are delivering meaningful enhancements to our Quality Management System (QMS) by streamlining compliance goals for our businesses and regions to ensure that each site maintains certifications throughout the harmonization process and enables other BD sites to move toward certification status. All BD sites have established quality systems compliant with industry standards, and over 90 percent of all worldwide sites maintain certifications for their QMS. We also continue to expand our footprint of Medical Device Single Audit Program (MDSAP) certifications throughout our organization.



### Our Quality Policy



We will consistently provide superior products and services in pursuit of our Purpose of *advancing the world of health™*. This will be achieved through customer-focused continuous improvement and maintaining an effective quality system that complies with regulatory requirements.

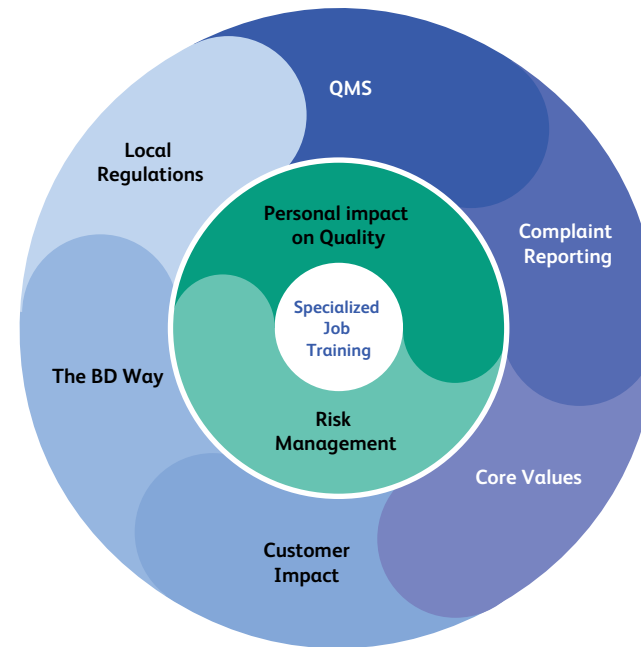
Tom Polen  
Chairman, CEO and President



## Quality culture

Our work to foster a culture of quality across the organization is the foundation of customer and patient trust. It is embedded in the BD WAY through our value to thrive on innovation and demand quality.

We are also driving our quality culture through annual training for our BD associates—on topics ranging from our core values and customer impact, to our Quality Management System and compliance reporting—in addition to site- and job-specific training based on function and role. Training is predominantly provided via our online learning platform. We have also expanded our quality rewards and recognition program to all BD associates to recognize our evolving culture and mindset shift, as quality is everyone’s responsibility at BD.



- All BD Associates
- Based on function
- Based on role

BD teams across the globe celebrated our culture of quality as part of our company’s 125th anniversary commemoration last year and through World Quality Week, in which associates participated in education, awareness and awards programs, including a contest that shared “What Quality means to me.” Five global sites were highlighted, showcasing their commitment to associate, supplier and customer quality culture.



## Quality oversight

In FY 2022, we continued to streamline and strengthen our cross-functional governance mechanisms, leveraging the Corporate Quality and Regulatory Review Board (CQRB) to provide oversight for key quality, regulatory and medical matters. This enhanced system has empowered our leaders across functions with management responsibility for quality matters—including Regulatory Affairs, Medical Affairs, Integrated Supply Chain and R&D—to drive proactivity, transparency and cross-functional ownership of product safety and quality.

We continue to leverage data-driven insights to address potential quality deviations sooner and with greater accuracy, and to align on joint goals and initiatives. In FY 2022, we added product cybersecurity as a topic discussed at CQRB. Additionally, our Board of Directors has a [Quality and Regulatory Committee](#) with responsibility for oversight of matters relating to regulatory affairs, regulatory compliance, product quality and safety, and product cybersecurity. The full Board of Directors also receives updates on product quality and patient safety risks.

Quality goals are also an integral part of our corporate key driver goals. BD tracks performance against those goals quarterly, and our performance incentive program for employees is tied directly to those goals.

## Quality by design

At every step of the BD product development and manufacturing process, we drive risk reduction by interweaving the risk management process with quality by design innovation and technology. In FY 2022, BD approved its cross-functional Product Life Cycle Management initiative to deploy a global digital solution to manage product development, change control and integrate risk management throughout the lifecycle of our products.

### BD Excellence

BD Excellence is an operating system for our operations, supply chain and procurement organizations that empowers, accelerates and continuously improves processes across entire value streams. It is a systematic approach to the application of lean principles to close the gap between actual performance and the requirements of customers and shareholders. BD Excellence provides performance visibility and control, as well as management practices and mechanisms that drive culture change and greater effectiveness across the entire organization.

The launch of BD Excellence signals an intent to develop a world-class operating system for our entire integrated supply chain. BD Excellence evolved from the BD Production System that was launched in FY 2018. We updated foundational components of the framework so they are relevant for Procurement and Supply Chain functions, as well as our manufacturing operations. The size and complexity of our manufacturing and supply chain network call for a consistent approach by every associate to identify and eliminate waste from our end-to-end operations.

The ongoing deployment of BD Excellence now extends across all manufacturing sites and is expanding end to end for significant value streams. With BD Excellence, we have a clear and mutually understood direction—to pursue long, medium and short-term goals that deliver excellence in everything we do.

### Workplace 2025 BD Excellence core principles

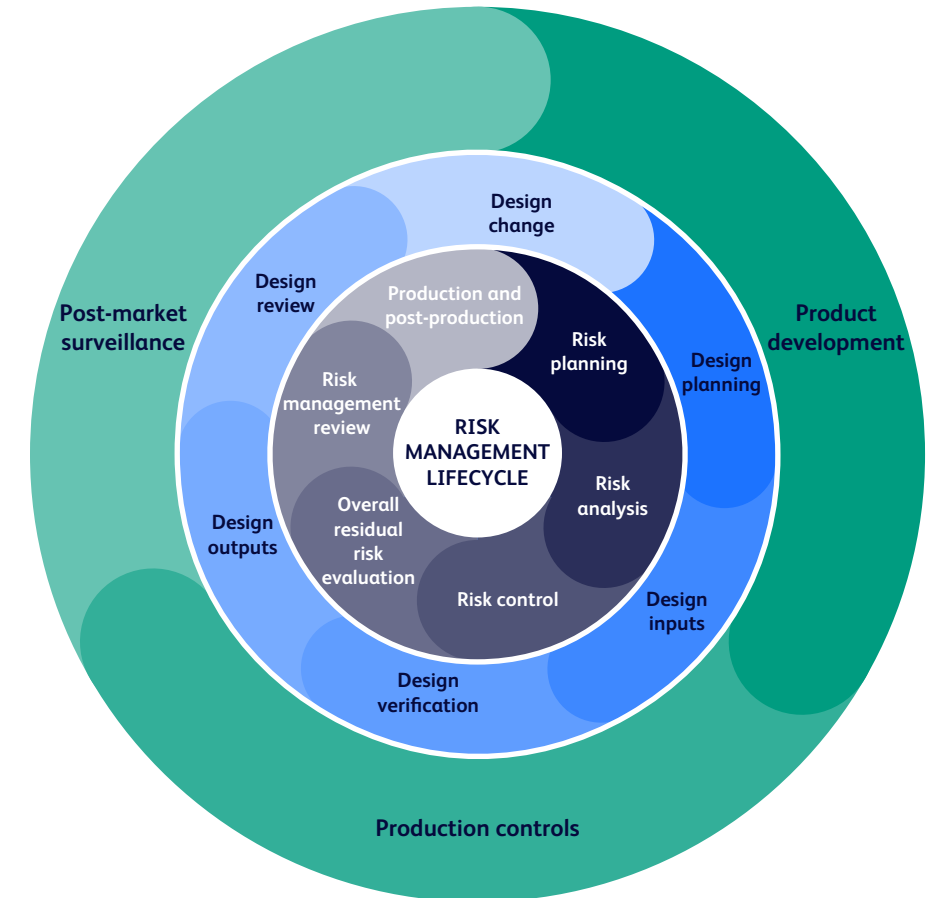
BD Excellence is driven by a set of core principles:

- Consider the customer first
- Hold quality, safety, sustainability and talent as our absolutes
- Treat people with respect
- Model The BD WAY and servant leadership principles
- Cultivate a growth mindset
- Strive for excellence everywhere

Launched in FY 2022, the LEAN academy is our capability building mechanism that accelerates skill development for all associates in our integrated supply chain, to build and sustain the BD Excellence operating system. Associates receive training through self-paced and instructor-led courses, conducted either in person or virtually. To date, 62 classes have been offered, each lasting between 4 to 16 hours, and 625 associates have taken one or more courses.

### Quality

BD Excellence includes quality as a key component, enabling teams to analyze quality issues based on root cause type—human, machine, method or material—and focus on corrective and preventive actions using a risk-based approach to prioritize issues. This is helping us to simplify and streamline our processes, create a more agile manufacturing organization and contribute to our efforts to reduce our carbon footprint.



## Technology solutions

As part of our multiyear effort to improve operations and quality, we are embedding digital technologies in manufacturing to enable optimized performance resulting in reliable, agile, flexible and sustainable operations; provide consistent and faster delivery of quality products to market; and engage associates in innovation and value-creation activities. In FY 2022, six manufacturing sites launched electronic device history records (eDHR) pilot programs to reduce and eliminate paper, improve batch review and release times, and enhance production and process controls, creating greater overall efficiency. In FY 2023, we will continue to expand eDHR implementation, and plan to roll it out across manufacturing locations globally by FY 2026.

## Supplier quality program

To maintain a strong supplier quality program, our Quality and Procurement teams partner to ensure that systems and controls are in place to select, qualify and monitor suppliers. These controls include qualification of suppliers based on risk, auditing and monitoring of supplier performance, and managing supplier changes. In FY 2022, we simplified our risk classification levels for suppliers and launched a harmonized global process for managing supplier quality. This has improved effectiveness and efficiency, and allowed us to provide global requirements on core processes pertaining to supplier management. The Supplier Change Request (SCR) portal continues to be an important tool that enables suppliers to directly communicate changes that have a potential to affect our product quality. To date, approximately 1,000 suppliers have submitted more than 2,500 supplier change requests since launching the SCR portal in 2021.

## Performance monitoring

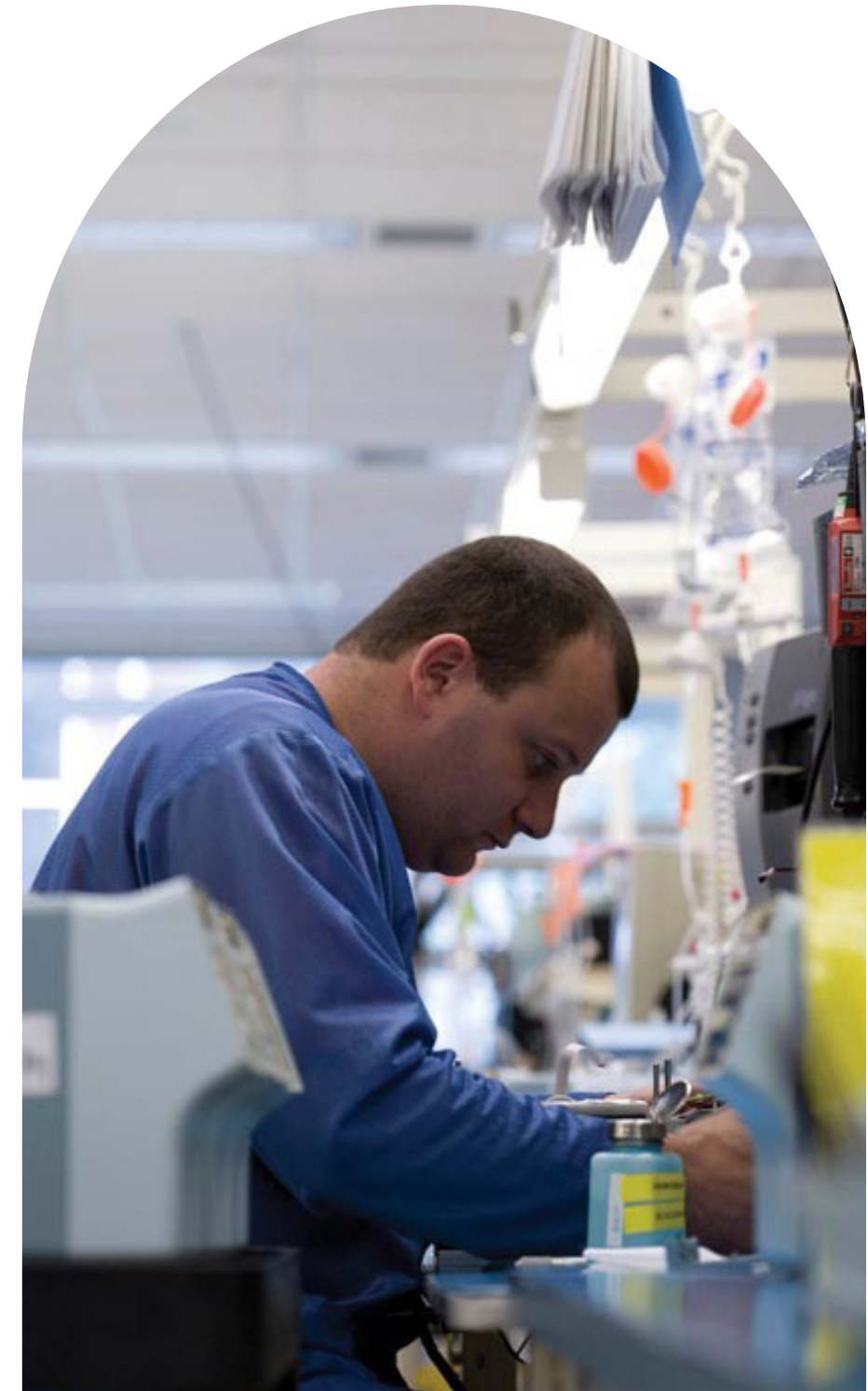
Doing what is right for our patients and end users—one of our core values—is a top priority at BD. We monitor the performance of our products and make recall decisions, when necessary, based on the health and compliance risk of the quality issue. In alignment with our BD 2025 strategy, we implemented targeted improvement programs to address the causes of potential recall issues, resulting in a reduction of the number and severity of our recall and field actions over the last three years. We adhere to all regulations in reporting necessary data relating to cases where devices may have caused or contributed to a death or serious injury.

In October 2022, we began the implementation of the Inspire Quality Revised Field Action process to strengthen collaboration between all key stakeholders across BD utilizing one standard process and procedure; in FY 2023, we will focus on enhancing the customer experience.

### Key Quality Indicators for FY 2022

Number of FDA Class I recalls	1
Number of FDA Class II recalls	23
Number of FDA Class III recalls	11
Products listed in FDA MedWatch Safety Alerts	<a href="#">See FDA's MedWatch: The FDA Safety Information and Adverse Event Reporting Program</a>
Number of serious injuries and deaths related to BD products	<a href="#">See FDAs About Manufacturer and User Facility Device Experience (MAUDE)</a>
Number of FDA warning letters received	0
Number of FDA warning letters resolved	0

Data for previous years can be found in the [appendices](#).







## Compliance

BD drives transparency in quality and regulatory compliance across our organization, providing visibility of both known and potential risks, and helps shape the external compliance environment by partnering with [industry](#). The Quality & Regulatory Compliance team partners with cross-functional teams to identify potential improvement opportunities, provides external industry insights, and collaborates with our businesses to prepare for inspections and certifications. The Corporate Quality Audit team conducts independent audits at BD, prioritizing sites with higher compliance risks based on previous audit ratings, product classifications and performance, and the types of products or services the site provides.

In FY 2022, the U.S. Food and Drug Administration (FDA) and other worldwide regulatory agencies resumed on-site inspections after pausing them during the height of the COVID-19 pandemic, resulting in an increased number of audits for BD and our peers.

To improve transparency of potential compliance and safety risks from recent acquisitions, we developed an M&A playbook to provide guidelines for the identification and escalation of potential risks during due diligence and after closure. The post-acquisition process includes independent reviews of due diligence findings, planning for Quality Management System (QMS) integration and remediation of potential risks, and incorporation into the Corporate Quality Audit program.

	FY 2022
Number of inspections by worldwide regulatory agencies	54
Percentage with zero observations	78%
Number of FDA inspections	10*
Percentage with zero observations	60%
Number of corporate audits	74**

Data in this table includes Embecta, prior to the spin-off.

- \* Includes inspections carried out at locations acquired in FY 2022.
- \*\* Corporate audits of newly acquired locations will commence in FY 2023.

Data for previous years can be found in the [appendices](#).

## Regulations

As global regulations, standards and policies continue to evolve and modernize to keep pace with the challenges of managing public health, BD Regulatory Affairs has become more agile and efficient in identifying, advocating for and assessing these changes to ensure that registrations comply with current health authority expectations. Our team has centralized regulatory intelligence monitoring and linked this activity to our global standards process to ensure a structured approach to conducting risk assessments, identifying gaps, and remediating and ultimately updating our regulatory filings as needed. In FY 2022, 76 draft regulations and 176 new and revised regulations were monitored for impact to BD products.

We are also empowering cross-functional teams within each business unit and region to drive accountability for incorporating new requirements from standards and regulations into our new product development process and legacy products, re-baselining historical regulatory submissions for products that have evolved over time, and enabling future innovation by refreshing product data on file with regulatory authorities. In addition to working on significant initiatives, like compliance with new EU medical device regulation and in vitro diagnostic medical device regulation, we are also focusing on countries that have seen significant changes to their product regulatory framework.

To that end, the Regulatory Affairs team and partnering functions—R&D, manufacturing, quality, cybersecurity, sterilization, EHS, product stewardship, medical affairs, clinical development, marketing and compliance—work together to ensure that our product registrations are compliant with global laws, regulations, standards and policies. We are also digitizing and connecting registration-related processes and content management to enable efficient global registrations that are compliant and will positively impact public health.

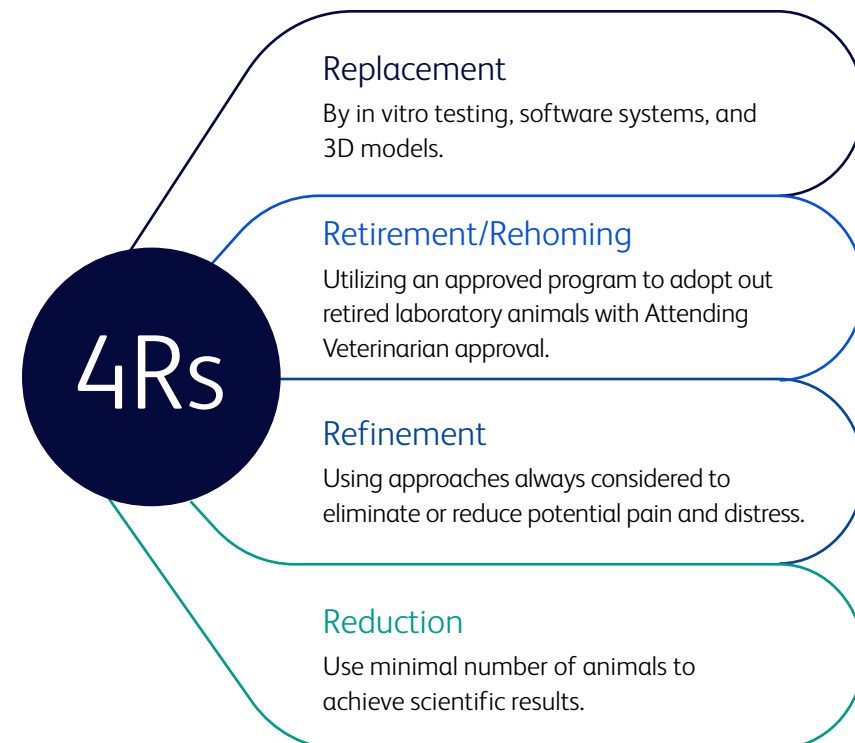
## Enforcement action

While we have implemented, and continue to improve upon, programs and management systems addressing product quality and safety, we are, on occasion, subject to enforcement action. For a description of certain enforcement matters, see our Form 10-Q for the quarterly period ended March 31, 2023, and our subsequent SEC filings.

# Animal welfare

BD is committed to gold-standard animal welfare while also helping to ensure high quality science. As a medical device company, BD is required to perform preclinical animal studies to support the safety, compliance and functionality of all medical devices for FDA approval. BD veterinarians and animal care teams ensure compliance with the animal research regulations, laws and guidelines to confirm that animal welfare is always met first.

Our Corporate Animal Welfare Board meets regularly to share best practices, discuss animal regulation updates and ensure the application of the 4Rs of laboratory animal research: replacement, refinement, reduction and retirement/rehoming. Alternative means of testing should be used when scientifically valid and acceptable to regulators.



The BD Research Animal program undergoes voluntary accreditation by AAALAC International every three years. BD requires all third parties that carry out animal testing on our behalf to adhere to our Expectations for Suppliers and our company policy. Third parties should also be AAALAC-accredited, but exceptions may be made when other qualification information is considered sufficient and if unique expertise limits options.

The BD [Global Humane Handling, Care and Use of Animals Corporate Policy](#) applies to all BD associates whose responsibilities involve the handling, care and/or use of animals. Our mission is to ensure the well-being of all purpose-bred research animals to support stringent requirements that enable us to properly demonstrate safety, efficacy and suitability for medical devices and their intended use, and to safeguard the responsible use of research animals.

BD is a member of the National Association of Biomedical Research and the European Animal Research Association, which help to educate the public and advocate for the use of research animals to support advances in both human and veterinary medicine. We also host a Biomedical Research Awareness Day event each year as part of an international effort to celebrate the contributions of research animals to biomedical research. This effort helps to further educate the BD community on the significant, lifesaving medical contributions research animals have made to improve both human and veterinary medicine.

## Medical Affairs

Medical Affairs is a human health-focused organization serving as the bridge between the clinical practice of medicine and BD. The organization consists of a team of experts with hands-on clinical experience across a range of medical areas and specialties. This clinical expertise is leveraged to understand and evaluate how our products work in the clinical settings where they are used. This includes understanding unmet medical needs, translating these insights into innovation, and determining the need for evidence that defines the clinical value of our products. It also includes communicating the evidence that defines our products through

conversations, publications and presentations. Being the only organization at BD that consists of clinicians with a clinical remit, the Medical Affairs organization is also responsible for oversight of the safety of human subjects when conducting research and evaluating product issues that may threaten the health and well-being of those who use our products.

The Global Medical Safety and Governance (GMS&G) organization is a dedicated and specialized independent medical safety organization that maintains a constant and proactive monitoring process that encourages a consistent and efficient means for product safety as well as Quality, Regulatory, and Ethics & Compliance alignment. It is also intended to provide a neutral and independent assessment and objective means for escalation, independent of the BD business unit.

As part of the BD Inspire Quality initiative, Global Medical Safety and Governance is involved in restructuring how Medical Affairs will support quality—specifically, product risk management file review and approvals across BD. This is fundamental to consistent product benefit–risk assessments throughout the BD portfolio of products. Global Medical Safety and Governance has been directly involved and has served as the Medical Affairs representative for several of the BD Inspire Quality initiative efforts, which are redefining the BD quality process.

Medical Safety Officers in the Global Medical Safety and Governance Organization are in place to work closely with Medical Safety Specialists (MSS) in each Medical Affairs business team and with each Medical Affairs regional team. This process provides an independent but shared accountability model for medical safety.

The Medical Affairs Safety Council (MASC) was established in FY 2020 as a forum that could be used for specific issues that would benefit from an independent medical review. The MASC is led by the VP of global medical safety and governance (GMS&G) and includes the EVP and chief medical officer, along with the VP of medical affairs from each business unit.

The MASC provides a mechanism for regular as well as ad hoc independent medical and/or product safety reviews or escalations related to Business Unit or Regional Medical Affairs organizations.



## Global clinical affairs

Clinical studies are carried out through collaboration between the central Medical Affairs (MA) team and Clinical Affairs (CA) teams that reside with business and regional teams. The vice president of global clinical affairs (VP GCA) and the vice presidents of medical affairs (VPs MA) in each business and regional team report directly to the company's executive vice president and chief medical officer and have overall responsibility for clinical studies.

The VP GCA and VPs MA are responsible for ensuring that clinical studies are carried out in an ethical manner and in adherence to good clinical practice (GCP). In addition, an independent Ethics Committee/Institutional Review Board (EC/IRB) reviews all studies and has the authority to approve, modify or stop a study at any time.

Each business team is responsible for study design and execution, including developing the clinical quality concept, safety management, and reporting adverse events during and following any studies.

Prior to the start of each study, a risk assessment is carried out by the central CA quality team and representatives from the Medical Affairs study team. The risk assessment is shared with the EC/IRB and any oversight bodies, such as a clinical event committee, and regulatory agencies where applicable. Identified risks are assessed during the study on an ongoing basis, by examination of adverse events or other factors.

Free and informed consent is obtained from all study participants prior to the start of each study. Consent is obtained by the principal investigator of the study site and designees, as per site procedures. The names and contact information of the study site's principal investigator and the EC/IRB are provided to each study participant in written form, usually by listing this information in the subject's informed consent. Participants are encouraged to reach out to either of these contacts if they have questions or concerns about the study.

Extensive training in BD policies related to human subject research and in GCA's formal Quality System, consisting of standard operating procedures (SOPs) and work instructions, is required of all BD associates who engage in clinical study activities. This training occurs through course and procedure review via the BD online training system, as well as through direct education during study team meetings.

BD clinical studies are conducted in various regions by ethical and competent clinical research teams. The Medical Affairs and GCA teams have decision-making responsibilities in this area. However, the locations of the teams may vary from where products are ultimately marketed.

In accordance with the GCA's SOPs, a formal monitoring plan is written for each study. This plan defines the method and timing by which BD associates maintain oversight of each study site. Clinical study monitoring may occur through frequent communications via phone and email, and multiple visits to the site. The site and its principal investigator are qualified for participation by GCA procedures.

Compliance with the study protocol and GCP, especially when related to safety issues, is reviewed regularly through the medical record and study database for each site participant.

In addition, external audits are conducted using selected high-risk studies by BD auditors external to the study execution team.

All studies are registered in public databases (such as [clinicaltrials.gov](https://clinicaltrials.gov) as required by U.S. federal law. This includes information about the study protocol, clinical study sites and, eventually, adverse events and other study results. Reporting on significant problems discovered during monitoring, deviations from the protocol, and necessary corrective actions are reported to the responsible EC/IRB and, when required, to the regulatory agency with jurisdiction (e.g., FDA).

We are committed to seeking the publication of the results of our completed applicable clinical trials on any marketed product in peer-reviewed scientific literature, regardless of the trial's outcome. We will provide the final statistical reports of protocol-derived outcomes to external authors. As a study sponsor, BD does not approve or veto such publications.

View our [clinical trial publication policy](#).





# Responsible supply chain

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# Responsible supply chain

**Our goal:**

Create a supply chain adaptable to disruption and able to contribute to strong environmental and social performance.

**2030 goals:**

- 1 We will strengthen engagement with supply chain partners on their labor and environmental practices and performance by completing ESG desktop audits for strategic, preferred and critical suppliers by 2023.**
- 2 We will partner with strategic/preferred/critical suppliers to evaluate risk in Tier 2 by 2030.**
- 3 We will seek to have 90% of total spend reflected in completed supplier ESG desktop audits by 2025.**
- 4 We will incorporate climate risk into supply chain and network architecture strategies.**

**Current status:**

As of FY 2022, we completed 600 supplier assessments. This represents 48% of our total spend having completed a supplier assessment.

In FY 2022, over 7,200 Tier 1 suppliers and over 8,500 Tier 2 and Tier 3 suppliers have been mapped for risk alerting and incident response. This information will enable us to identify hot spots within our extended supply chain so we can work with our Tier 1 supplier partners to implement remediations where necessary.

With 48% of total supplier spend assessed in FY 2022, we are working towards our 2025 target.

In FY 2022, we completed calculation of our baseline for Scope 3, categories 1, 2, 4 and 9 GHG emissions. As part of this assessment, we were able to determine which categories of spend and suppliers were significant contributors to Scope 3, category 1 and category 2 GHG emissions, and which regions and modes of transport contributed significantly to Scope 3, category 4 GHG emissions. This information will assist us in prioritizing where to focus efforts to reduce GHG emissions in our value chain.

For further details about how we manage climate risk, click [here](#).

For details on restatement of data and inclusion of data relating to embecta, please see Data tables in the appendices.



# Supply chain resiliency and responsible sourcing

BD recognizes that our supply chain represents a substantial impact across ESG topics. Through our Supply Chain Resiliency and Responsible Sourcing program, we seek opportunities throughout our organization to engage with our suppliers so we can collectively improve our ESG impacts. Engaged suppliers work collaboratively to find new solutions and reduce negative impacts. This enables us to avoid risk, address key compliance requirements, establish shared value, enhance relationships with our customers and supplier partners, and positively impact our society and planet.

A significant portion of our 2030+ responsible supply chain goal efforts are guided by the Supply Chain Resiliency and Responsible Sourcing program, which incorporates six key focus areas of work: human rights due diligence within our supply chain; supplier sustainability; supplier diversity; supply chain resiliency; supplier cybersecurity; and end-to-end transparency. These focus areas address global challenges that impact our suppliers, associates and customers, as well as the communities in which we live and work.



## Program governance

BD's Responsible Sourcing Operating Committee (see [human rights](#) section) guides and facilitates our ESG efforts within procurement. Key focus areas of this committee's work include human rights due diligence in our supply chain and addressing environmental issues as they relate to responsible sourcing, such as reducing emissions and sourcing alternative, more sustainable materials.

The committee is sponsored by the SVP, global supply chain, the chief procurement officer (CPO), and the chief sustainability & EHS officer (CSO), and consists of subject matter experts from across the company and including representatives from the central Procurement leadership team, as well as EHS legal counsel, a representative from the central Sustainability team, and ethics and compliance experts.

More information can be found in the [human rights](#) section of this report.

## Human rights due diligence in our supply chain

Across all of our programs that address human rights and modern slavery, we assess management effectiveness through periodic program reviews and internal and external metrics to track this work. These include:

- Strengthening engagement with supply chain partners on their labor and environmental practices and performance by completing desktop environmental/social audits for strategic, preferred and critical suppliers by 2023
- Partnering with strategic/preferred/critical suppliers to evaluate risk in Tier 2 by 2030
- Seeking to have 90 percent of total spend reflected in completed supplier ESG-focused desktop audit by 2025

BD complies with [modern slavery and human rights due diligence](#) reporting requirements.



## Tier N supply chain mapping

With approximately 26,000 Tier 1 suppliers and a complex supply chain network that stretches across the globe, BD understands that the supply chain mapping project being undertaken by our [Supply Chain Resiliency team](#) can be particularly useful to focus areas such as human rights. This year, in partnership with our risk monitoring supplier that leverages AI and machine learning capabilities to enable discovery of Tier N connections, we started to get further visibility into our extended supply chains for critical-to-health product lines. This solution allows us to better understand Tier N risk for specific risk areas, which is particularly useful for our understanding of the BD supply chain's human rights risk where specific regions and commodities are designated as known issues. By using this mapping capability, BD has focused on mapping to specific complex issues, rather than attempting to map a network of this size and scope in its entirety, thus allowing us to focus on areas of our greatest risk. This cutting-edge capability allows BD to more confidently understand our risk profile, and thus target human rights risks directly.

## Expanded training on modern slavery and human trafficking

BD provides online modern slavery and human trafficking training, developed by a third party, to approximately 10,000 associates worldwide annually.

The course explains that forced labor, also known as modern slavery, still exists in the world, and prompts learners to consider ways of identifying, reporting, preventing and stopping it in the supply chain.

This year, BD launched an additional, more in-depth training specifically for quality auditors who regularly visit supplier locations to help them better identify and report suspected human rights violations, with a focus on doing so in a manner that maintains their safety. This additional training speaks to BD's dedication to continuously evaluate and build upon existing Human Rights Due Diligence program components—both internally and throughout our supply chain. It also demonstrates the cross-functional approach the Responsible Sourcing team has taken to tackle human rights due diligence across our supply chain and throughout the company.

## Ongoing supplier assessments

In FY 2022, BD continued to prioritize supplier assessments to better understand where the greatest risk for human rights violations may occur in our supply chain. We also prioritized communicating our expectations to suppliers so that they understand the importance of this work. We were able to complete 600 assessments in FY 2022, which represents approximately 48 percent of our total spend. Suppliers who were deemed high-risk for labor and human rights, as a result of the assessment, were assigned corrective actions, and we regularly monitor the status of corrective action implementation. While low scores indicate higher risk, they also represent a supplier who is engaged in the scoring process and is more likely to respond to our requests for improvement. Looking forward, we will continue our supplier assessments and prioritize work with suppliers who have completed the assessment. We also seek to build collaborative relationships with our suppliers to improve human rights practices across our extended Tier N supply chain.

At end of FY 2022

**600**

supplier assessments completed, representing

**48%** of total spend

Approximately

**10,000**

associates trained worldwide in identifying and reporting human rights violations

### Expectations for suppliers

The [BD Expectations for Suppliers document](#) was recently updated as part of our ongoing work to align the expectations we have of our suppliers with the ever-evolving regulatory landscape. New sections were added for quality expectations and information security, as well as our expectations regarding supplier emissions reporting, and other minor updates were made to bring language in line with best practice

This document was published in 2012 and is a fundamental part of our relationship with our suppliers around the world. Acknowledgment of the Expectations for Suppliers document is a requirement of doing business with BD, and is included in contracts and purchase orders, as well as at various phases of the supplier relationship management process.

BD expects all our suppliers to fully comply with these standards and to be able to demonstrate their compliance. We also expect our suppliers to have similar requirements and standards for their own suppliers.



BD Expectations for Suppliers



## Supplier sustainability

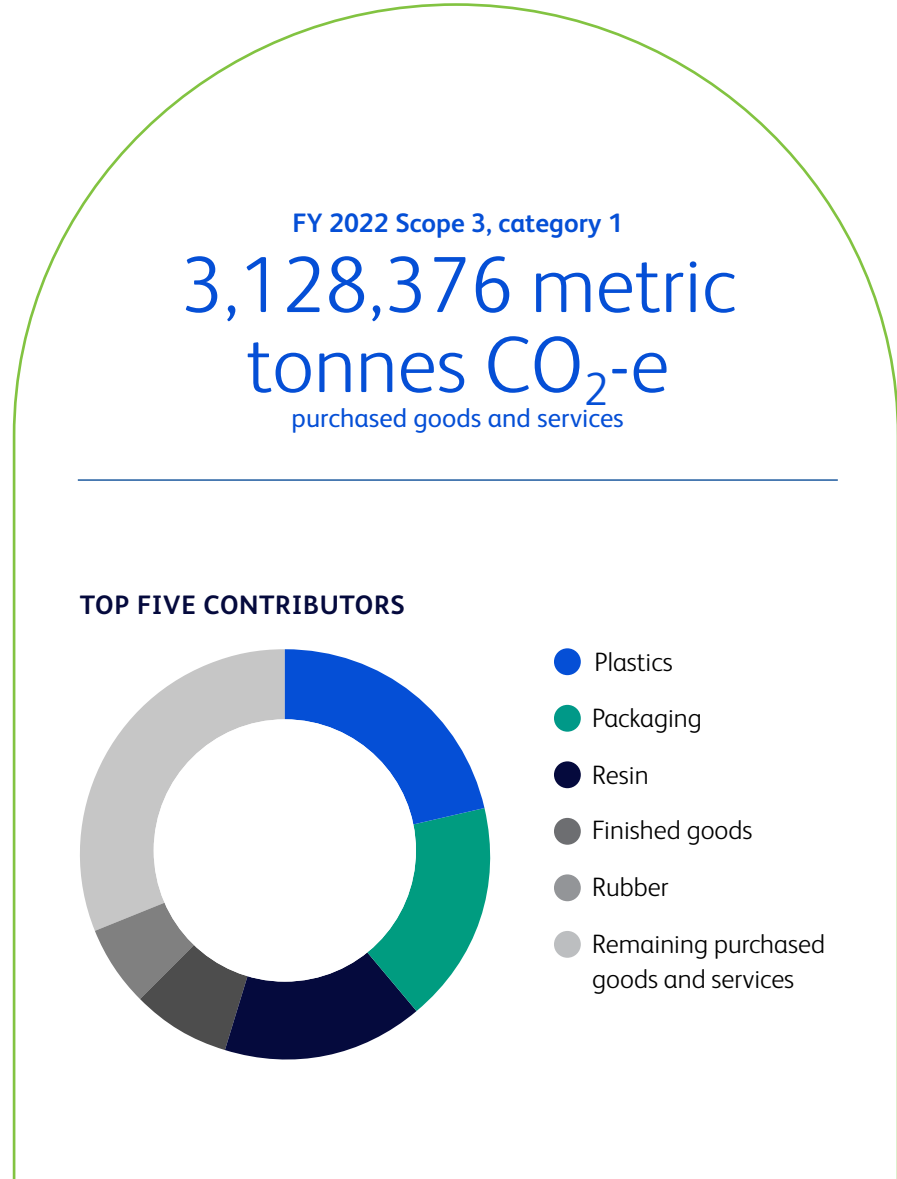
The procurement of goods and services represents over 40 percent of BD’s overall GHG emissions. To reduce these emissions, we are working collaboratively across the company and through our supplier relationships to reduce the impact of our Scope 3, category 1 emissions. 2022 represented a foundational year in our

efforts to reduce emissions. Our Responsible Sourcing team conducted an in-depth analysis of our baseline emissions results in FY 2021, allowing us to better understand sources of emissions and build a strategy to reduce them, including engaging more closely with our suppliers.

As a first step, we reached out to our top emitting suppliers to better understand their actual emissions, plans to reduce the emissions, and maturity level on the emissions reduction path. We identified suppliers who demonstrated best practices and from whom we could learn and engage, as well as suppliers who needed support to better measure emissions and set science-based goals to achieve emissions reduction. This work drove strategy setting around how we engage with suppliers—whether leading, lagging or somewhere in between—and BD will deploy a customized, supplier-focused emissions effort to drive stronger supplier awareness and partnerships to reduce overall emissions.

As all of our reductions cannot come from supplier effort alone, the Responsible Sourcing team has also begun to target our top emitting material categories to drive efforts around emissions reduction. We will continue to engage our suppliers and advance our work at the BD Sustainable Medical Technology Institute ([BD SMTI](#)) to identify more sustainable products and services that our suppliers may offer, and to pilot innovative ideas that may decrease our emissions. Additionally, we will continue to drive internal awareness of sustainability solutions and will track carbon reductions from material reductions and from projects that locate a material source closer to our manufacturing site.

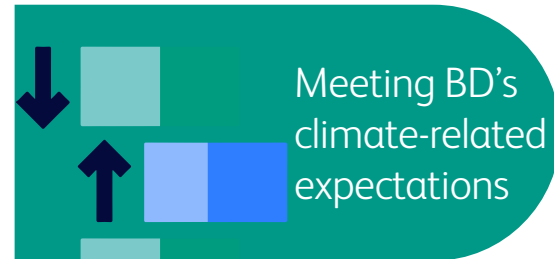
BD has committed to minimizing our contribution to global emissions by joining the UN Race to Zero and committing to set Science Based Targets (SBTs). As a large share of our GHG emissions are produced in our upstream supply chain, we’re focusing on creating a supply chain that is adaptable to climate risks and able to contribute to strong environmental performance.



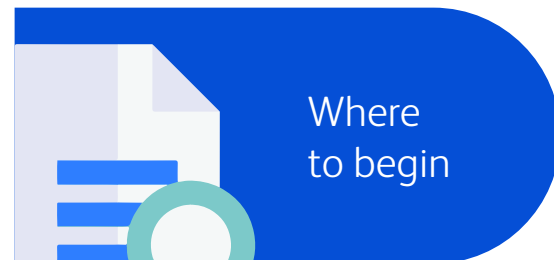


## BD supplier climate action

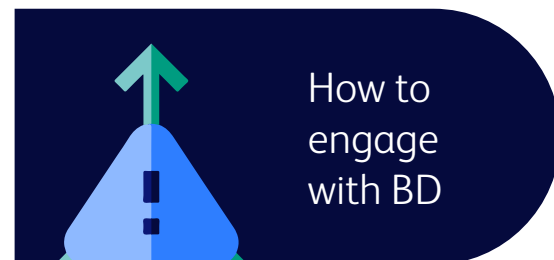
### Guidance for suppliers



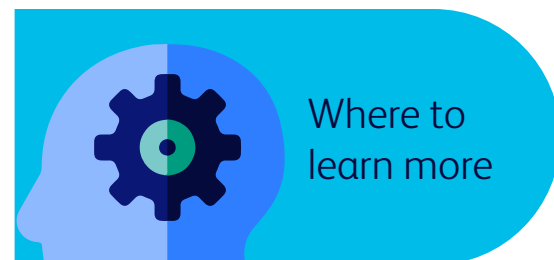
- Suppliers should systematically track, document, and publicly report all energy consumption and relevant Scopes 1, 2 and 3 emissions (where applicable).
- Suppliers are encouraged to set a publicly available target to halve their own GHG emissions (Scopes 1 & 2) by 2030 in alignment with the latest climate science and to look for methods to minimize their energy consumption and greenhouse gas emissions wherever possible.



- Look at the company's current impact and status on climate action.
- Map out emissions.
- Plan internally to set GHG targets and how to achieve them.



- Make targets public through the company website, annual report or CDP, and share GHG data with BD.
- Measure and report progress to BD on an annual basis.
- We strongly encourage suppliers to set targets in alignment with the Science Based Targets Initiative.
- Suppliers are encouraged to innovate around products and packaging to reduce emissions across their life cycle.



Learn more via these resources:

- [BD Sustainable procurement and Expectations for Suppliers](#)
- [Greenhouse Gas Protocol](#)
- [Science Based Targets Initiative](#)
- [1.5°C Business Playbook](#)
- [Carbon Disclosure Project](#)
- [PCSI Decarbonization](#)

Beyond carbon emissions, BD regularly engages with suppliers to monitor compliance with an evolving landscape of regulatory and customer requirements. These requirements vary widely, from elimination of materials of concern to focusing on the recyclability and recycled content of our packaging. Our Procurement team works collaboratively across BD to identify focus areas and expand on existing work (such as that of our SMTI or our Product Stewardship team) in order to provide suppliers with a focused message and obtain needed data. This work will continue to be supported as we build stronger supplier relationships to reduce emissions.

Suppliers who wish to learn more about how they can share their emissions and reduction targets with BD, understand how they can start to reduce emissions, or engage further with BD on this topic can reach out to [BDResponsibleSourcing@bd.com](mailto:BDResponsibleSourcing@bd.com). While we share our minimum standards on emissions in our BD Expectations for Suppliers document, we are committed to collaborating across our supply chain to learn from, and share learnings with, suppliers of all levels of maturity on the emission reduction pathway.





## Supplier diversity

The BD Supplier Diversity program’s core strategy is to maximize opportunities to identify, educate, develop, and utilize small businesses and diverse-owned suppliers. We intentionally and actively engage with historically underutilized and underrepresented suppliers and communities to drive sustainable and responsible procurement efforts and support the economic inclusion and empowerment of minority, women, veteran, LGBT, disability, and small-business concerns. We are committed to developing and implementing strategies that align our supply base with the diverse customers, communities and patients we serve and the various markets we seek.

In FY 2022, we significantly increased the opportunities open to small and diverse businesses by increasing our eligible spend by more than 16 percent. This success was due, in part, to our investment in developing and implementing the BD Supplier Inclusion Portal, which increased accuracy in capturing, tracking and reporting our impact with small businesses and diverse-owned business suppliers, including Tier 1 and Tier 2 spend.

We also achieved a marked increase in the accurate identification of our small-business and diverse-owned suppliers after making a concerted effort during the COVID-19 pandemic to offer the best net payment terms to small-business suppliers, both diverse- and non-diverse-owned. This initiative, combined with the increased utilization of our Supplier Inclusion Portal, helped us reach a 75 percent increase in certified small and diverse-owned suppliers within our supply chain.

Further details on the BD Supplier Diversity program can be found on our [website](#).

BD is proud to have achieved a 75% increase from the previous year in the number of certified small and diverse-owned suppliers within our supply chain.

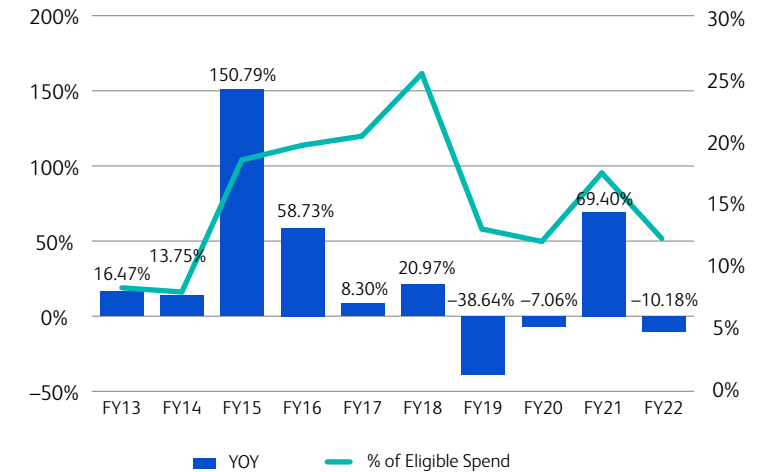
## Economic impact

BD understands the importance of quantifying the economic impact our work has across the communities we serve. In FY 2022, we spent \$601 million with 1,883 small and diverse-owned suppliers, thereby supporting the maintenance of 1,958 jobs, including the addition of 362 new jobs. These supported roles added wages, taxes and subsequent spending, all totaling \$1.1 billion in economic impact.

Our Economic Impact Project, which measures how the BD Supplier Diversity program positively affects BD stakeholders, continues to align with our global sustainability efforts. We strive to create impact at the community level by increasing economic and societal inclusion, our influence on suppliers focusing on economic and societal inclusion, and our customers’ growth of their supplier diversity programs. These efforts support our program’s direct alignment with the United Nations Sustainable Development Goals (SDGs)—including supporting gender equality (SDG 5), supporting decent work and economic growth (SDG 8), and reducing inequalities (SDG 10)—and reinforce the BD brand as a responsible corporation, raising our visibility and establishing BD as a best-practice leader in supplier diversity.

As we evolve and advance the BD Supplier Diversity program, continued insight into our year over year economic impact will help us shape how we interact with our communities and better translate our efforts into advocacy for diverse communities.

Year-over-Year Diversity Spend Achievements\*



\* Includes embecta up to end FY 2022 Q3.

### Our 2022 SDE&I Impact within U.S. & Puerto Rico

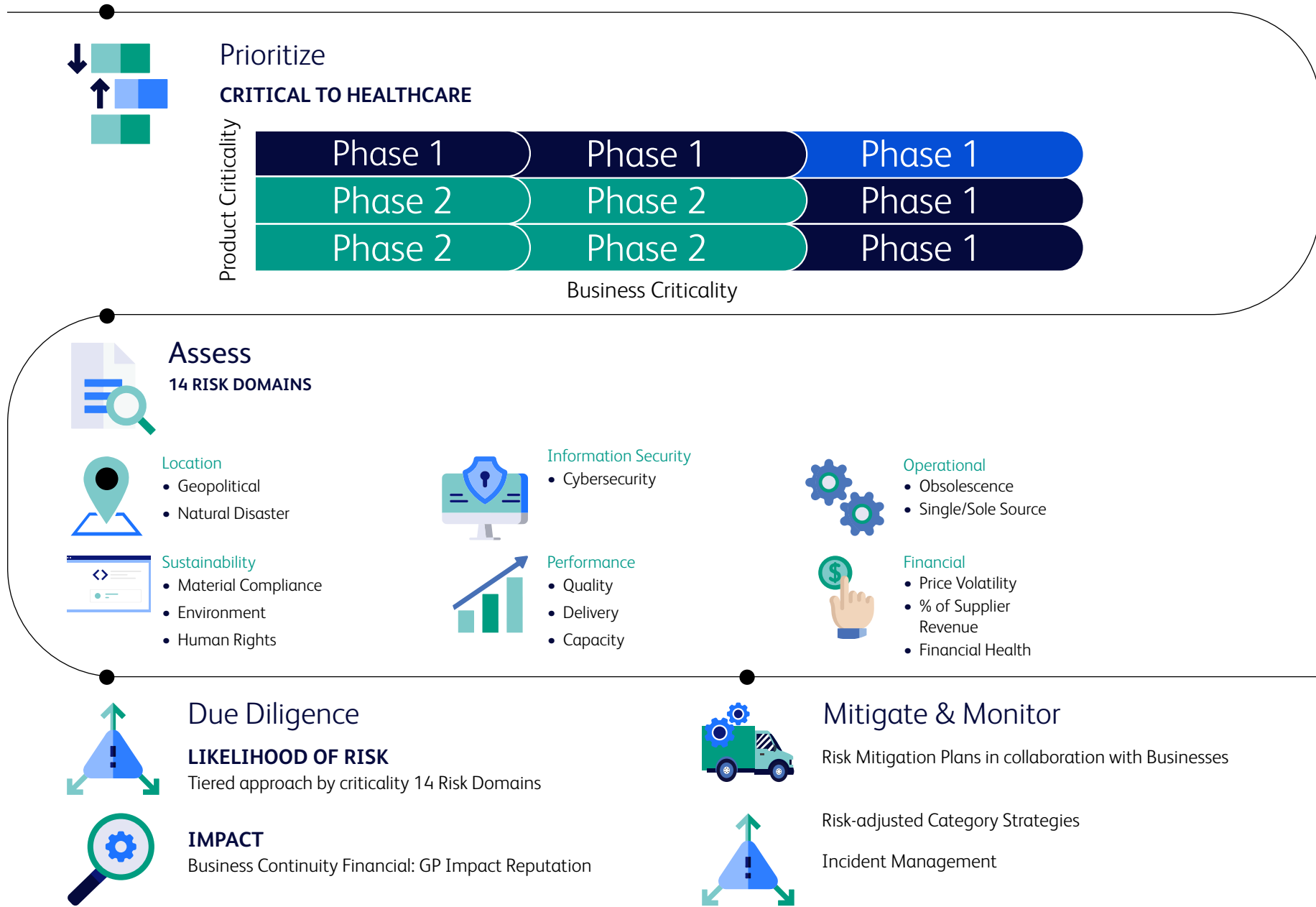
**\$601M**

spent with small business, woman-, minority-, veteran-, LGBT-, and disability-owned business suppliers

**2,505**

small and diverse-owned suppliers partnered with

# Supply chain resiliency



Critical to healthcare and critical to business products are those that are deemed to be significant to the delivery of care and to the strength of our businesses.

We continue to prioritize and expand our Supplier Resiliency program to increase resourcing, the supplier base covered under the BD risk model, the critical-to-health product lines receiving mitigation, the risk factors being monitored, and the technology and capabilities supporting incident management and mapping of the Tier N sub-supply base. BD also has plans to further extend our supply resiliency efforts, visibility and end-to-end support — from new product development through manufacturing and operations risk mitigation.

In the past year, over 7,200 Tier 1 suppliers and over 8,500 Tier 2 and Tier 3 suppliers have been mapped for risk alerting and incident response. Within the Tier 1 base, hundreds of risk mitigation projects across eight business units were completed. These efforts resulted in reduction of internal and external risk exposure for our critical-to-healthcare product lines and significant reduction in financial risk exposure for our company.

The visibility into our Tier N supply chains is enabling us to help to assure against hidden modern slavery risks deep in our sub-supply chains and allowing us to implement preventive measures and mitigations proactively. The Tier N mapping also further informs our network architecture strategy development, enabling our businesses to optimize our product supply chains while incorporating climate risk and keeping environmental impact in mind. Additionally, weather and natural disaster intelligence sources have expanded and are incorporated into supplier risk incident notifications and environmental sustainability scores compiled in location risk assessments.

The above efforts, extended peer connections, government engagements, and university and industry collaborations, including membership in the Healthcare Industry Resilience Collaboration (HIRC) and Strategic Marketplace Initiative (SMI), resulted in BD's Supplier Resiliency program being shortlisted for World Procurement's Risk & Resilience 2023 Award. This prestigious recognition is reflective of the foundational resiliency investments BD has made internally, as well as the efforts of our BD Supplier Resiliency program to support the suppliers who work together with us in *advancing the world of health™*.



## Supplier cybersecurity

Cybersecurity remains a high risk to our industry, with ransomware attacks in healthcare rising over 300 percent in FY 2022, and many phishing and cyber-attacks executed through third parties. As a result, BD has increased our investment in our third-party cybersecurity risk management program. Leveraging external assessments and industry standard frameworks, such as those offered by ISO and the National Institute of Standards and Technology (NIST), BD has designed a Supply Chain Cybersecurity Risk Management program that will provide further resilience within our supply chain.

We plan to continue to invest in this program, giving us industry-leading insights into the real-time cyber posture of our suppliers and proactive means to drive prompt detection and remediation. In addition, we are partnering closely with global regulatory bodies to remain compliant with applicable shifting laws and regulations aimed at the security and transparency of the supply chain, such as enhanced U.S. National Defense Authorization Act requirements, incident reporting and Software Bills of Materials.



BD is a proud member of the Pharmaceutical Supply Chain Initiative (PSCI). Through this partnership we work collaboratively with peer companies to magnify our impact across our supply chains in areas such as human rights, emissions reductions, and governance. We encourage our suppliers to join this network for free to have access to training, webinars, and toolkits. More information can be found at: <https://pscinitiative.org/home>



## End-to-end transparency

We are working to improve end-to-end visibility across our supply chain, beginning with our Tier N supply chain, to make more informed decisions, identify opportunities for greater collaboration with our customers on areas of most significance to them, identify weaknesses in our extended sub-tier networks, and implement mitigations in a prioritized manner. With improved communication, visibility and end-to-end transparency, we aim to enable our leadership in responsible sourcing and supplier resiliency to become a competitive advantage for BD.

Our Supply Chain Resiliency and Responsible Sourcing team has partnered with many of our strategic customers on supply chain transparency efforts, supplier diversity Tier 2 spend reporting, and supplier ESG efforts and progress. We continue to partner with our customers' supply chain teams to share lessons and best practices in the spirit of true collaboration to drive better patient outcomes. We are also engaging actively as members of various external collaborative groups with our peers, industry thought leaders and customers in order to improve the healthcare industry resiliency, through engagement with HIRC and SMI.

In May 2023, BD earned the HIRC Transparency Partner Badge from the Healthcare Industry Resilience Collaborative (HIRC), a nonprofit trade association focused on achieving one goal—a more transparent and resilient supply chain. The HIRC Transparency Partner Badge is a prestigious distinction that demonstrates BD's continued commitment to a responsible, adaptable supply chain, and furthers progress toward our 2030+ ESG goals.





# Global supply chain

BD’s products are marketed and distributed in the United States and internationally through independent distribution channels, and directly to hospitals and other healthcare institutions by BD and independent sales representatives. BD uses acute care, non-acute care, laboratory and drug wholesale distributors to broadly support our overall disposable product demand from our end-user customers in the United States. In international markets, products are distributed either directly or through distributors, with the practice varying by country. In order to service our customers, optimize logistics, lower facility costs and reduce finished goods inventory levels, we operate consolidated distribution facilities around the world.



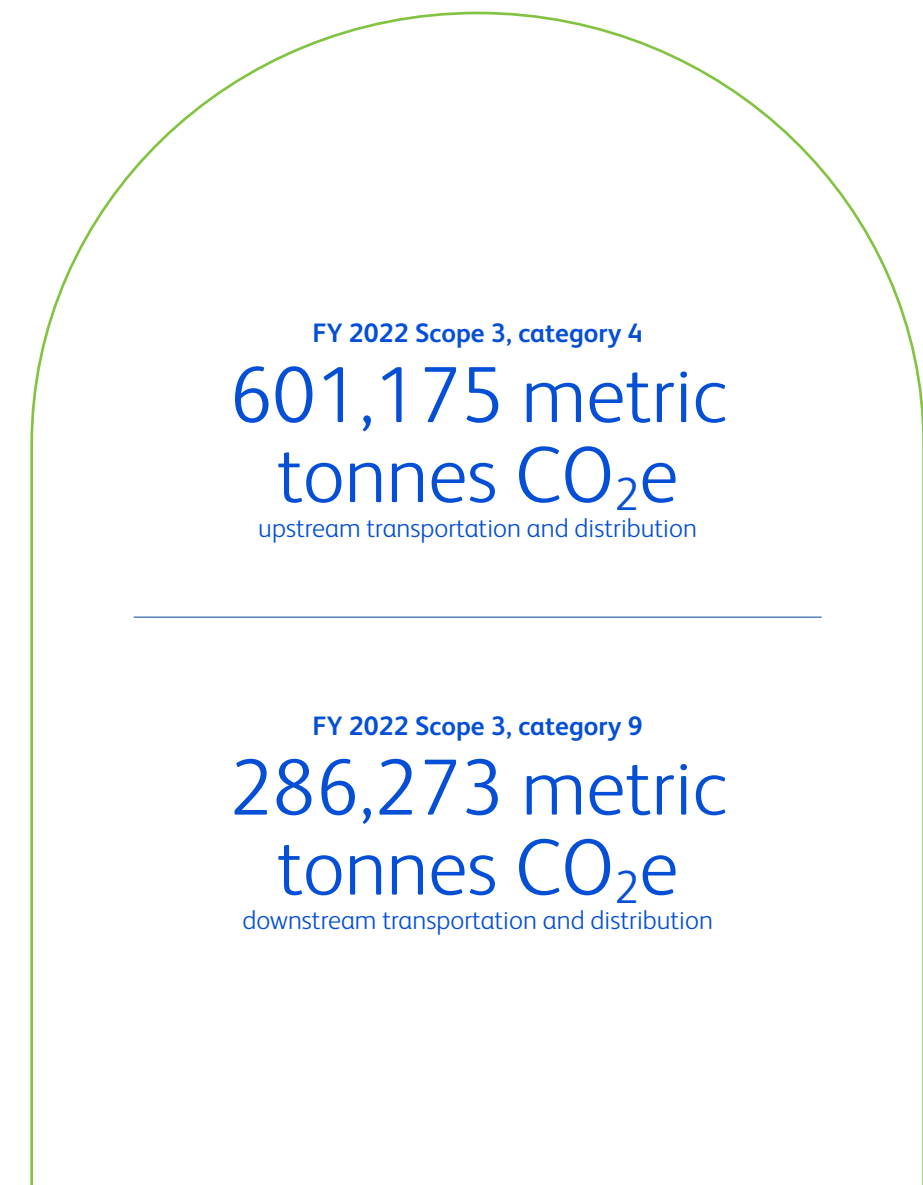
## Emissions – Scope 3, category 4 (upstream transportation and distribution) and category 9 (downstream transportation and distribution)

As our products are distributed using a variety of modalities around the world, transportation and distribution represent a significant source of emissions. In FY 2021, we gathered baseline data to better understand our use of transportation and the impact that it has on our environment. It is important to note that we saw an increase in movement of goods by air that year—nearly 70 percent of our carbon impact was due to air freight—driven by shipment of products used for COVID-19 testing and by capacity challenges in the global supply chain.

We worked with the company ERM to align our GHG accounting practices for transportation activities with those of the Global Logistics Emissions Council (GLEC) Framework. Specifically, GLEC Framework default emission-intensity factors in gram carbon dioxide equivalent (gCO<sub>2</sub>e) per tonne-kilometer (t-km) (gCO<sub>2</sub>e/t-km) were utilized to estimate emissions from air, rail, road and sea transportation activities of finished products to the customer. These transportation activities are estimated to have resulted in 629,222 metric tonnes of CO<sub>2</sub>e of emissions in FY 2021. BD assumes we are responsible for the payment of these outbound transportation activities and, as such, the emissions are categorized as Scope 3, category 4.

In FY 2022, to reduce our emissions, we focused on streamlining, centralizing and standardizing our distribution process and transportation use. Instead of using air freight shipping, we moved to sea transportation, when possible, for products with longer shelf lives. We evaluated the distribution process to identify where we could bypass distribution centers and instead deliver the product from the manufacturing plant to the final destination. We worked to maximize the fill of our shipping containers in all modes of transportation, which was aided by the refinement of our shipping temperature ranges (reduced from 52 to nine). We also analyzed the location of our distribution centers to ensure that they are in the right

proximity to our manufacturing and sterilization plants to reduce shipping mileage. We employed electric vehicles to move our products in Brazil and we are working with our transportation partners to use more fuel-efficient, sustainable vessels and trucks. We also continue to educate BD associates about the environmental impacts of shipping and provide alternate solutions.





# Healthy workforce and communities

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# Healthy workforce and communities

**Our goal:**

Maintain a healthy and thriving workforce that cultivates our culture of inclusion, safety and well-being, and contributes to advancing equitable health around the world.

**2030 goals:**

- 1 **We will provide tools and resources to empower our workforce in managing their physical, mental and financial health.**
- 2 **We will proactively manage the needs of our future workforce through training, development and reskilling strategies.**
- 3 **We will foster our culture of inclusion, safety and well-being, and contribute to the global communities in which we operate and serve, by:**
  - **Improving ethnic and gender diversity by 1% year-over-year. Gender and ethnicity representation goal is measured against a Q4 FY2020 baseline of 42.9% and 31.1%, respectively.**
  - **Developing servant leaders and exemplifying The BD WAY.**
  - **Ensuring equal pay (by gender) worldwide.**
  - **Paying competitive market rates and utilizing living-wage assessments in key regions or countries to inform wage strategies.**

**Current status:**

We seek to reward, support and develop our associates who advance our Purpose and contribute to our success by offering a comprehensive Total Rewards program that evolves with the varying needs of our diverse and global team members.

In response to associate feedback in the U.S., for FY 2023, we added new benefits. For further details, click [here](#).

Our annual Strategic Organizational Plan is a tool used to evaluate our workforce and organization of today against the talent and capability needs of tomorrow, in line with our strategic objectives.

For further details, including learning and development, click [here](#).

In FY 2022, we saw a 1% year over year increase in global gender diversity at the management level and 2% at the executive level.

We saw a 3% and 2% year over year increase in ethnic diversity at executive and management levels, respectively.

At the associate level, there was no change to gender diversity, however ethnic diversity increased 2% year over year.

For further details, click [here](#).

BD University offers a robust manager curriculum designed to help our managers become more effective and create work environments that facilitate growth and success.

For further details, click [here](#).

In FY 2021, female associates globally earned an average of 98 cents for every \$1 earned by male associates globally.

In FY 2022, female associates in the U.S. earned an average of 99 cents for every \$1 earned by male associates in the U.S.

For further details, click [here](#).

Further information about compensation is available [here](#).

For details on restatement of data and inclusion of data relating to embecta, please see Data tables in the appendices.



# Human capital management

## A culture of career growth

At BD, we are focused on ensuring that our associates feel supported in their performance and development at all stages of their careers, and on creating an inclusive environment that embraces a robust growth mindset and fosters servant leadership.

Our Talent@BD Center of Excellence enables associate growth through career development initiatives, coaching, mentoring, targeted leadership development and learning programs for all associates via BD University (BDU), our in-house continuing education program. In addition, our Career Growth Cycle offers a clear map for development, empowering associates to choose learning and networking experiences to achieve aspirations and enabling managers to support and nurture career development.

We promote a culture of ongoing feedback, including continuous performance conversations and forward-focused development discussions. We begin by setting clear objectives for each of our associates, aligned to the BD 2025 strategy and rooted in our cultural principles. We encourage regular conversations between people leaders and associates throughout the year to help our associates grow and maximize their impact. The end of the year is our opportunity to reflect upon our associates' impact and development during the year and focus on future growth, aspirations and opportunity.

The foundation of our human capital management is centered on The BD Way, which embodies who we are, what we stand for and why we exist, and reflects the behaviors we're all expected to demonstrate every day. Most importantly, it is anchored in our Purpose—*advancing the world of health™*.

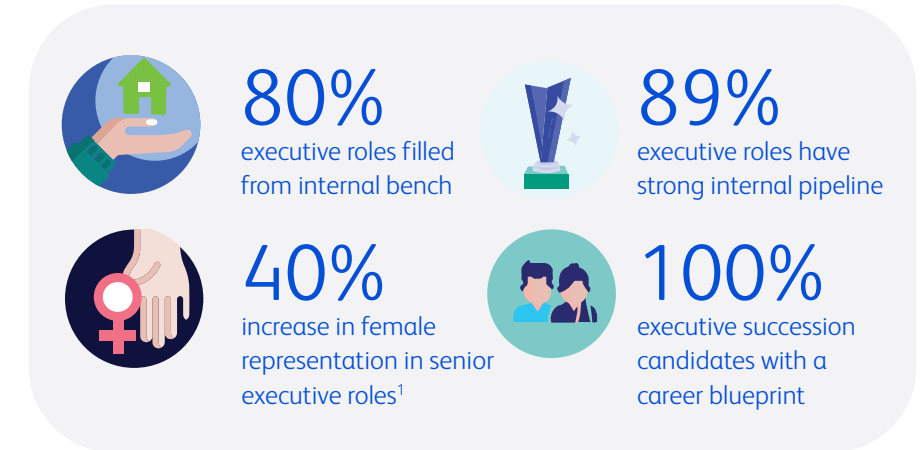
## Future-focused organizational planning and development

In order to proactively develop our associates for future opportunities and business needs, each of BD's business, regional and central teams refreshes its Strategic Organizational Plan (SOP) annually. The SOP is a tool used to evaluate BD's workforce and organization of today against the talent and capability needs of tomorrow, in line with our strategic objectives. This process allows BD to capture and proactively address potential areas of human capital risk and/or retention needs; create a talent strategy to develop our associates' capabilities now to enable us to deliver in the future; and provide feedback, growth support and long-term career paths for our associates.

Outputs from this work are embedded in BD's formal annual strategic review discussions, where business leaders discuss and refine these plans and critical capability and associate development action items with the CEO, Chief People Officer and members of the Executive Leadership Team as part of their broader business strategy.

In preparation for the SOP, BD also conducts regular talent reviews. During these sessions, we evaluate our succession pipeline health and our ongoing commitment to diverse representation across positions and succession slates, and we seek specific opportunities to drive the development and growth of our associates. These talent reviews advance our progress toward our goals. For example, 80 percent of our executive opportunities in the past 15 months were filled from our internal succession bench. In the same period, we have seen a 40 percent increase in female representation in our executive roles, 89 percent of our executive succession benches have likely or potential internal successors identified, and 100 percent of our executive succession candidates have active career blueprints.

We encourage and train our people leaders to have ongoing discussions throughout the year with their associates where rich development plans can be built and advanced, with the support of near-term feedback and coaching.



Through talent reviews, we also identify individuals with differentiated potential and connect them with additional learning experiences, called Leadership Excellence Accelerator Programs (LEAP), to further support their growth and the achievement of their career aspirations.

## Investment in leaders

We have a deeply embedded practice of investing in our next generation of leaders and believe that strong servant leaders will unleash the potential of the organization. By focusing on the growth and well-being of our associates, they will be empowered to develop, perform and thrive while meeting business objectives. We educate all leaders through our core BDU curriculum and host targeted programs to accelerate the growth of select leaders to create ready-now successors to ensure a robust leadership pipeline. We have begun strategic partnerships with world-class business schools and universities for our LEAP programs and are currently partnering with the central Inclusion, Diversity, Equity and Engagement (IDEE) team to pilot new offerings specifically designed to further accelerate the growth and development of our diverse talent.

<sup>1</sup> BD's top 28 leadership positions

## Learning and development

For all associates, we have several tools to help with personal and professional development, including career development plans, mentoring programs and in-house learning opportunities. Our learning philosophy follows a 60-20-20 rule:

60% of learning on the job

20% through coaching and mentoring

20% coming from formal training

For 20 years, BDU has helped shape a culture of continuous learning aligned with the company’s strategic goals. BDU utilizes a “leaders as teachers” approach, which is a best practice in corporate learning and development programs. Leaders from across the company, including BD’s CEO, give their time and expertise to facilitate BD training.

Recently, BDU implemented several innovative approaches and programs designed to meet the new and emerging needs of our associates, managers and leaders. The curriculum is designed to enable our BD culture, cultivate leaders and develop key organizational skills, and is delivered through an omni-channel approach that includes digital, virtual and in-person learning opportunities to help our associates learn when and how they like. Our digital learning is used by 30,000 associates per year and our virtual learning series, called Power Skills, has over 7,000 associates attend per year. Our robust manager curriculum is designed to help our more than 8,000 people managers become more effective, enabling them to SERVE-GROW-COACH associates and create work environments that maximize their full potential. Our curriculum has measurable impact in the organization—our associates rate the learning opportunities highly, we track on average a 15 percent increase in learning in our classes, and we’re seeing real behavior change in the work environment that will help us reach our cultural and strategic goals.

### BDU by the numbers

30,000

associates use digital learning each year

8,000

people managers benefited from the manager curriculum

7,000

associates attended Power Skills

15%

increase in learning from FY 2021



# Inclusion, diversity and equity

We strive to create and foster a culture of inclusion where all of our associates feel valued and find a welcoming and inviting place for their ideas—a place where they can be their authentic selves. Supporting our associates in aspects of their personal and work lives enables them to thrive, feel connected and realize their full potential.

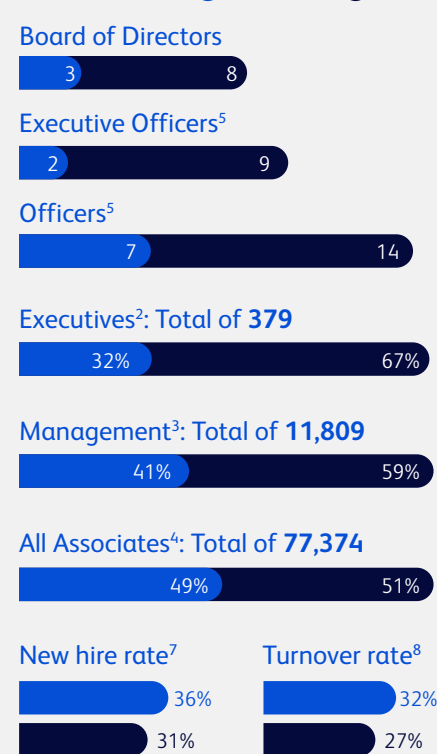
Our inclusion, diversity and equity (ID&E) goals are embedded in our 2030+ ESG goals, specifically those that address healthy workforce and communities and reflect our efforts to build a better world. They fulfill our Purpose, empower our workforce, drive innovation and create a more inclusive environment. Our ID&E foundation is built on systems, processes and tools that we use to drive action and accountability and measure our progress toward achieving our goals.

## Diverse representation

Having representation of different dimensions of diversity globally is important to BD. We value our associates having diverse perspectives; it is what fuels the innovation needed to address complex healthcare challenges. We use key driver goals to measure the progression of key talent metrics tied to dimensions of diversity and representation. Our goal is to increase diverse representation at the management and executive levels of our company by 1 percent each for gender and ethnicity, year over year, by 2030. Data for FY 2022 is provided below. Historical data can be found [here](#).

**+4 point**  
Year-over-year improvement in ethnic diversity for all associates for FY 2022

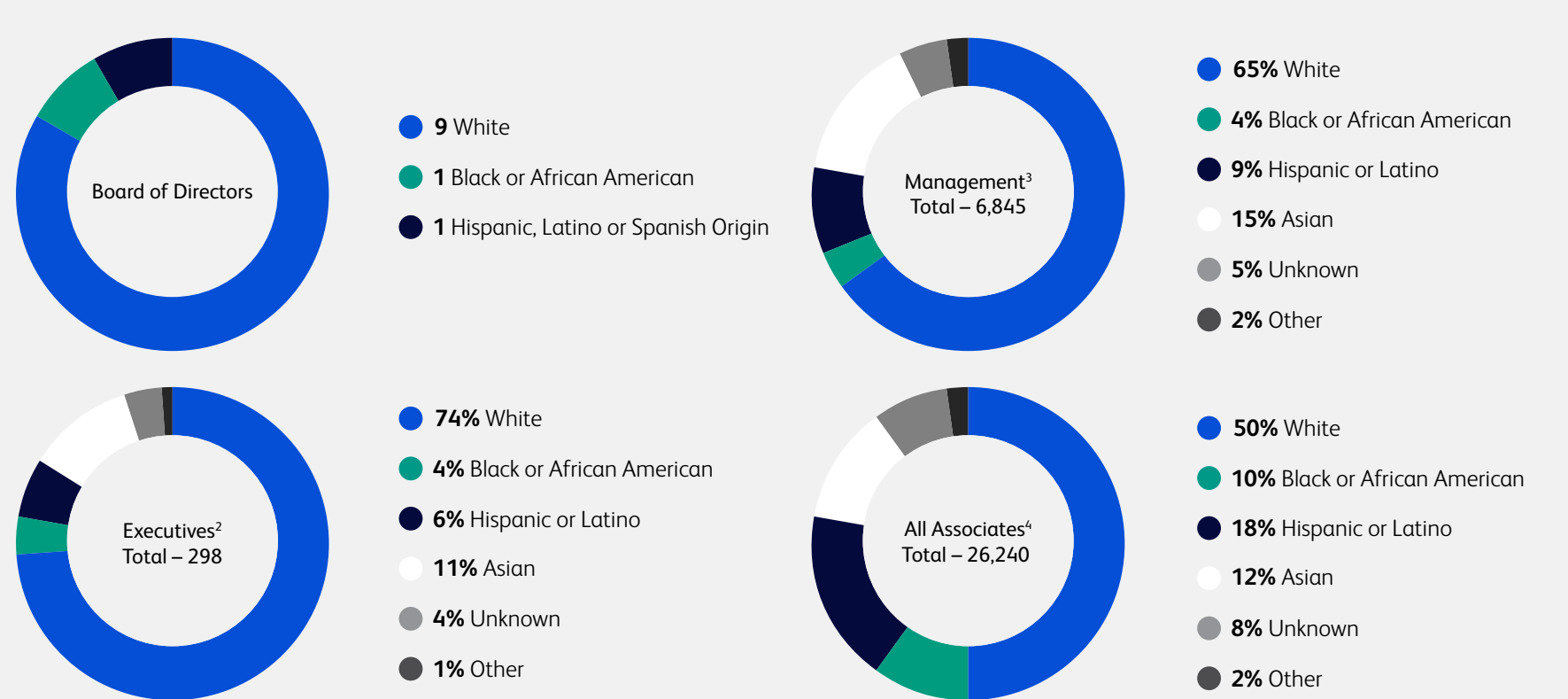
### GENDER<sup>5</sup>



### AGE



### ETHNICITY<sup>5,6</sup>



<sup>2</sup> We define “executives” as associates in positions of vice president and above.  
<sup>3</sup> “Management” positions are defined as those in manager, director or equivalent roles.  
<sup>4</sup> “All Associates” represents total workforce, both management and non-management.  
<sup>5</sup> Information regarding race and gender is based on information provided by associates. Ethnicity data for executives, management and associates reflects that of the U.S. workforce including Alaska and Hawaii, as well as Puerto Rico but excluding any other U.S. territories. Information regarding Board of Directors, Executive Officers and Officers is current as of June 1, 2023. Total number of Officers includes Executive Officers.  
<sup>6</sup> Ethnicity data reflects that of the U.S. workforce including Puerto Rico. In alignment with industry standards, it excludes associates who have not elected to share demographic (ethnicity) information with the company.  
<sup>7</sup> New hire rate is calculated as the number of associates who started working for BD during the fiscal year, divided by the average headcount for the fiscal year.  
<sup>8</sup> Turnover is calculated as the number of associates who exited during the fiscal year, both voluntarily and involuntarily, divided by the average headcount for the fiscal year.





## Equal pay and gender pay parity

We are committed to compensating our associates fairly and equitably, and we believe pay equity is critical to our success in supporting a global, diverse and inclusive workplace. We take a proactive approach to gender and ethnic pay equity, and continually monitor our compensation programs. We work with an independent third party to conduct comprehensive pay equity reviews based on gender globally, and based on ethnicity in the U.S. Our reviews assess pay on a statistical basis and consider several factors that are relevant and known to impact compensation, including but not limited to tenure, role, career level and geographic differentials. Where necessary and appropriate, we take action and make pay adjustments to address any inconsistencies.

Our reviews show that BD associates are paid fairly and equitably, and that, on average, both men and women are paid within a range that would be expected after controlling for legitimate differentiating factors. In our last global assessment, conducted in 2021, we looked at the pay for associates in 57 countries, representing approximately 70 percent of BD’s global salaried associate population. We found that female associates earned an average of 98 cents for every \$1 earned by male associates globally. In 2022, our U.S. pay equity assessment found that our female associates earned an average of 99 cents for every \$1 earned by male associates. Beginning in 2023, we have acquired new tools to enable us to expand our annual assessment to BD associates globally.

We consider these results as a baseline for our commitment to achieving 100 percent pay equity and remain focused on improvements and managing our compensation processes with the goal of identifying and remedying any practices that may contribute to pay gaps now or over time.

## Training

We value diversity of thought in solving challenges and driving innovation. Learning is how we transform ourselves and the organization, by connecting to our culture and building strategic capabilities. At BD, our culture of learning encourages and empowers all associates to reach their full potential. This year, in addition to our conscious-inclusion training, we also provided supplemental micro-learning, such as fireside chats, that continue to upskill our associates on a wide range of topics.

## Associate engagement

BD is on a journey to foster an environment where all of our associates feel seen, valued and heard. We provide multiple places and platforms for associates to convey their thoughts and ideas. These include town hall meetings and Associate Resource Group (ARG) meetings. Our nine ARGs champion our inclusive culture and bring new ideas to the table to drive progress and help shape policies, processes, programs and strategies. In addition, we use surveys to engage our associates about how they feel about working at BD. While associates have told us that culture is one of the best aspects of working at BD, their feedback clarifies an overarching theme that we are working to advance: empowering our teams through belonging and agile decision-making.

As part of our 2030+ goal to transparency, BD published our [Global Inclusion, Diversity and Equity \(ID&E\) Report in 2022](#), which summarizes our ID&E accomplishments over the past year. In addition, our annual U.S. Federal Employment Information Report (EEO-1)<sup>9</sup> can be found [here](#).

<sup>9</sup> The data in the consolidated EEO-1 report is based on BD’s population in the U.S. in December 2021, and reflects BD’s U.S. workforce as of that time. The EEO-1 report requires that we categorize employees into 10 broad EEO-1 Component 1 Data Collection Job Categories. These categories do not necessarily match the job levels in which BD organizes its workforce and evaluates its diversity and inclusion data. Consequently, meaningful comparisons between EEO-1 report data and other descriptions of BD’s diversity statistics and disclosures may not be possible.

# Compensation, benefits and well-being

We seek to reward, support and develop our associates who advance our Purpose and contribute to our success by offering a comprehensive Total Rewards program that evolves with the varying needs of our diverse and global team members. The components of our Total Rewards program are designed to work together to attract and retain high-quality talent, provide competitive compensation grounded in pay for performance, and support overall associate well-being.

Our Total Rewards program includes compensation, incentive pay, benefits, recognition, life balance, career, and mental health components. Benefits and programs (which vary by country) can include the following:

- Market-competitive pay, bonuses and broad-based stock grants.
- Retirement income programs, such as pension and saving plans.
- Healthcare benefits, such as medical and prescription drug coverage, dental and vision care, and short- and long-term disability coverage.
- Paid time off and various paid leave programs (family, bereavement, military).
- Flexible work schedules.
- Mental health and employee assistance programs.
- Healthy employee incentive programs, health screenings and gym memberships/discounts.
- Tuition reimbursement.

In the U.S., we maintain a focus on mitigating the impact of rising healthcare costs and offer affordable benefit options with an emphasis on BD associates earning \$50,000 per year or less. We are also committed to pay equity and gender pay parity.

Each year, we review and implement program enhancements and investments that are intended to ensure that our benefits are inclusive and represent the needs of BD associates and their families. Looking through the ID&E lens, we regularly engage with our Associate Resource Groups to increase awareness and understand further opportunities.



In response to associate feedback in the U.S., for FY 2023 we added new benefits including:

- Coverage for doulas to support women in childbirth.
- Mastectomy support for patients undergoing gender reassignment surgeries.
- Enhanced acupuncture benefits to treat medically necessary conditions such as stress, infertility and weight management.
- Coverage of cooling caps for cancer patients undergoing chemotherapy treatment.
- Medically necessary cranial helmets to support the physical and developmental needs of babies and young children.
- Dense breast tissue ultrasound coverage enhanced to support our associates' physical well-being and help with proactive and preventive steps for healthcare.

Our longstanding history of ensuring health, safety and well-being of our associates includes providing education, resources and programs to empower our associates and help them thrive—personally and professionally. Our Well-being at BD program takes a global and integrated approach to helping our associates build resiliency and a healthy life balance. The program centers on four pillars—physical, emotional, financial and social—which are key areas of life where an individual can be empowered to take action to improve well-being based on unique needs and priorities. Our people leaders also play a key role in encouraging and supporting associates to be active participants in their own well-being.

## Good Jobs Strategy

Our Good Jobs Strategy provides a framework that puts our manufacturing associates at the center of BD's culture to drive performance and deliver on our Purpose of *advancing the world of health™*. We are committed to offering attractive careers by:

- Creating a safe work environment that provides high job attractiveness and a strong culture aligned to The BD WAY.
- Ensuring that associates experience job satisfaction and a sense of belonging.
- Providing competitive healthcare and compensation, as well as training and development opportunities.

### Workplace 2025

How we work is an important enabler of our culture, and it is a competitive advantage that allows us to attract and retain the best talent while also driving company performance. Our multiyear strategy and ambition is to have a highly collaborative, engaged workforce whose culture is defined by empowerment, trust and flexibility, and where rewards are based on outcomes and value, not on proximity or location.

Workplace 2025 is our future workplace model, providing more choice and flexibility for associates who were previously working full-time in the office. It highlights our ability to reinforce flexibility in the way we work, aligned with our global well-being strategy. It will transform how we work, helping to ensure strong collaboration and connection to our purpose, and unlocking our potential by evolving our culture to drive a deeper sense of belonging.

### The Good Jobs Difference

Associate engagement / career progression

Managerial effectiveness

Working conditions

### The Basics

Fair wages and benefits

Workplace safety and respectful work environment

We continue to advance our Good Jobs Strategy, which puts the operator at the center of everything we do. All of our manufacturing and distribution locations complete an annual self-assessment and develop action plans for specific site improvements. Actions include additional training for leaders, enhanced communication mechanisms and career path programs. This year, the assessment tool was refreshed to better align with the organization's priorities regarding safety, BD Excellence and ID&E, and it places additional focus on leading indicators.

There has been strong progress on improving fair wages and benefits, workplace safety, and working conditions. In addition, we have made a concerted effort to introduce and publicize our ARGs to our associates across our plants and distribution centers to encourage membership and engagement; more than 90 percent of our locations have an ARG in place, and nearly 500 supply chain and operations associates belong to an ARG.

Going forward, we will continue to refine our Good Jobs Strategy to help to ensure that we are continually focusing on the topics and areas that are important to our associates and are aligned with our integrated supply chain (ISC) strategies. We will take steps to identify common themes and broaden the visibility of critical focus areas to help to ensure continued leadership support and engagement. We will also continue to advance and grow our efforts to drive associate satisfaction and attract talent in an evolving talent market. To facilitate the ongoing sustainability of the program, we have integrated our Good Jobs Strategy with BD Excellence.





# Health and safety

FY 2022 performance

0.19

Lost-time injury frequency rate

0

Occupational illness frequency rate

0.43

Injury and illness rate

0

Fatalities

Refer to the [data tables](#) for previous years' data.

As the health and well-being of our associates, visitors and contractors is a top priority for BD, we continue to reinforce systems, policies and processes to promote, and help to ensure, health and safety.

**Our Environment, Health and Safety (EHS) Policy is available on [bd.com](https://www.bd.com).**

## Our Safety Policy



We are committed to driving a culture in which the health, safety and well-being of our associates, visitors and contractors are an integral part of every decision we make. Each of us must take personal responsibility for the safety and care of each other to ensure that we all remain safe at work each and every day.

Tom Polen

Chairman, CEO and president



## Hazard and risk assessment

We use the EHS Index—a leading indicator metric that is formalized under our Metrics and Reporting Escalation standard—to track improvement and performance in our EHS Management of Information System (MIS) platform, which is reviewed on a monthly basis. This standard is audited by the central EHS Audit team to monitor compliance.

The EHS Index includes:

### Risk assessments

Sites are required to conduct task-based risk assessments on processes and equipment, prioritized by the associated hazards and risk levels.

### Injury reduction

Associates are trained to report all incidents to leadership and EHS. An investigation, reporting and root-cause analysis are required for all incidents. Action items are tracked to closure.

### Environmental, Health and Safety Opportunities (ESOs)

Sites are required to implement a mechanism to report ESOs, including unsafe conditions, unsafe behaviors or near misses. This gives associates the opportunity to identify issues to be corrected in a timely manner.

### Engagement

Leadership is required to hold 1:1 meetings monthly with operators about safety and environmental conditions and concerns.

Globally, all sites are required to implement the leading indicator EHS Index to focus on prevention by:

- Promoting disciplined EHS behavior
- Providing a continuous improvement model
- Fostering a preventive EHS culture
- Promoting best-practice sharing among our locations
- Enabling trending and focus on areas for improvement and opportunity

For sites that are considered high hazard based on our High Hazard Operations/ Process Safety Management standard, operations are required to conduct a process hazard analysis to ensure that adequate engineering controls are in place to minimize any potential hazard from that process or from equipment.

In addition, all BD associates are expected to follow our established EHS Golden Rules, a consistent set of essential workplace EHS requirements. These are rules that, if violated, have the potential to cause a serious injury or significant environmental impact. As such, violations of these rules are investigated and appropriate disciplinary actions are taken to promote the safety of all associates.

The BD Code of Conduct requires all associates to follow health and safety policies and procedures, and to report any unhealthy or unsafe work conditions. This includes avoiding unnecessary risks in the workplace. Any associate who feels pressured to bypass health and safety policies and procedures is encouraged to report the issue to a manager, Human Resources, the central EHS team and/or the BD Ethics office.

BD takes all reports of violations of laws, BD policies and ethical standards seriously and will promptly, fairly and thoroughly investigate all such reports. BD does not tolerate any form of retaliation against any person who in good faith reports an actual or suspected violation or cooperates in BD investigations.

Tools are provided to sites to conduct investigations utilizing root-cause analysis techniques that focus on systemic failure. The EHS MIS platform supports the investigation process and tracks action-item closure to ensure accountability. Every site follows the same root-cause guidelines, enabling the company to trend and continuously improve injury reduction or environmental incidents.

## EHS Golden Rules



### Environmental stewardship

BD associates shall follow all environmental protection procedures established by the site

- Report spills; clean up spills following site protocols
- Place waste in proper containers
- Follow site recycling rules
- Do not pour chemicals down the drain or place in the trash



### Fall protection

BD associates shall use fall prevention devices when working from heights

- Wear fall protection when working on elevated surfaces without barriers
- Inspect portable ladders before climbing and maintain three points of contact
- Use fall protection when accessing fixed ladders, where provided
- Do not climb over guardrails and fall-prevention barriers



### Mobile equipment

BD associates shall be trained and certified to operate powered industrial equipment and shall abide by site traffic rules

- Inspect mobile equipment before use
- Slow down near pedestrians and make eye or verbal contact
- Follow speed limits and stop signs
- Maintain line of sight at all times when driving
- Wear your seat belt and keep your body inside the vehicle



### Machine guarding

BD associates shall not tamper with or disable machine/equipment guarding while operating under normal conditions

- Never reach inside moving equipment
- Do not bypass guards for the sake of production or for any other reason
- Reinstall guards using all bolts
- Use tools and PPE when clearing jams



### Lockout/tagout

BD associates shall not work on equipment that is not locked out as per energy control procedures

- Lock out all forms of energy before working on equipment
- Verify zero-energy state
- Do not work on or touch live electrical equipment unless authorized
- Use one lock per person
- Utilize procedure for authorized nonroutine machine interventions



### Chemical safety

BD associates shall handle and store chemicals safely, in alignment with safety and data sheets

- Use proper PPE at all times when handling chemicals
- Use exhaust systems, when provided
- Ensure that chemicals are properly labeled and stored
- Do not bring new chemicals on site without EHS approval

In FY 2022, we launched the Together We Advance Workplace Safety campaign, featuring five pillars—awareness, engagement, speak up, BD Excellence, metrics and analytics. Each pillar is sponsored by a member of the ISC leadership team. We initiated the campaign by focusing on the awareness pillar through communications on our internal intranet and a video featuring the ISC leadership team discussing the EHS Golden Rules and describing their commitment to safety.



## Occupational health

In addition to providing accommodations for associates with occupational health restrictions, our larger facilities have trained and certified occupational health professionals on-site. Smaller facilities have first aid response teams and, if required, injured associates are sent to a local occupational health clinic for treatment. Any associate’s health-related information is required to be treated as confidential and maintained in accordance with the Health Insurance Portability and Accountability Act (HIPAA) or equivalent local legislations to protect associate confidentiality.

## Associate training and collaboration

To encourage associate engagement and compliance, we offer education and training, as well as peer-to-peer coaching. Associates receive mandatory training per regulatory compliance and are informed about their responsibilities to maintain a safe work environment. Training is mandatory for associates working with any hazard that is regulated and Sales associates are required to be trained on tuberculosis and bloodborne pathogens, among other such hazards.

We have also created corporate standards in collaboration with site leaders and relevant safety committees. ISO-certified sites collaborate on regional platforms to share learnings and foster compliance with management systems. All sites have a tiered management system to communicate EHS performance at the line, site and management levels to allow for relevant occupational health and safety information to be regularly communicated.

At the site level, we have safety committees that include representation from all areas of site operations. They meet at least quarterly to evaluate challenges and assist EHS teams in implementing environmental and safety intervention programs.

## Learning, development and training

**In FY 2022, the central EHS team led the implementation of the following learning events:**

EHS Calibrate Your Eyes for Safety for all ISC people leaders

- 11 sessions for all senior-level leaders (directors, VPs)
- EHS BU leaders cascaded to site-level leadership

The Together We Advance Safety Campaign leadership video

- Shared with plant managers
- Cascaded to all associates

Machine guarding training for EHS professionals, engineers and maintenance

- 4 sessions with approximately 2,250 attendees

Hazardous waste training for EHS professionals

- 2 sessions for approximately 35 EHS professionals

Monthly EHS onboarding – 3–5 modules in onboarding curriculum

- Trained approximately 90 associates



# Health equity

As we continue to evolve, our work will be grounded in an intentional strategy aimed at advancing equity and access through our technology, partnerships and investments. We are currently evaluating our work across these three pillars and, where appropriate, enhancing our strategy to ensure that we continue to help advance equitable health.

To that end, we have broadened our 2030+ goal to maintaining a healthy workforce and communities to include health equity.

**Maintain a healthy and thriving workforce that cultivates our culture of inclusion, safety and well-being, and contribute to advancing equitable health around the world.**



Health equity is achieved when everyone can attain their full potential for health and well-being, absent unfair, avoidable, or remediable differences among groups of people, whether those groups are defined socially, economically, demographically, geographically, or by other dimensions of inequality (e.g., sex, gender, ethnicity, disability, or sexual orientation).<sup>10</sup>

<sup>10</sup> World Health Organization (WHO) [www.who.int/health-topics/health-equity#tab=tab\\_1](https://www.who.int/health-topics/health-equity#tab=tab_1).

<sup>11</sup> World Economic Forum: A Global Issue <https://initiatives.weforum.org/global-health-equity-network/about>.

Our responsibility goes beyond developing meaningful healthcare technologies, to helping ensure our innovations are available to more people.



## Our technology and innovation

We leverage the global reach of our products, research, solutions, and expertise to help ensure health systems, healthcare workers, and patients have access to life-saving technologies, regardless of geography, demographics, or socioeconomic status.



## Our public-private partnerships

We partner with a network of governments and global humanitarian organizations to help support and advocate for health systems that serve underrepresented populations around the world and create an enabling environment to increase healthcare access.



## Our investment in health system strengthening

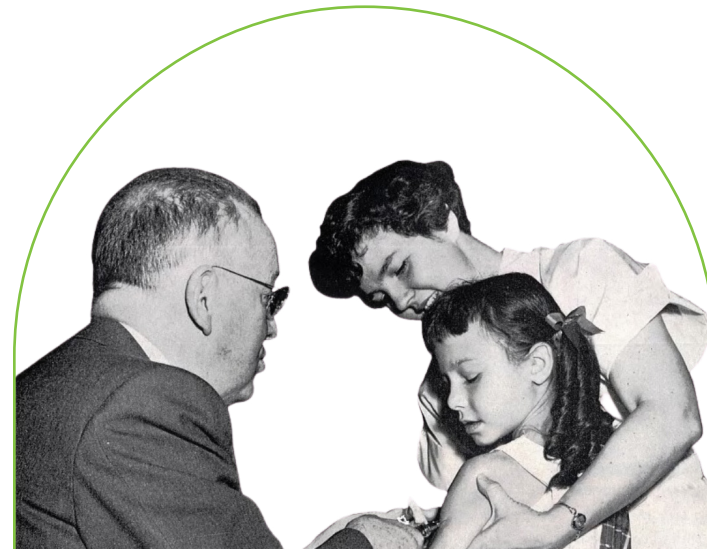
We make investments that build, strengthen and maintain critical competencies and resources needed to improve the delivery of care within under-resourced settings.



## Our people

Our people, values and culture are key enablers to improving equity and access. Advancing this work is strongly aligned with the BD way.

# Improving access to healthcare across developed and developing economies



## Our legacy

BD's legacy of expanding access and advancing health equity is driven by our innovation, enabling our expertise to intersect with the greatest public health needs. From supplying instruments for the world's first polio trial, to delivering 2 billion syringes to combat the COVID-19 pandemic, we have partnered in both developed and developing communities to enhance access and build the capacity of health systems serving patients around the world. Through this work, our people, values and culture are key enablers to improving equity and access.

### Our technology and innovation

- 2000-2021: BD supplied over **6 billion** auto-disable devices for safe immunization
- U.S. government partnership to expand manufacturing capacity for COVID-19 vaccination campaign

### Our public-private partnerships

- Access pricing agreement expanded to **85 countries**
- Extended partnership for self-injectable contraceptive for women in low and low middle income countries (LMICs)
- Expanding capacity for AMR diagnostics in LMICs across **16 countries**

### Our investment in health system strengthening

- **>\$22.6M** committed to community health centers via BD Healthy Communities™
- **>\$1M** in cash & product donations through Point of Care Enhancing Clinical Effectiveness Initiative
- **\$500k** donation to study health equity

Point-of-care testing pilots in refugee communities

Advancing legislation focused on diversity in clinical trials

With each purchase of the Heart, Venus or Ring breast tissue marker shapes, BD contributes \$1 to ACS in honor of breast biopsy patients

Strengthening TB Resistance Testing and Diagnostic Systems

Reducing incidence and mortality from cervical cancer through education partnership

Investing to develop National Nursing Associations (NNAs)

End-to-end cervical and breast cancer screening



### Case Study: advancing access to cervical cancer screening and prevention

Caused by the human papillomaviruses (HPV), cervical cancer is preventable and curable when detected early and managed effectively. With a comprehensive approach to prevent, screen and treat, the World Health Organization (WHO) is prioritizing the elimination of cervical cancer, and BD is proud to be a part of the eradication effort utilizing our three health equity pillars.

- An estimated 342,000 women died from cervical cancer worldwide in 2020. About 90 percent of these deaths occur in low and middle-income countries (LMICs) where screening, prevention and treatment are almost non-existent.<sup>12</sup>
- In the U.S., 60 percent of cervical cancer cases occur among unscreened women.
- Research shows Hispanic women in the U.S. have the highest rates of developing cervical cancer and Black women have the highest rates of dying from cervical cancer.<sup>13</sup>

#### Our technology and innovation

- BD offers assays and instruments to support the needs of evolving cervical cancer screening programs in implementing cytology and HPV screening.
- The introduction of self-sampling<sup>14</sup>, in addition to clinician collected samples, offers screening programs the tools to access under-screened populations. Today, health systems around the world in countries such as Denmark, Kenya, and Australia are deploying self-sampling to reach unscreened populations.

#### Our public-private partnerships

- BD supports the goals of the White House Cancer Moonshot to reduce the death rate from cancer, including through increasing access to screening and closing the screening gap in underserved communities.
- In 2023, BD and the Ministry of Health Kenya will launch a pilot-for-scale oncology partnership to provide end-to-end cervical and breast cancer screening within the public sector. This program will create awareness at a community level and improve access to HPV screening, early diagnosis and timely linkage to care.
- In Colombia BD is working across the public and private sector to promote best practices to increase screening coverage. To support access to self-sampling, BD is supporting a study conducted by Javeriana University to assess self-sampling in underserved communities.

#### Our investment in health system strengthening

- We are focusing social investments to support the WHO 2030 Cervical Cancer Elimination Targets. These currently include
- \$500,000 to support the American Cancer Society's Return to (Cancer) Screening initiative.
  - Supporting the American Cancer Society's National Roundtable on Cervical Cancer.
  - BD South Asia launched a campaign for cervical cancer prevention for 1,700 associates and their families. This will form the basis for planned external awareness campaign.

<sup>12</sup> <https://www.who.int/news-room/fact-sheets/detail/cervical-cancer>. WHO Cervical Cancer - Key Facts. Published February 22, 2022.

<sup>13</sup> Benard VB, Jackson JE, Greek A, Senkomago V, Huh WK, Thomas CC, Richardson LC. A population study of screening history and diagnostic outcomes of women with invasive cervical cancer. *Cancer Med.* 2021.

<sup>14</sup> BD Onclarity™ HPV Assay received the industry's first CE Mark for HPV Screening from At-Home Self-Collected Vaginal Samples (not approved in the United States).





**Case Study: advancing access to diagnostic testing, stewardship and clinical care to combat AMR**

Antimicrobial resistance (AMR) continues to impact healthcare systems and communities around the world. The rate of drug resistant infections is higher than previously projected with an estimated 1.27M deaths globally attributed to drug-resistant infections. These deadly infections disproportionately impact underserved populations; Sub-Saharan Africa (SSA) and South Asia had the highest mortalities (23.5 deaths per 100,000 and 21.5 deaths per 100,000, respectively) attributable to AMR.<sup>15</sup> Deaths due to drug-resistance are higher than HIV/AIDS/Malaria combined on an annual basis. However, the estimated resources for containment of AMR lags by 77 percent behind funding for HIV/AIDS/Malaria. It is estimated that the cost of inaction will result in \$1 - \$3.4 trillion in GDP loss by 2030.<sup>16</sup>

Driving public health impact in every country to address AMR is critical. Effective antimicrobials, diagnostic testing, and access to health services helps to mitigate the impact of AMR on our lives and livelihoods.<sup>17</sup>

**Our technology and innovation**

BD offers a wide range of medical products utilized to prevent the spread of infection in healthcare facilities, including diagnostic instruments to screen, test and diagnose infection, including drug resistant strains; and medication management and surveillance systems to support the safe and proper administration and tracking of medications.

**Our public-private partnerships**

- BD is working with The Fleming Fund to strengthen laboratories in 16 developing and emerging countries.
- BD partnered with the Foundation for Innovative New Diagnostics (FIND) to develop a new AMR scorecard for lab quality improvement. As the next step, BD is collaborating with partners to deploy a health systems strengthening program addressing care gaps inside and outside the laboratory.
- BD is a member of multiple industry forums and cross-sector consortiums working to drive policy and programs on AMR. Recognizing the need for data to understand how vulnerable populations are impacted by drug-resistant infections, BD initiated the Cancer & AMR Consortium, which seeks to fill the data gap to accelerate advocacy, policy, and innovation.

**Our investment in health system strengthening**

- BD invests in public awareness and advocacy efforts to increase understanding of the risk of AMR and the actions that we can take today to make a difference.
- BD mobilizes the Antimicrobial Resistance Fighter Coalition which creates podcasts, social media engagement, and educational tools.
- The [Silent Pandemic](#) is a documentary which explores the global fight against AMR and how countries, scientists, and private initiatives around the world are searching for solutions. BD has supported the launch of this documentary around the world, convening panels and driving discussions on how to mitigate the risk of the AMR pandemic.

<sup>15</sup> Global burden of bacterial antimicrobial resistance\_in 2019: a systematic analysis. Lancet. 2022;399(10325):629-655.

<sup>16</sup> Smith R, Coast J. The true cost of antimicrobial resistance. BMJ. 2013;346:f1493.

<sup>17</sup> <https://wellcome.org/sites/default/files/wellcome-global-response-amr-report.pdf>.

# Our contribution to healthy communities

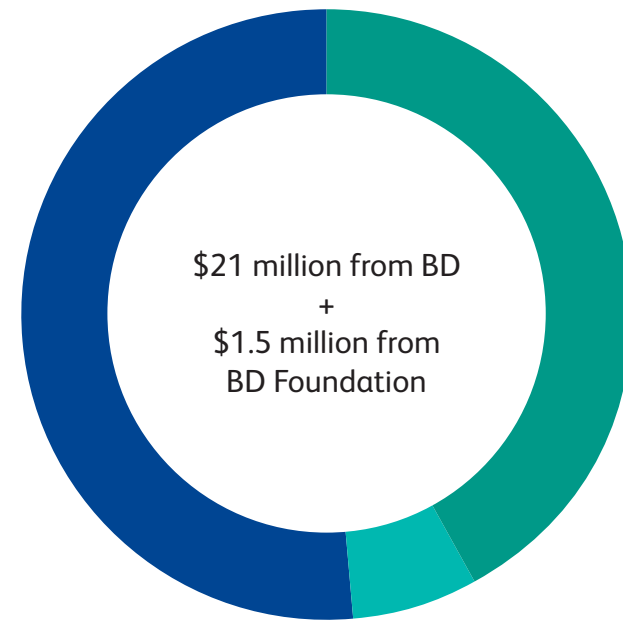
Charitable giving summary, by the numbers: 2022

Value of company match to associate donations  
\$2 million

No. of grants issued, worldwide  
316 from BD +  
8 from BD Foundation

No. of nonprofit beneficiaries  
239 from BD +  
7 from BD Foundation

Total contributions in FY 2022



- Total cash donations from BD \$9.4 million
- Total cash donations from BD Foundation \$1.5 million
- Total product donations \$11.4 million





# Addressing health needs around the world through acts of service

Some examples of how BD associates join together to give back to the communities where they live and work.

## Rise Against Hunger (Poland)

In November 2022, our associates at the European Shared Service Center in Wroclaw, Poland assembled meal kits for the people of Ukraine who are struggling with food insecurity. In partnership with Rise Against Hunger, the team packed 350 meal kits which contain more than 15,000 nutritious meals.

Since 2013, BD has partnered with Rise Against Hunger to pack more than 1.1 million highly nutritious, shelf-stable meals for hungry and food-insecure people in resource-limited areas of the world.



## Planet Water (Mexico)

In March 2023, BD celebrated #WorldWaterDay by helping install AquaTower water filtration systems in two communities in Querétaro, México, helping bring clean water to 3,600 people. The volunteers also worked with Planet Water Foundation to implement Hygiene Education Programs and AquaSan surface disinfection systems.



## BD Point-of-Care Enhancing Clinical Effectiveness (U.S.)

As part of BD's longstanding volunteer service trip program, associate volunteers from the company's Life Sciences segment trained technicians at Federally Qualified Health Centers in the U.S. on essential point-of-care diagnostic testing tools that enable clinicians to evaluate patients on-site and receive diagnostic test results before patients leave the clinic.

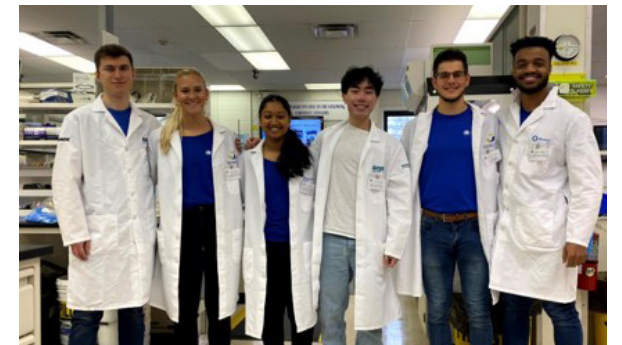
Since 2017, the BD Point-of-Care Enhancing Clinical Effectiveness initiative has supported 27 U.S. clinics in 20 states with product and cash donations totaling \$2.6 million.



## Students 2 Science (U.S.)

In February 2023, six associates from the company's Technology and Global Services Edge Program partnered with New Jersey-based organization, Students 2 Science, to mentor the next generation of middle and high school STEM innovators.

Our associates assisted dozens of students with their science lab projects while providing guidance on how to prepare for college. Edge associates also gave tips on what navigating the college experience looks like, how to network for career opportunities, and how to break into a competitive job market.



## Edible Garden (Chile)

Associates from our Latin America Shared Service Center in Santiago, Chile participated in two service projects this past year. In addition to planting over 800 trees as part of a reforestation project with local NGO Cultiva, volunteers also helped create a garden at a local school in Santiago. The garden provides the school and its students with healthy nutritious food, whilst also teaching the students about the environment and how to grow their own food.





# Transparency



# Transparency

## Our goal:

Invite trust across stakeholder groups through transparent performance reporting on ESG issues relevant to our business.

## 2030 goals:

1

We will provide our stakeholders regularly with clear information about our ESG performance and programs, aligned with relevant and recognized external ESG reporting frameworks, via:

- Our annual ESG Report.
- Issue-specific disclosures.
  - Climate Change (aligned with TCFD).
  - ID&E (U.S. Federal Employment Information Report [EEO-1]).

## Current status:

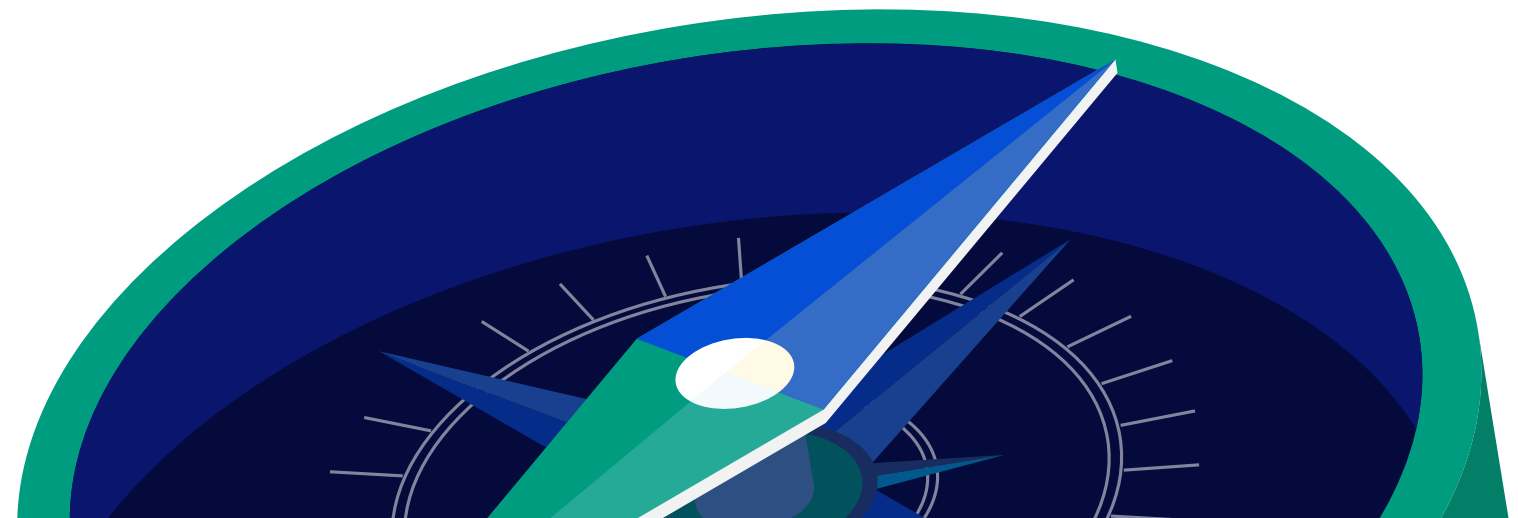
Our climate change disclosure aligned with TCFD can be found [here](#).

Our U.S. Federal Employment Information Report [EEO-1] can be found [here](#).

We have also published the following reports -

Our 2022 Global Inclusion, Diversity and Equity Report can be found [here](#).

Our 2022 Cybersecurity Report can be found [here](#).





# Corporate governance

BD is governed by our Board of Directors, and our commitment to good corporate governance is embodied in our [Statement of Corporate Governance Principles](#). These principles outline our Board's views and practices regarding a number of governance topics, including the operation of our Board and its committees; strategic and succession planning; director qualifications and diversity; director independence, compensation and equity ownership; and the ability of

shareholders and others to communicate directly with Board members. The Board of Directors' Corporate Governance and Nominating Committee assesses the Governance Principles on an ongoing basis in light of current practices.

The Board has four operating committees that meet regularly and an Executive Committee that meets only as needed. Below are the principal responsibilities of each operating committee.

Audit Committee	Compensation and Human Capital Committee	Corporate Governance and Nominating Committee	Quality and Regulatory Committee
<ul style="list-style-type: none"> <li>Retains and reviews the qualifications, independence and performance of BD's independent auditors.</li> <li>Reviews BD's public financial disclosures and financial statements, and its accounting principles, policies and practices; the scope and results of the annual audit by the independent auditors; BD's internal audit process; and the effectiveness of BD's internal control over financial reporting.</li> <li>Reviews BD's guidelines and policies relating to enterprise risk assessment and management, including financial risk, cybersecurity, and data privacy risk exposures.</li> <li>Oversees BD's ethics and enterprise compliance programs.</li> <li>Reviews financial strategies regarding currency, interest rates and use of derivatives, and reviews BD's insurance program.</li> </ul>	<ul style="list-style-type: none"> <li>Reviews BD's compensation and benefits programs, recommends the compensation of BD's CEO to the independent members of the Board, and approves the compensation of BD's other executive officers.</li> <li>Approves all employment, severance and change in-control agreements with our executive officers.</li> <li>Serves as the granting and administrative committee for BD's equity compensation plans, including grants to directors.</li> <li>Oversees BD's policies and strategies relating to human capital management, including recruitment, development, promotion, performance management, senior management succession, pay equity, and inclusion and diversity.</li> <li>Oversees certain other BD benefit plans.</li> </ul>	<ul style="list-style-type: none"> <li>Identifies and recommends candidates for election to the Board.</li> <li>Reviews and recommends the composition, structure and function of the Board and its committees.</li> <li>Reviews and recommends the compensation of non-management directors.</li> <li>Monitors BD's corporate governance and Board practices, and oversees the Board's self-evaluation process.</li> <li>Oversees BD's process and practices relating to the management and oversight of environmental, sustainability, health and safety, inclusion and diversity, political activities, corporate responsibility, and other public policy or social matters relevant to BD ("ESG matters").</li> </ul>	<ul style="list-style-type: none"> <li>Oversees BD's quality strategy and the systems and processes in place to monitor product quality and safety, as well as BD's compliance processes and procedures with relevant regulatory requirements.</li> <li>Reviews the results of product quality and quality system assessments by BD and external regulators.</li> <li>Reviews significant product quality, safety and regulatory trends and issues that arise, including any relating to product cybersecurity.</li> <li>Reviews product quality, safety and regulatory issues identified with respect to any acquired business and the related integration plans for such business.</li> </ul>





## Board diversity

Our Board of Directors believes having board members with a diverse mix of viewpoints, insights and perspectives is critical to Board effectiveness. BD seeks to have our Board composed of directors who collectively possess a wide range of relevant business and financial expertise, industry knowledge, management experience and prominence in areas of importance to BD. Consideration of the overall gender and ethnic diversity of our Board remains an important factor in Board succession planning and director recruitment, and is demonstrated by the Board's adoption of the policy that diverse candidates be included in any candidate pool from which new directors are selected.

BD's 11 Directors comprise a well-balanced and diverse Board

### DIVERSITY IN TENURE

● < 5 ● 5-10 ● ≥ 10



8.2

(average Director tenure)

### DIVERSITY OF AGE

● ≤ 60 ● 61-69 ● ≥ 70



63.9

(average Director age)



36%

of our Directors are gender- and/or ethnically diverse

- 2 Ethnically Diverse Directors
- 3 Gender Diverse Directors

## Executive compensation

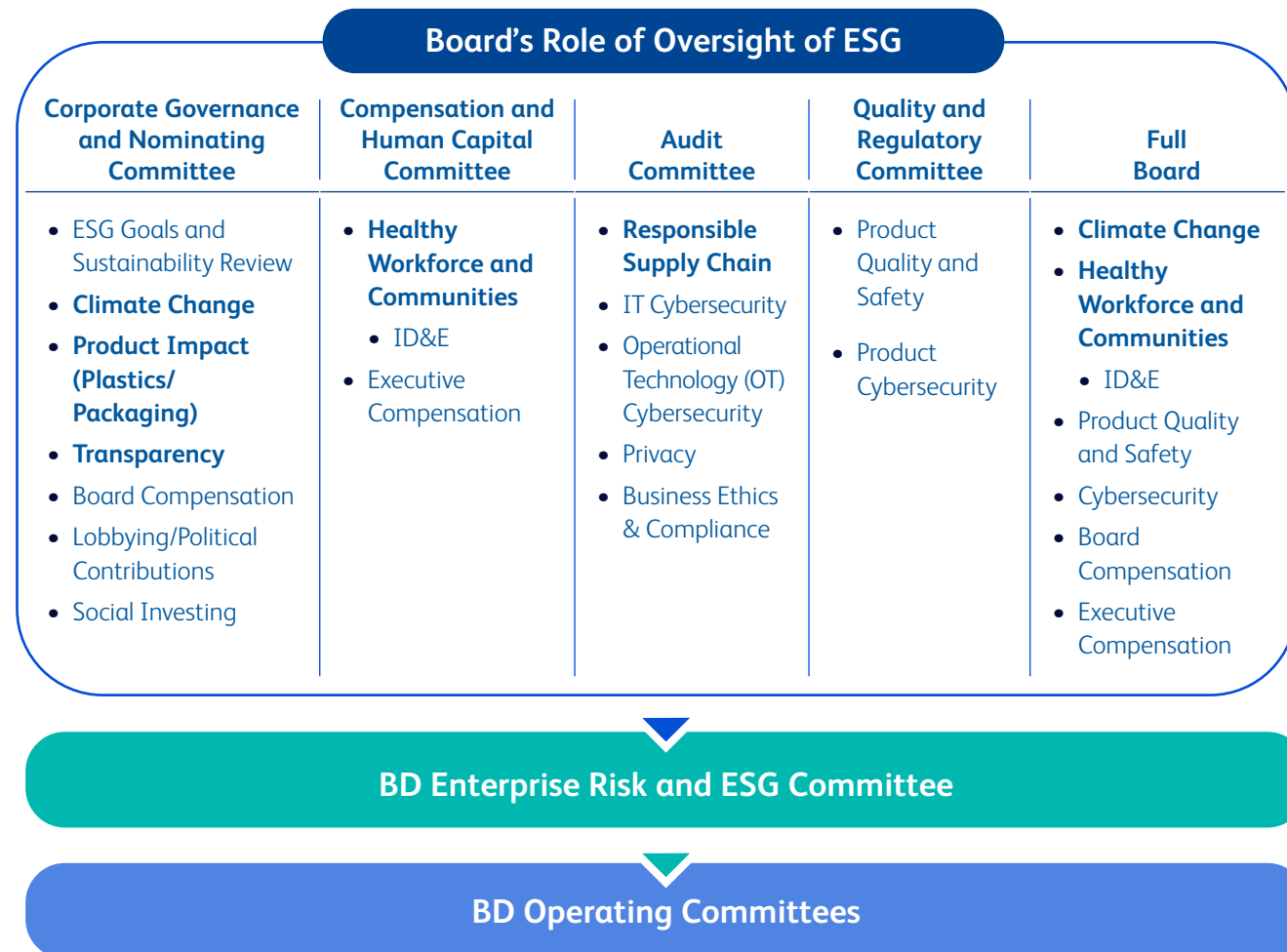
We aim to provide an executive compensation program that best serves the long-term interests of our shareholders. We believe that attracting and retaining superior talent and rewarding performance are key to delivering long-term shareholder returns, and that a competitive compensation program is critical to that end. For further details of executive compensation, see our [proxy statements](#).



Note: The gender diversity of our Board was reduced to 27% from 31% in FY 2022 due to one of our female Board members joining the embecta Corp. Board of Directors as part of the recent spin-off.

# ESG governance

The oversight of BD’s 2030+ ESG goals and other important ESG matters is allocated among our Board of Directors and its committees, as shown in the table below. BD’s 2030+ ESG goals have been highlighted in **bold**.



The Board continues to evaluate ESG issues in a serious and meaningful way. We continue to take a comprehensive view of not only what metrics we are tracking but the impact of those metrics for our company, our people and our planet and where improvements can have the greatest impact.



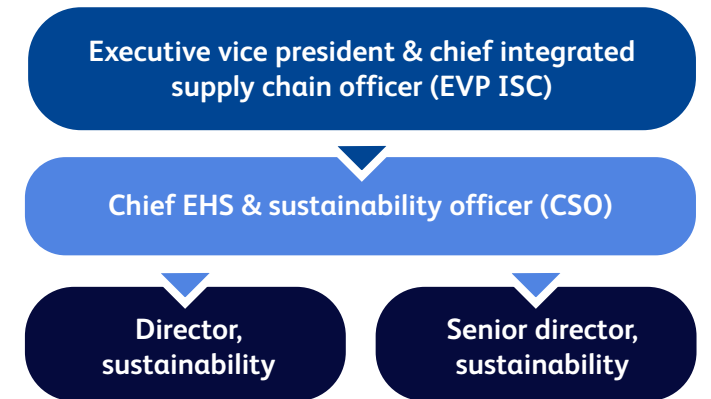
Bert Scott  
 BD Board of Directors – Lead Independent Director

In addition to receiving an annual update on BD’s progress on our 2030+ goals, the Board also receives periodic reports on progress made with regard to climate change and healthy workforce and communities, which includes an annual in-depth review of ID&E, product quality and safety, cybersecurity and Board composition.

At the management level, the Enterprise Risk and ESG Committee (ERC) oversees BD’s Enterprise Risk Management program and its progress toward the 2030+ ESG goals and other priority ESG matters. The ERC consists of a cross-functional group from management and works with various internal operating committees that are executing on our ESG strategy. The ERC aims to create an enterprisewide culture that promotes open discussion regarding risk and opportunities and integrates effective risk management into our goals and objectives. The ERC is also responsible for providing information on ESG initiatives to the Board of Directors and its committees, and overseeing external and internal reporting on ESG matter.

At the corporate level, BD has an Environment, Health and Safety (EHS), Sustainability and Product Stewardship team, led by the chief EHS & sustainability officer (CSO), who reports to the company’s EVP & chief integrated supply chain officer (EVP ISC). Reporting to the CSO are the following individuals:

- Director, sustainability. In addition to stakeholder engagement and development of our ESG strategy, this individual is responsible for the development of management programs for certain environmental and social issues, such as human rights, water stewardship and climate change.
- Senior director, sustainability operations. This individual is responsible for the development, and supports the achievement, of environmental targets and reductions in Scopes 1 and 2 GHG emissions within our operations, and leads the Sustainable Operations Council.





# Enterprise risk management

## Risk management governance

Our Board of Directors reviews the risks associated with BD’s strategic plan and conducts an annual review of our Enterprise Risk Management (ERM) program while also regularly overseeing other areas of potential risk. The Board’s committees are responsible for monitoring and reporting to the full Board on risks associated with their respective areas of oversight.

Board’s Oversight of Risk			
Audit Committee	Corporate Governance and Nominating Committee	Compensation and Human Capital Committee	Quality and Regulatory Committee
<ul style="list-style-type: none"> <li>Oversees BD’s ERM activities.</li> <li>Oversees BD’s accounting and financial reporting processes and the integrity of BD’s financial statements, cybersecurity and data privacy risk exposure, BD’s global ethics and compliance program, and its hedging activities and insurance coverages.</li> </ul>	<ul style="list-style-type: none"> <li>Oversees risks relating to BD’s corporate governance practices, including director independence, related-person transactions and conflicts of interest, as well as the process and practices relating to the management and oversight of ESG matters.</li> </ul>	<ul style="list-style-type: none"> <li>Oversees risks associated with BD’s compensation practices and programs and human capital management.</li> </ul>	<ul style="list-style-type: none"> <li>Oversees matters relating to regulatory compliance and the quality and safety of BD’s products and services, including product cybersecurity.</li> </ul>

Our senior vice president, chief risk officer oversees the ERM program and operationally reports to our Board of Directors’ Audit Committee and administratively to the chief financial officer. Further details about how the Board oversees risk can be found in our [Proxy Statement](#). Details of risk factors relevant to our business can be found in our [annual report](#) (10-K) and [quarterly filings](#) (10-Q).

Details of how risks related to specific ESG issues are identified, assessed and managed, and how they integrate into the organization’s overall risk management program, can be found in the relevant sections of this report.



# Cybersecurity program



Cybersecurity sits at the intersection of people, processes and technology. In healthcare, we are not just protecting systems and data. We are protecting patient safety and privacy. We are always mindful that there is a patient at the end of everything we do. At BD, we are helping to improve the resilience of healthcare around the world by protecting the confidentiality, integrity and availability of our products, manufacturing and enterprise systems.

**Rob Suárez**  
Vice president, Chief Information Security Officer



The threat landscape in healthcare is expanding and increasing in complexity. Threat actors operate with various motivations, from stealing intellectual property and patient data for financial gain, to foreign espionage. To protect patient safety and privacy, healthcare delivery organizations, medical device manufacturers and third-party vendors must work diligently to guard against cybersecurity risks.

Our cybersecurity program and initiatives include the protection and resilience of BD products, manufacturing operational technology (OT) and enterprise information technology (IT). BD Information Security is responsible for our:

- IT, OT and product cybersecurity.
- Global and regional cybersecurity strategy.
- Cybersecurity governance, operations and engineering.
- Cybersecurity awareness training.

We have also extended our cybersecurity community of practice by embedding cyber expertise in several key functional areas, including communications, legal, procurement, quality, regulatory and R&D.

## Cybersecurity governance

Our approach to cybersecurity governance includes aligning cybersecurity risk management, policy and compliance initiatives with business objectives so that information assets and technologies used in BD products, manufacturing, service, enterprise IT and third-party components are secure, resilient and compliant with applicable regulatory and industry standards. This includes cybersecurity due diligence for BD mergers, acquisitions and divestitures.

BD Information Security policies and procedures are aligned to industry best practices, including the National Institute of Standards and Technology (NIST) Cybersecurity Framework, Underwriters Laboratories (UL) 2900-1 Cybersecurity Standard for Medical Devices, and U.S. Food and Drug Administration's pre-market and post-market guidance for cybersecurity in medical devices. BD Information Security policies are reviewed annually by cross-functional stakeholders specializing in information security, integrated supply chain, enterprise IT and quality.

Cybersecurity risks and their potential impact on BD, customers and patients are reviewed by the company's central, regional and business teams, and our Information Security team provides guidance for identifying, prioritizing and mitigating such risks. Cybersecurity risks are also integrated into our approach to enterprise risk management. Timely, impactful cybersecurity information, including cybersecurity metrics, threat briefings and significant cybersecurity risks are communicated to the Executive Leadership team and the Board of Directors through the Board's Audit Committee and the Quality and Regulatory Committee. The Audit Committee receives reports on cybersecurity at least two times per year, and the Quality and Regulatory Committee receives reports on cybersecurity five times per year. Ad-hoc communications pertaining to significant cybersecurity risks are shared with the Executive Leadership team and the Board of Directors as needed.

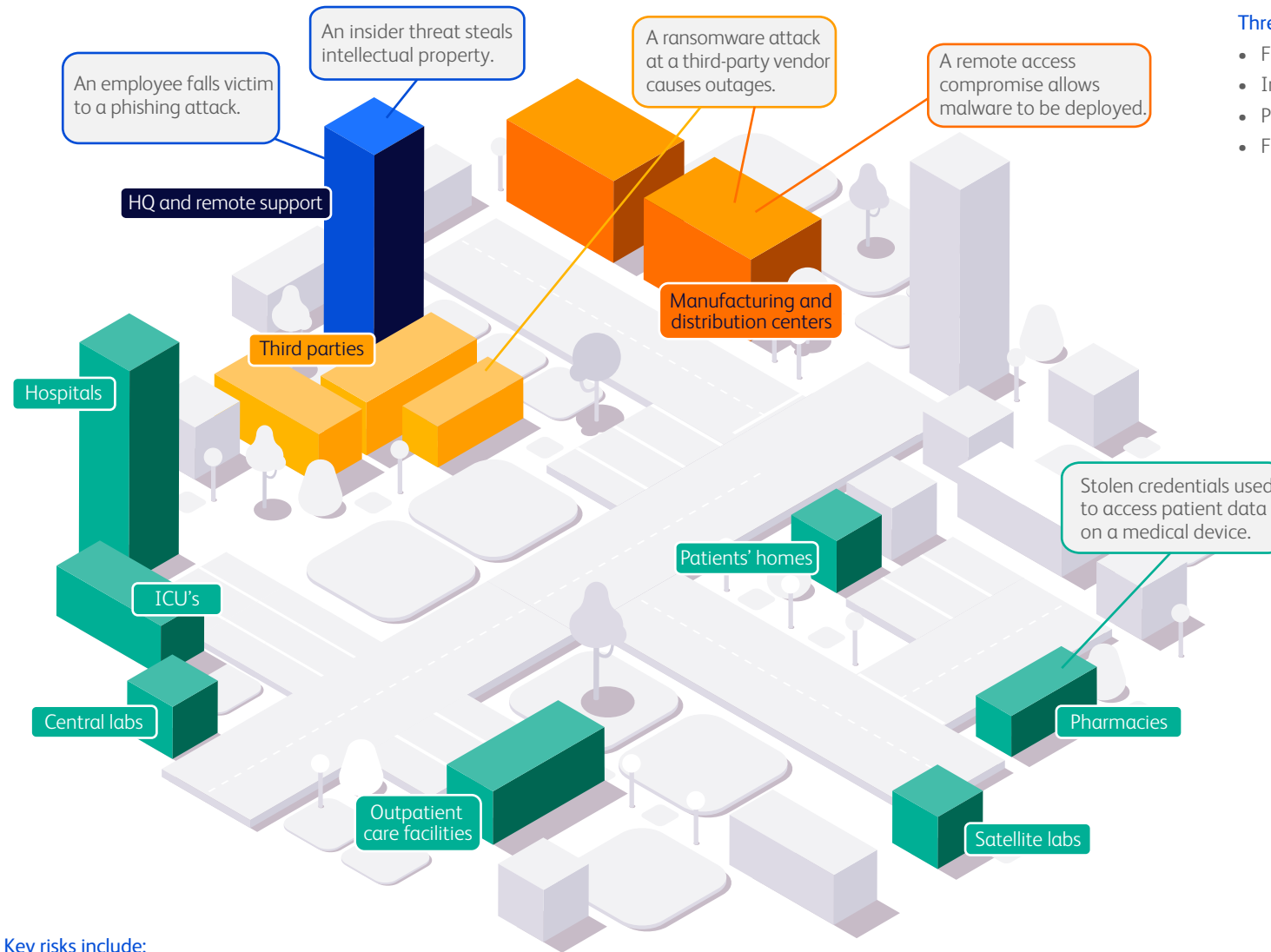
In FY 2022, BD achieved ISO/IEC 27001:2022 certification at the enterprise level, demonstrating that our Information Security Management System (ISMS) conforms to internationally recognized cybersecurity standards. Additional cybersecurity certification and attestation programs include System and Organization Controls

(SOC2+) and UL Cybersecurity Assurance Program (UL CAP). SOC2+ annual reports are available for multiple BD products that collect and process patient health information in accordance with the Health Insurance Portability and Accountability Act (HIPAA) security rule. These reports are prepared by an independent third party and provide assurance regarding the operational effectiveness of BD internal controls and the security of BD products. UL CAP is another independently audited certification that demonstrates the cybersecurity of multiple BD medical devices through a rigorous program of analysis. For more information about these certifications and attestations, visit the [BD Cybersecurity Trust Center](#).



## Threat landscape in healthcare

Examples of cybersecurity risks include:



### Threat actor motivations:

- Foreign espionage
- Intellectual property
- Patient data
- Financial gain

### Key risks include:

- Ransomware attacks ■ ■ ■ ■
- Insider threats ■ ■ ■ ■
- Medical device software vulnerabilities ■
- Third-party software vulnerabilities ■ ■ ■ ■
- Human error ■ ■ ■ ■
- Phishing attacks ■ ■ ■ ■

## Cybersecurity strategy

Our strategic approach to cybersecurity incorporates regulatory requirements for medical device cybersecurity, as well as cybersecurity reporting and disclosure requirements. We also incorporate threat intelligence from organizations like the Cybersecurity and Infrastructure Security Agency (CISA).

To protect the security and resilience of BD and our products, our cybersecurity strategy is built on three guiding principles:

**Security by design**

BD products and systems are designed to be secure and are developed using industry-leading cybersecurity standards, including those from ISO and NIST.

**Security in use**

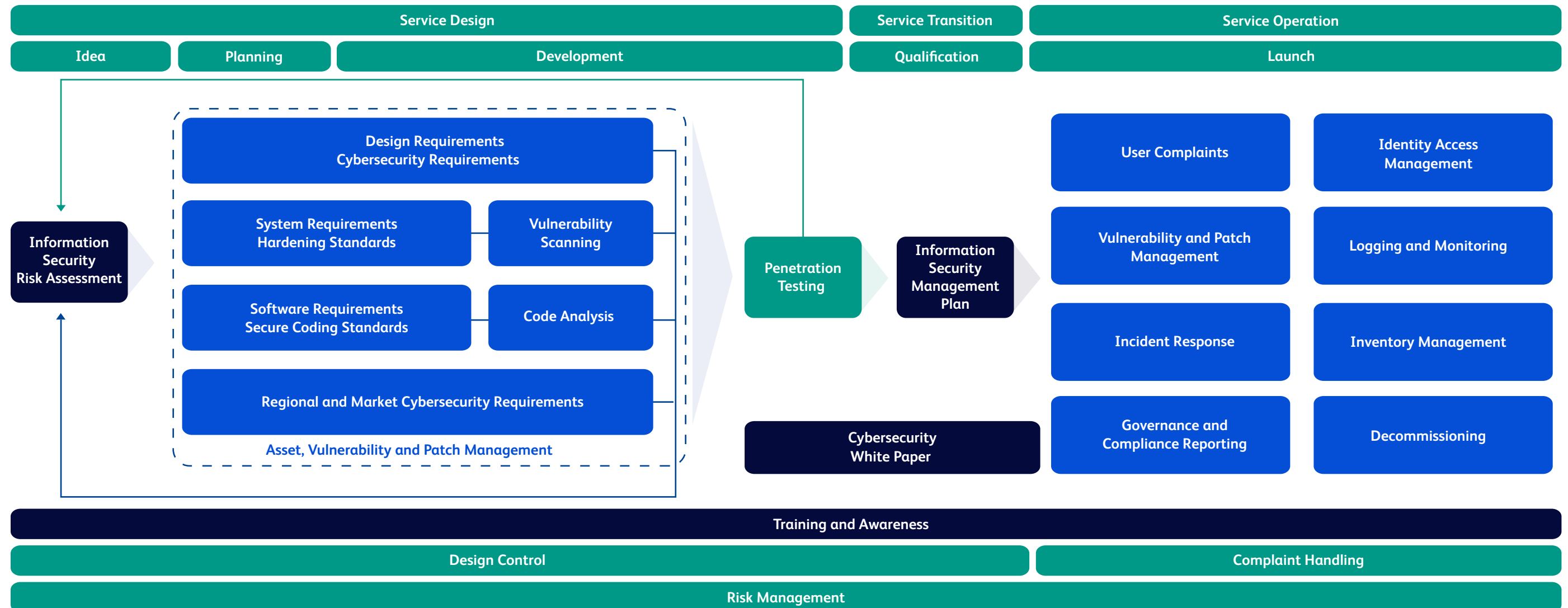
BD products and systems are secured and maintained throughout their intended life cycle, across all technologies and sites.

**Security through partnership**

BD maintains a culture of transparency and collaboration with customers, industry stakeholders and suppliers to establish industry best practices.

Our BD Cybersecurity Framework serves as a blueprint for managing cybersecurity risk, and incorporates design requirements including cybersecurity risk assessment, penetration testing, code analysis, system hardening, and continuous vulnerability management. It is aligned to multiple industry standards and work products including the International Organization for Standardization (ISO) 27001 standards, the Healthcare & Public Health Sector Coordinating Council's (HSCC's) Medical Device and Health IT Joint Security Plan, the National Institute of Standards and Technology (NIST) Cybersecurity Framework, Underwriters' Laboratories' (UL's) 2900 Standard for Software Cybersecurity for Network-Connectable Products, and the standards of the International Society of Automation (ISA) 62443.

## BD cybersecurity framework







## Cybersecurity training

In addition to providing annual cybersecurity awareness training for our 77,000 associates, BD also provides training for our Board of Directors and Executive Leadership team. This includes scenario-based cybersecurity exercises to strengthen the company’s cyber-preparedness and crisis response readiness. The Board of Directors and Executive Leadership team have jointly participated in these types of training exercises twice in the last two years (September 2021 and April 2023). In addition, the Board of Directors and Executive Leadership team have the opportunity to participate in targeted cybersecurity training such as the National Association of Corporate Directors (NACD) Cyber-risk Oversight Certificate program, which is designed to enhance participants’ understanding of the cybersecurity threat landscape, cyber-risk oversight responsibilities and organizational preparedness for cybersecurity crises.

Our associates’ training consists of online cybersecurity training modules; in-person and virtual cybersecurity bootcamp classes; contextual phishing simulation exercises; mock incident response exercises; and intranet resources aimed at enhancing associates’ ongoing cyber-awareness.

## Cybersecurity risk management

BD proactively monitors for suspicious activity, including phishing attacks, malware and ransomware attacks, insider threats, and human error. In calendar year 2022, our global Cybersecurity Operations Center blocked an average of 114 million intrusion attempts per month by leveraging the latest security technologies and best practices.

In 2022, BD announced the formation of its Cybersecurity Risk Committee (CRC), which serves as the management-level governance body for oversight of all cybersecurity risk across the company. The committee is chaired by the chief risk officer and its members include cybersecurity leaders across enterprise, manufacturing and product cybersecurity, as well as key functional leaders.

Our cybersecurity program includes regular internal and external security audits and vulnerability assessments; penetration testing of the company’s systems, products and practices; third-party risk assessments; threat intelligence investigations; vulnerability scanning and management; and incident management. We also leverage threat modeling to uncover and examine potential cybersecurity risks during the design process and beyond.

BD maintains consistent practices for reporting cybersecurity incidents to the U.S. government, including the Cybersecurity and Infrastructure Security Agency (CISA) and/or the Federal Bureau of Investigation (FBI). In addition, BD welcomes vulnerability reports from customers, security researchers, third-party component vendors and other external groups that wish to report a potential vulnerability in a BD software-enabled device. Our approach to vulnerability reporting and disclosure is publicly available at the [BD Cybersecurity Trust Center](#) and noted in the [BD 2022 Cybersecurity Annual Report](#).

### Cybersecurity preparedness

Just as communities prepare for natural disasters, organizations must prioritize cyber-preparedness to prevent and recover from cybersecurity attacks. To enable resilience, it is crucial to identify, assess and mitigate cybersecurity risks. BD operates a 24/7 global Cybersecurity Operations Center (CSOC) and also has dedicated support from regional CSOCs that are responsible for:

- Cybersecurity monitoring.
- Threat hunting and threat intelligence.
- Incident management.
- Insider threat monitoring and detection.

# Human rights

**In all of our operations:**

- We provide a safe and healthy workplace for our associates.
- We do not use child labor.
- We do not use forced, prison, indentured, bonded or involuntary labor.
- We prohibit discrimination in our hiring and employment practices.
- We prohibit physical abuse and harassment of associates, as well as the threat of either.
- We support the freedom of association and the rights of workers and employers to bargain collectively.

committee, determines next steps for mitigating the risk. The committee also oversees our overall human rights due diligence in the supply chain process and relevant policies and is asked to review special issues as they arise.

The CSO will brief the ERC as needed on important matters relating to human rights; the ERC will brief the relevant Board committee and the full Board of Directors, if applicable.

## Human rights strategy

At BD, we integrate human rights principles into our business processes and practices. We believe that all people should be treated with dignity and respect, and we are committed to conducting our business in a manner consistent with this principle. This includes respecting the human rights of all associates, as well as the people in our supply chains, the communities in which we operate, and those who are impacted by our products.

Our commitment—detailed in our [Global Human Rights Policy](#)—is guided by the principles outlined in the UN Declaration of Human Rights and the International Labor Organization’s Declaration on Fundamental Principles and Rights at Work, and extends beyond BD processes and practices to those in our supply chains. We comply with applicable employment and human rights laws and regulations wherever we have operations, and we expect our suppliers to do the same.

## Human rights risk management

Our efforts to promote and help ensure human rights continue to evolve, and we have significantly advanced our initiatives since our partnership with BSR® in 2017 to conduct a human rights management gap assessment to determine where our internal human rights policies, procedures and processes may be improved. BSR focused on requirements set forth by the UN Guiding Principles on Business and Human Rights, the U.K. Labor Standards Assurance System, and the U.K. Modern Slavery Act. The assessment consisted of internal interviews and review of internal and public documentation, prior to benchmarking.

The gap analysis identified highlights, such as our robust Internal Quality and EHS Audit programs, and additional safeguards, such as our ethics and compliance program and the BD Ethics Helpline. However, opportunities for improvement were identified regarding our Global Human Rights Policy and the due diligence of our supply chain.

We have since updated and publicly disclosed our Global Human Rights Policy and developed a Human Rights Due Diligence in the Supply Chain program as part of our Responsible Sourcing program. In early 2023, we began work on a human rights salience assessment across our entire value chain to identify and prioritize human rights risks relevant to BD based on United Nations Guiding Principles Reporting Framework criteria regarding scale, scope, remediability and likelihood.

We employ risk management efforts to enhance compliance with related policies throughout our operations. For example, our Global Operations and Human Resources teams work to promote compliance with our policies prohibiting forced labor, human trafficking and modern slavery across all of our operations, including manufacturing operations.

### BD policies supporting human rights

- [Global Human Rights Policy](#).
- [The BD Code of Conduct](#), which reinforces our commitment to human rights and details how to report suspected violations anywhere in our supply chain. All of our associates are trained annually on our Code of Conduct.
- [BD Expectations for Suppliers](#), our Code of Conduct designed for our thousands of suppliers.
- [Speaking Up Policy](#).
- [Additional policies developed as needed for identified risks](#).

## Human rights governance

The central Sustainability team is responsible for monitoring and coordinating efforts to provide awareness of human rights compliance obligations. Human rights management is embedded in our integrated supply chain—including operations, supply chain, procurement, and sustainability and EHS—and human resources functions to foster compliance with our policies prohibiting forced labor, human trafficking and modern slavery across all of our operations.

BD’s Responsible Sourcing Operating Committee guides and facilitates work focusing on human rights due diligence in our supply chain. Sponsored by the SVP, global supply chain & chief procurement officer and the CSO, the committee includes subject matter experts from across the company and representatives from the central Procurement leadership team, as well as EHS legal counsel and a representative from the central Sustainability team. The committee reviews all high-risk suppliers and suppliers who score below our acceptable threshold in our assessments and, in collaboration with appropriate associates outside the

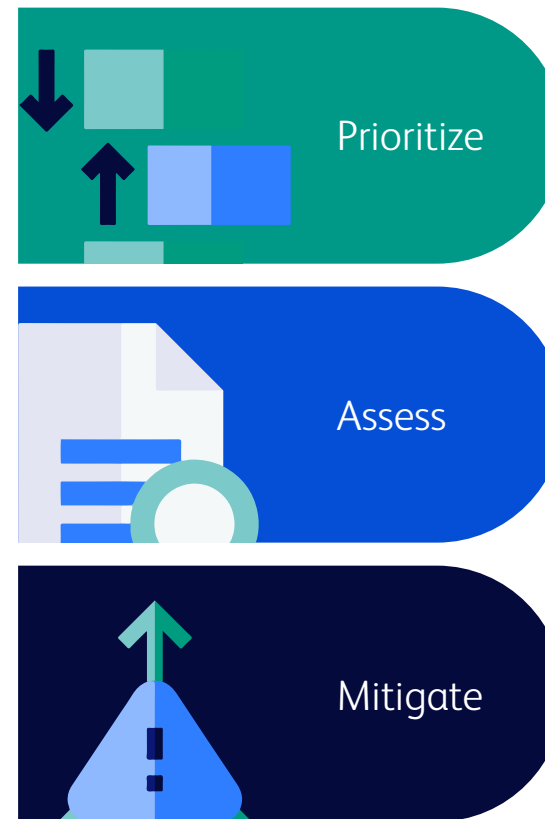
## Modern slavery

Practices geared toward ensuring that modern slavery, human trafficking and child labor do not exist in our workforce, or those of our suppliers, are integrated into our processes. These include:

- We do not charge any of our associates recruitment fees and do not work with recruitment agencies that engage in this practice.
- We do not withhold identity documents, immigration documents or any other personal documentation of our associates.
- We encourage our associates to report, without fear of retaliation, any matters related to human trafficking, modern slavery or any other human rights violations.
- We provide BD associates with forced labor and human trafficking training each year, developed by a third party and administered online. This course is taken by any associate who interacts directly or indirectly with our suppliers. This includes associates who source, manage and/or advise on supplier selection.

## Human rights due diligence in the supply chain

Our human rights due diligence process in our supply chain focuses on identification of risk within our supply base, gaining further insight on that risk, and mitigation, where appropriate.



Within our supply chain, where the highest risk of slavery and human trafficking exists, suppliers are evaluated internally and by a third-party tool in order to understand human rights risk. The results of this risk evaluation help identify which suppliers are prioritized for further assessment. BD recognizes that our highest-risk suppliers are likely to be found in countries and industries cited for having the highest prevalence of modern slavery and human trafficking rights violations. We also recognize that suppliers further down our supply chain tiers may represent a higher risk for these violations, and have begun targeted [supply chain mapping](#) to better identify and address these risks.

BD deploys desktop audits administered by a third party to assess performance against ESG topics, including labor and human rights. Our third-party expert reviews supplier responses and documentation to ensure a non-biased evaluation.

If a supplier receives an unacceptable score on our desktop audit, BD will assign corrective actions and evaluate results through our Responsible Sourcing Operating Committee to determine the best path for further engagement; this may include the assignment and review of additional corrective actions, in-person human-rights-focused audits, and/or remediation as necessary.

We take steps to educate associates and third parties so they can identify modern slavery and other human rights abuses and take steps to eliminate them—both in our own operations and within our supply chain.

More details on our full human rights due diligence process can be found in our compliance statements online at [bd.com](#). Progress toward engaging suppliers in human rights efforts can be found in the [responsible sourcing](#) section.



## Environmental justice

The goal of environmental justice is to address the inequitable exposure of disadvantaged communities to harm to their health and environment. The pattern of inequitable exposure to environmental harms—especially in communities of color in the U.S.—has been documented in multiple studies. Exposure to these harms has led to higher rates of chronic health problems, disease and mortality among poor and marginalized communities.

Efforts are continuing globally to implement policies and legislation to help to ensure the fair treatment and meaningful involvement of all people with respect to the development, implementation and enforcement of environmental laws, regulations and policies. An example includes the 2020 Environmental Justice Law in BD’s home state of New Jersey, U.S., which requires the evaluation of the environmental and public health impacts of certain facilities on overburdened communities when reviewing certain permit applications.

At BD, we utilize environmental and health and safety management systems at our facilities globally that help identify, manage and mitigate environmental and safety risks, as part of our continuous improvement efforts. Oversight of identified environmental justice issues is carried out by our established ESG governance structures.

In FY 2022, we established a screening process using publicly available tools to determine whether our U.S. operations are located in disadvantaged communities. Our U.S. facilities were screened through these tools before applying a score to prioritize potential risk. These tools are the U.S. E.P.A. EJ Screen and the Council on Environmental Quality’s (CEQ’s) Climate and Economic Justice Screening Tool (CEJST).

We have been monitoring and evaluating the continued increase in public tools available and updates to these tools, which has resulted in modifications to our screening process. Initial screening results indicate that locations that pose the highest potential risk are those that use ethylene oxide in sterilization operations. While a small number of additional facilities have been identified as being located in disadvantaged areas via the CEJST, we have determined, based on operations being carried out and the burden threshold, that BD’s overall impact in the U.S. is minimal.

## Legislation and compliance

Proposed and current human rights legislation is tracked by our central S&EHS team. Applicable legislation is assessed to determine compliance requirements before implementing required actions and incorporating them into our existing Human Rights Management program. We monitor and prepare for a number of disclosure requirements; in FY 2022, this included the UK Modern Slavery Act, the Australia Modern Slavery and Trafficking Act, and the Norway Transparency Act statement.

As a multinational company, BD complies with various country-level human rights compliance requirements that ask us to report on our process to ensure that our supply chain is free of modern slavery and to demonstrate that we have a solid Human Rights Due Diligence program in place. These reports track in further detail the processes we have in place to implement this program. Visit our [Policy Center](#) to view the compliance documents.

## Metrics and targets

The following ESG issues, which are interconnected with human rights, are measured through the accompanying public metrics and targets (where applicable).

<b>Product Safety</b>	<a href="#">Metrics – Key quality indicators</a>
<b>Health and Safety</b>	<a href="#">Metric – lagging and leading indicators</a>
<b>Inclusion, Diversity and Equity</b>	<p><a href="#">2030+ goals</a></p> <ul style="list-style-type: none"> <li>Improving ethnic and gender diversity by 1% year over year at the management and executive levels</li> <li>Ensuring equal pay (by gender) worldwide</li> <li><a href="#">Diversity data is available in the data tables</a></li> </ul>
<b>Responsible Sourcing</b>	<p><a href="#">2030+ goals</a></p> <ul style="list-style-type: none"> <li>We will strengthen engagement with supply chain partners on their labor and environmental practices and performance by completing ESG desktop audits:                             <ul style="list-style-type: none"> <li>for strategic, preferred and critical suppliers by 2023</li> <li>for 90% of total spend by 2025</li> </ul> </li> <li>We will partner with strategic/preferred/critical suppliers to evaluate risk in Tier 2 by 2030</li> </ul>
<b>Climate Change</b>	<p><a href="#">2030+ goals</a></p> <ul style="list-style-type: none"> <li>We will commit to setting science-based emissions reduction targets across all scopes, in line with 1.5° Celsius emissions scenarios and the criteria and recommendations of the Science Based Targets initiative.                             <ul style="list-style-type: none"> <li>Reduce Scopes 1 and 2 emissions by 46% by 2030 (from 2019 baseline, absolute)</li> <li>Be carbon-neutral across direct operations by 2040</li> <li>Set Scope 3 emissions targets for material Scope 3 categories by end of 2023</li> </ul> </li> </ul> <p><a href="#">GHG data is available in the data tables</a></p>
<b>Water</b>	<p><a href="#">2030+ goal</a></p> <ul style="list-style-type: none"> <li>Reduce water consumption by 40% by 2030 (from 2019 baseline normalized to COPS)</li> </ul> <p><a href="#">Water data is available in the data tables</a></p> <p><a href="#">Metric – number of locations with medium and high basin water risk and operational water risk</a></p>

# Ethics and compliance

We are committed to a strong ethics and compliance culture. We do not tolerate actions or behaviors that violate the BD Code of Conduct (Code), BD policies or applicable laws and regulations. All BD associates are responsible for reinforcing our ethics and compliance culture and sustaining our reputation as a company dedicated to quality and integrity. We encourage and expect everyone at BD to speak up by asking questions, raising concerns, seeking guidance and reporting actual or suspected violations of laws, the BD Code of Conduct, BD policies or our high ethical standards. This requirement extends to all associates, customers, vendors and/or other third parties working on our behalf.

Our [BD values](#) further strengthen our culture of ethics and compliance and guide how we hold ourselves accountable to our shareholders and stakeholders. These values are cascaded through all levels of the organization. Read more about ethics and compliance at BD on our [website](#).

## Code of Conduct

The BD Code of Conduct sets the foundation for how we behave at BD, providing guidance and resources for our ethical standards. Our value—We do what is right—is the cornerstone of our Code. We follow all laws, rules and policies that apply to us and adhere to the highest ethical standards, even when there's no specific law or policy.

Everyone at BD—from officers to directors and associates—must follow our Code of Conduct; it applies equally to everyone. BD associates receive information and training about the Code and other policies in several ways, including periodic communications and annual trainings. Associates can access detailed information on our expectations through our intranet and on our ethics and compliance mobile app. Our Code of Conduct is also available on our [website](#).

With oversight from our Board of Directors' Audit Committee, our global ethics and compliance function seeks to ensure that BD has a comprehensive compliance program designed to prevent and detect wrongdoing and continuously encourages lawful and ethical conduct. BD's SVP chief ethics & compliance officer & chief privacy counsel leads the global ethics and compliance function and, along with

the BD Ethics and Compliance Committee, which comprises members of BD's Executive Leadership team, oversees these activities to ensure effective operation and enforcement. The program is integrated into our global business operations. We evaluate the effectiveness of our program and adapt it periodically to ensure it is appropriately tailored to address the risks inherent in our global business.

## Reporting ethics concerns

BD associates are obligated to report any suspected violations of laws, industry codes, the BD Code of Conduct or BD policies in accordance with the BD Global Speaking Up Policy, except as prohibited by applicable law. BD takes all reports of violations of laws, BD policies and BD ethical standards seriously and will promptly, fairly and thoroughly investigate all such reports. BD does not tolerate any form of retaliation against any person who in good faith reports an actual or suspected violation or cooperates in BD investigations. BD is committed to creating an environment in which all associates feel comfortable raising concerns, seeking guidance or asking questions without fear of retaliation or discipline.

Anyone can seek guidance or report ethics concerns in a number of ways, including through the BD Ethics Helpline or via [email](#). The Helpline is independently operated and available anywhere in the world, 24 hours a day, 7 days a week. It can be reached by telephone or [online](#) and provides translation services as needed. Reports can be made anonymously if permitted by law. BD associates can also report violations to their supervisor, management, Human Resources or the Law Group, or directly to Ethics and Compliance.

In FY 2022, BD's Ethics Office received more than 1,100 contacts from associates worldwide seeking guidance or reporting concerns. When an investigation has a finding, our corrective actions can range from nondisciplinary-based training and process improvements in areas where a gap has been identified, to discipline, or to termination of employment.

## Antibribery and anticorruption

Acting with integrity is critical to ensuring our success and protecting our reputation. To that end, we continuously work to ensure that our interactions do not involve bribery, corruption or other improper behavior. Our central Ethics and Compliance team provides resources to regional and local country management to enhance their anticorruption and compliance business practices. This includes incorporating compliance requirements into existing business practices and advising local management on anticorruption compliance-related issues, as well as abiding by local laws and regulations.

A key focus for BD is driving compliance in our third-party intermediary networks across the globe, resulting in stronger business relationships while upholding our reputation. These efforts are advanced by fostering collaboration with business leaders to deliver consistent and clear policies, and by approval processes with enhanced third-party intermediary life-cycle management procedures.

BD is committed to training all associates via both in-person, scenario-based sessions and Learning Management System courses that leverage policy materials, such as the [Global Antibribery & Anticorruption Policy](#) and the Global Standards for Interactions with Healthcare Professionals, Healthcare Organizations and Government Officials.

Risk-based training with third-party intermediaries is a core component of the antibribery and anticorruption program. These sessions are focused on applicable antibribery and anticorruption laws, including the Foreign Corrupt Practices Act and relevant BD policies. Associates are required to complete this training once every 18 months.



## Privacy

BD has established a Global Privacy Program to manage the collection, use and transfer of personal data across BD’s processes, platforms and products. The foundation for the Program includes a Global Privacy Policy which establishes minimum enterprise-wide privacy standards throughout BD regions, businesses, and functions. It also includes a Global Privacy Framework, with 10 defined scope areas, setting a baseline for a harmonized level of privacy maturity across BD. As part of the implementation and localization process, where appropriate, country and region-specific policies and standards have also been implemented.

BD’s Privacy Policy Framework includes:

- Global Privacy Policy, which is our principle-based umbrella privacy standard, applicable across all areas of BD whenever personal data is collected, shared, used or otherwise processed by BD. It is available to our associates in 19 languages.
- GDPR Policy is a written standard that addresses privacy obligations for BD companies and associates that are subject to the EU General Data Protection Regulation (GDPR). It is available to our associates in 8 languages.
- BD has implemented the HIPAA Privacy, Security, and Breach Notification Rules – Policies and Procedures to establish the guidelines for BD’s compliance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA), and the Health Information Technology for Economic and Clinical Health Act (HITECH Act).
- PIPL Policy is a written standard that addresses privacy obligations for BD companies and associates that are subject to China’s Personal Information Protection Law (PIPL). It is available to BD associates in Chinese and English.
- LGPD Policy is a written standard that addresses privacy obligations for BD companies and associates that are subject to the Brazil’s Lei Geral de Proteção de Dados Pessoais (LGPD). It is available in Portuguese and English.

## Ethics in sales and marketing

### Interactions with healthcare professionals

BD has policies and procedures in place in order to comply with all applicable laws and regulations that govern the interactions between medical technology companies and healthcare professionals, healthcare organizations and government officials in the many countries where we do business. To help support compliance, BD has adopted various industry codes, including the Advanced Medical Technology Association (AdvaMed) Code of Ethics in the United States, MedTech Europe, APACMed, Mecomed, and Abimed. Key provisions of applicable industry codes are also incorporated into various global policies, including the Global Standards for Interactions with Healthcare Professionals, Healthcare Organizations and Government Officials.

BD associates receive information and training about these codes in a few ways, including periodic communications and online and in-person trainings. Associates can access detailed information on our expectations through our intranet and our ethics and compliance mobile app.

### Product marketing

BD has policies and procedures governing the advertising and promotion of our products, solutions and services that comply with applicable laws and regulations. Expectations around the promotion of our products are outlined in our Code of Conduct.

Our advertising and promotions programs serve to create a globally harmonized process for generating, reviewing and approving advertising and promotional communications. This program promotes consistency in definitions, rules, principles, governance and approval criteria to enable compliance across BD.

Our advertising and promotion review and approval processes are overseen by a steering committee consisting of cross-functional representatives from marketing, medical affairs, regulatory affairs, and law group. Our global policy on advertising and promotion prohibits the development and distribution of advertising and promotional materials that have not been approved under the structure set out in the policy. All policies outline the obligation to report noncompliance, how to report it—including via the BD Ethics Helpline—and potential disciplinary action that could be taken for noncompliance.

All associates who are involved in the creation, review, approval and distribution of advertising and promotional materials are required to complete annual training via the BD online training system. Training covers BD policies and procedures, as well as our systems used to manage and track approvals.



# Participation in the policymaking process

BD engages in public policy advocacy through ongoing, constructive and transparent interactions with government officials and stakeholder groups. All advocacy activities are directed toward furthering the company’s Purpose of *advancing the world of health™*, without regard to the personal political affiliations or views of any individual BD associates at any level across the organization. Strong, long-term relationships with policymakers help us better understand unmet public health needs around the world.



## Public policy governance

Our Board of Directors’ Corporate Governance and Nominating Committee has oversight of BD’s engagement in the political process. The committee oversees BD’s political activities in order to promote ethical and transparent engagement, advance the company’s Purpose, and comply with applicable laws and reporting requirements.

### Engaging with governments in a transparent manner

The [Center for Political Accountability \(CPA\)](#) recognized BD with a rating of 100% on its 2022 corporate political disclosure and accountability index, the sixth year in a row we have received a perfect score for the transparency with which we conduct our political engagement.

## Public policy advocacy

Our Public Affairs team leverages our diverse experience, expertise, global reach and collaborations to develop public policy positions that guide our advocacy efforts worldwide, and makes constructive contributions to policy discussions relevant to the company and the communities in which we operate. We currently have a range of [global public policy positions](#) available online.

Examples of our engagement include policy dialogue to advance regulatory and reimbursement frameworks that focus on the safety and efficacy of medical technologies and timely patient access to them. We also promote tax policies that we believe enhance competitiveness and innovation, support policies and programs that advance biomedical research, and seek to expand access to care for all people.

## Political action committee: BD PAC

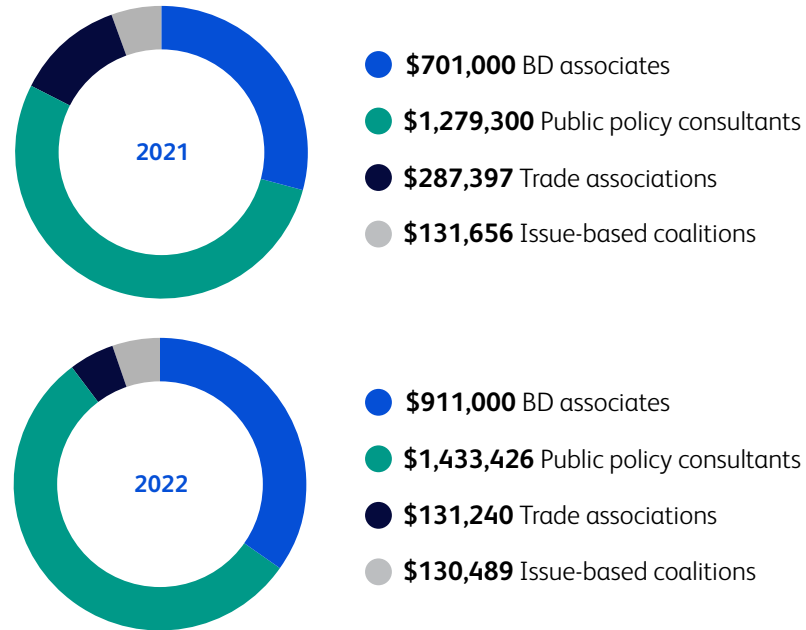
As permitted under U.S. law, our company operates a political action committee (PAC). The BD PAC is a mechanism to enable eligible U.S. associates to voluntarily support candidates for elected office who share our perspectives and approaches to public policy issues. BD has not authorized the establishment of any PACs operating on the state or local level. Contributions to the BD PAC are entirely voluntary and are governed by the BD PAC Bylaws. BD provides administrative support to the PAC, as permitted under federal law. The BD PAC is audited by an independent auditor every two years for compliance with policy and legal requirements.

The BD PAC contributed a total of \$114,500 to candidates in calendar year 2022. All contributions made by the BD PAC are also publicly reported on government agency websites, including the [Federal Election Commission’s website](#). For annual reporting of itemized PAC contributions and any other corporate contributions, visit our [website](#).

## Process for corporate financial contributions

The company prohibits the use of corporate funds and assets to support U.S. federal or state candidates, political parties, ballot measures or referendum campaigns. Exceptions to this policy require approval by the CEO, the General Counsel and a designated member of our Board of Directors’ Corporate Governance and Nominating Committee. To date, no exceptions have been sought or approved. Certain conditions must also be met for any political contributions outside of the United States.

## U.S. lobbying expenditures



Data represents calendar years.

**Trade associations:** AdvaMed, Healthcare Institute of New Jersey, California Life Sciences Association, North Carolina Biosciences Organization, Bio Nebraska

**Issue-based coalitions:** Diagnostic Test Working Group, Medical Device Competitiveness Coalition, Physicians Fee Schedule Pathology Payment Coalition, United for Medical Research, Corporate Friends of CDC, Inc.

In addition to the work of our Public Affairs team, BD is able to expand our reach by leveraging state and federal public policy consultants, collaboratively engaging on issues that impact our industry through trade associations and advancing policy proposals focused on key priorities through advocacy coalitions. For calendar year 2022, the company spent approximately \$2.6 million on salaries and expenses associated with lobbying in the United States.

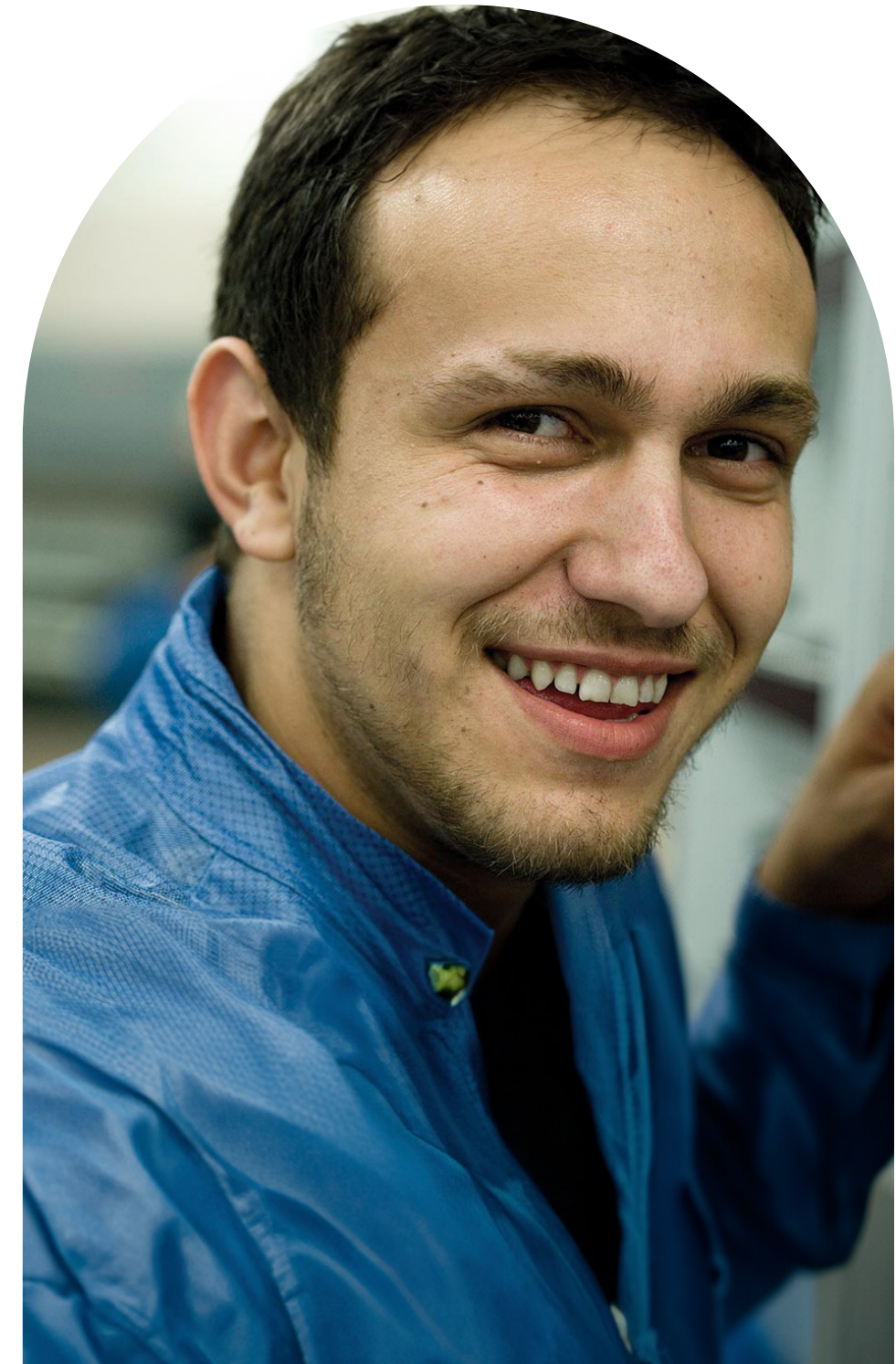
We file quarterly reports regarding our federal lobbying activities with the Office of the Clerk of the House of Representatives and the Secretary of the Senate. These reports are available by searching for “Becton Dickinson” as a “Registrant” on the U.S. Senate’s [website](#).

## Violations and compliance

BD maintains robust processes for reporting of violations and validating compliance with law and Company policy. Company personnel who believe they have witnessed illegal or unethical behavior relating to the Company’s political activities are encouraged to discuss the matter with their manager, senior managers, Human Resources representatives, the Legal Department, or the Compliance Department.

Actual or potential violations may be reported without risk of retaliation by using the Confidential ETHICS HELPLINE (1-800-821-5452).

Company policies and by-laws governing BD’s political activities may be subject to periodic compliance validation and/or Internal Audit review to determine the effectiveness of implementation and on-going compliance with Policy. Findings and mitigation strategies may be reviewed with appropriate stakeholders. Significant exceptions may be reported to the Corporate Nominating and Governance Committee.





# Appendices

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# Stakeholder engagement

Due to our global reach and the nature of our work, we serve and rely on a wide range of stakeholders. Engaging with them through a variety of channels across many parts of our organization is critical to how we apply the principle of shared value, and therefore is essential to our business success. Often, we work collaboratively with stakeholders who share our objectives and, in the process, we gain a deep understanding of their work. We listen to our stakeholders’ views and suggestions, and use that feedback to improve our products, services and business practices.

Stakeholder group	How we conduct meaningful engagement	Additional ways for stakeholders to engage with us
<p><b>Customers</b> To create a deep understanding of the healthcare market and its customers, and to provide education and training to expand those markets, we strategically engage with our customers in all regions where we operate. This allows us to develop and deploy products and solutions to meet customers’ needs, today and in the future.</p>	<p>Engagement is carried out primarily through our Sales and Marketing teams, who are often located close to their customers. This allows them to better understand the needs and culture of our customers and the patients they serve.</p> <p>Often, senior leaders and/or leaders from functions such as Sustainability, Quality and Procurement will engage with strategic customers on specific topics.</p>	<p><a href="mailto:customer_support@bd.com">customer_support@bd.com</a> 1.844.8.BD.LIFE (+844.823.5433). Or local customer support</p>
<p><b>Shareholders</b> Our focus on shareholders is to communicate that the combination of our business and geographic diversity—our balanced capital allocation and our drive for efficiency—provides a long-term pathway toward sustainable profit growth that returns capital to shareholders.</p>	<p>We engage with shareholders in a variety of forms, including annual shareholder meetings, quarterly calls, an annual shareholder outreach program, and other in-person meetings and investor events such as conferences. Engagement is often with our more significant holders; however, we also engage with groups of smaller investors on specific topics.</p>	<p><a href="mailto:investor.relations@bd.com">investor.relations@bd.com</a> +1-800-284-6845.</p>
<p><b>BD associates</b> The attraction, development and retention of talent are critical to executing our strategy and fulfilling our Purpose. We are committed to being an employer of choice by supporting associates’ well-being in all aspects of their personal and work lives.</p>	<p>We engage and develop relationships with associates through a variety of mechanisms. Our Associate Resource Groups provide a forum for associates and their allies to drive change while fostering a deep sense of community within the company and surrounding communities we serve. Where appropriate, engagement is carried out in the local language in order to address language barriers and create inclusion. Voice of Associate surveys, skip-level meetings and town halls are used to solicit associate feedback, and our mentoring and leadership development programs focus on building leadership capabilities.</p>	<p>Current associates can engage with BD via:</p> <ul style="list-style-type: none"> <li>• Internal social media platforms</li> <li>• Ethics Helpline, anonymous online reporting tool and email at <a href="mailto:ethicsoffice@bd.com">ethicsoffice@bd.com</a></li> <li>• HR Helpline and the Employee Relations team</li> <li>• Quarterly town halls</li> </ul> <p>Future associates can engage with us via:</p> <ul style="list-style-type: none"> <li>• Our Careers website <a href="https://jobs.bd.com">jobs.bd.com</a></li> <li>• LinkedIn</li> </ul>

Stakeholder group

**Business partners**

Our suppliers, distributors and other partners in the supply chain help us effectively serve our customers around the world. Our close engagement with these partners allows us to collaborate with them on critical initiatives, allowing us to build an agile and resilient supply chain.

**Community affairs and local operations engagement**

Community engagement plays a critical role in ensuring continuity of operations and preventing supply chain disruptions. The increasing importance of trade policy, cross-border collaboration and globalization requires alignment and cooperation with local officials who affect the well-being of BD operations. Facility leadership plays an important role in developing relationships with local stakeholders and government officials who can help BD achieve economic development, sustainability and customer engagement goals.

How we conduct meaningful engagement

We engage our partners through a variety of strategic programs. Engagement is primarily carried out by supplier relationship owners, category managers and procurement managers within our procurement function, as well as the Global Supply Chain, Quality, and R&D functions and the central Product Stewardship team.

Deploying proactive, strategic stakeholder engagement serves to strengthen relationships with community leaders in locales where we operate and to promote associate involvement and the pipeline of talent. Strong local engagement also drives economic development, sustainability and supply chain resiliency goals.

Additional ways for stakeholders to engage with us

- [supplier\\_diversity@bd.com](mailto:supplier_diversity@bd.com)
- [BDResponsibleSourcing@bd.com](mailto:BDResponsibleSourcing@bd.com)
- New product ideas – [BDTechnologiesBusDev@bd.com](mailto:BDTechnologiesBusDev@bd.com)

Stakeholder group

**Governments, policymakers and regulatory bodies**

We engage at the agency and legislative levels in many countries to enhance our understanding of governments' priorities. Through these engagements, we seek ways to deploy our capabilities, products and solutions to help support and achieve national health objectives. This includes participation in public-private partnerships and collaborative communities supporting product safety, cybersecurity and technical standard initiatives to support the advancement of innovation and how innovation is regulated to bring technologies to market faster while prioritizing product safety.

**International agencies and nongovernmental organizations (NGOs)**

We engage with international organizations (e.g., World Health Organization), NGOs (e.g., the Global Fund) and the public sector (e.g., Institute for Safe Medication Practices) to understand unmet needs and priority challenges; to provide global humanitarian relief; to serve vulnerable populations; and to collaborate on health system strengthening initiatives in support of global public health.

How we conduct meaningful engagement

We engage governments and policymakers in various ways, primarily through our Global Public Affairs team. In addition, we engage on a variety of topics via trade associations and technical coalitions, where a partnership approach allows us to more effectively drive change.

We engage with international organizations through direct partnership in delivery programs as well as by providing complementary support aligned with global public health initiatives. We engage through participation in private sector constituencies, by responding to public requests for information, through publication of white papers, by witnessing the work of our humanitarian relief partners and policy briefs, and by investing BD's resources and people in support of these programs.



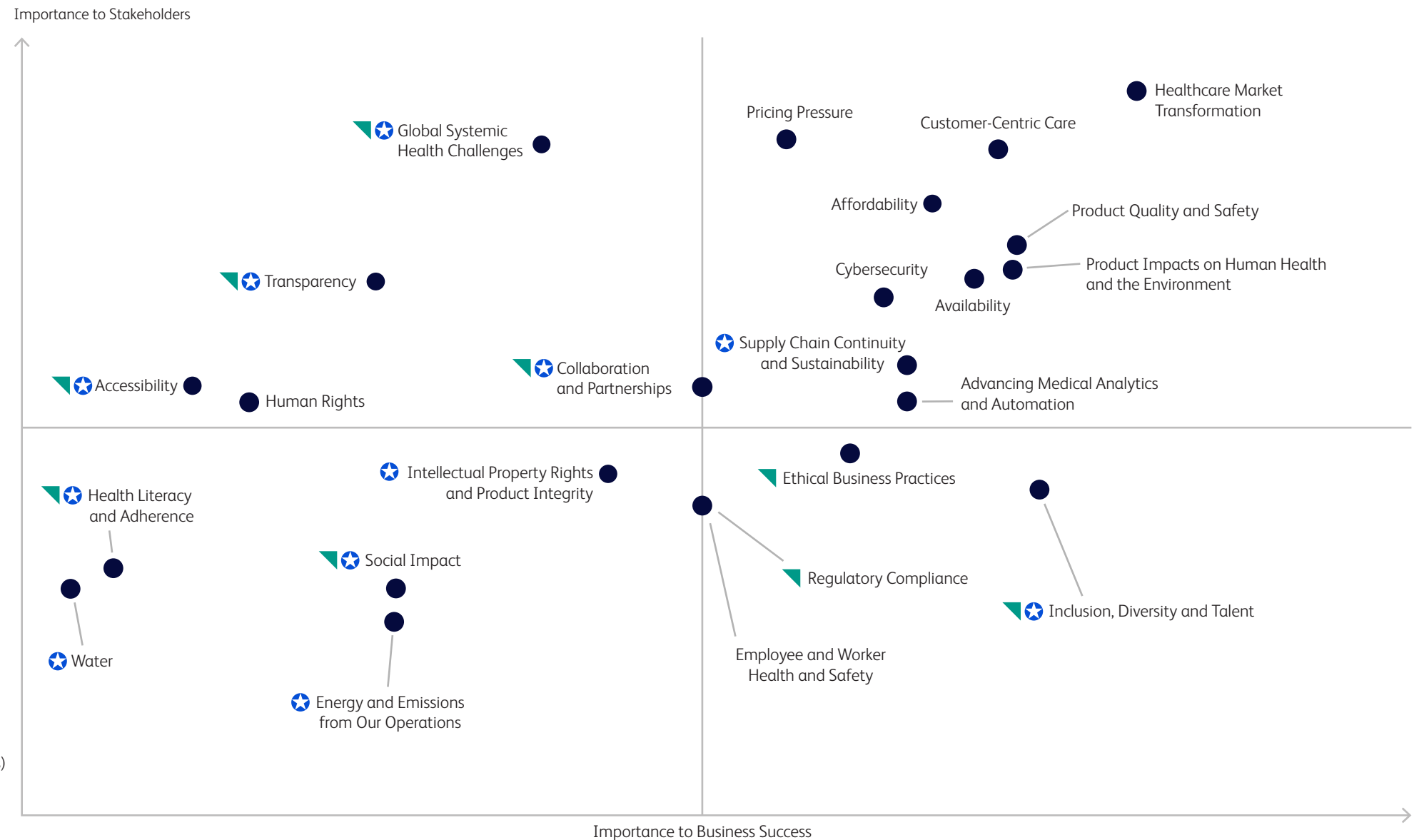
Stakeholders can also engage with us via these channels:

- BD's External Funding Program, [FundingRequest@bd.com](mailto:FundingRequest@bd.com) or visit [www.bd.com/en-us/about-bd/global-funding](http://www.bd.com/en-us/about-bd/global-funding)
- Media Contacts – [news.bd.com/media-contacts](http://news.bd.com/media-contacts)
- Privacy – [privacy@bd.com](mailto:privacy@bd.com)
- Quality Transparency Center – [www.bd.com/en-us/about-bd/quality-at-bd](http://www.bd.com/en-us/about-bd/quality-at-bd)
- Facebook
- Instagram
- LinkedIn
- Twitter
- YouTube

# ESG assessment

The following graphic shows each of our ESG issues in relation to importance to BD's success and importance to stakeholders. Also indicated are issues that were identified as highly dynamic and/or moved to the top-right quadrant (increased in importance) during our future scenario assessment.

The inclusion of information in this report should not be construed as a characterization regarding the materiality or financial impact of that information. For additional information regarding BD, please see our current and periodic reports with the Securities and Exchange Commission, including our Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q. The ESG analysis and assessment is based on our understanding of current events at the time of the assessment and is subject to change, and we undertake no obligation to update or revise this assessment and analysis. We did not interview or account for every stakeholder who may have interests in these subjects.



★ Highly Dynamic Issue (moved in 3 or more scenarios)  
 ▲ Moved to the top right quadrant



# ESG issues

Text in *blue italics* indicates feedback from stakeholder interviews that were carried out as part of the ESG assessment conducted in 2019.

ESG issue	Definition	How we manage this issue
<p><b>Accessibility</b></p>	<ul style="list-style-type: none"> <li>Expanding access to BD products and services to low-income patients and underserved populations around the world.</li> </ul>	<p><i>Stakeholders see BD as a leader in improving accessibility for underserved populations.</i></p> <p>BD is committed to ensuring that market-appropriate and quality-assured solutions are available to the clinicians and patients who need them. We work through a network of over 30 UN agencies, procurement partners, and NGOs to offer products to development programs in low- and middle-income countries.</p> <p>For more details, refer to the <a href="#">Health Equity</a> section.</p>
<p><b>Advancing Medical Analytics and Automation</b></p>	<ul style="list-style-type: none"> <li>Driving continuous development of new approaches to information and knowledge management in order to improve solutions for biomedical science, quality patient care and public health needs.</li> </ul>	<p><i>Automation and analytics are central to the use of data to improve health outcomes, manufacturing, the changing nature of work, and cybersecurity. Stakeholders want to see how BD will continue to lead in these areas and optimize existing data sources to improve health outcomes.</i></p> <p>The future of healthcare is changing, and we see three irreversible forces that are going to be shaping healthcare in new ways:</p> <ul style="list-style-type: none"> <li>Smart connected care</li> <li>A shift to new care settings</li> <li>Chronic disease outcomes</li> </ul> <p>For details on how we are approaching our two axes of growth—Durable Core and Transformative Solutions—see <a href="#">Our business</a>.</p>
<p><b>Affordability</b></p>	<ul style="list-style-type: none"> <li>Expanding the quality and affordability of healthcare, especially in emerging and developing economies.</li> </ul>	<p><i>Stakeholders would like to see BD leading on low-cost products for emerging markets and passing along cost savings to patients.</i></p> <p>BD deploys a cross-functional approach to support access, affordability, and availability of our products, including support from Market Access, Health Economics, and Global Public Health.</p>

ESG issue	Definition	How we manage this issue
<b>Availability</b>	<ul style="list-style-type: none"> <li>Supporting availability of treatments to address significant disease burden, including those currently unaddressed, through innovation, research and development of new technologies.</li> <li>Collaborating with customers to improve clinical outcomes and scientific cooperation.</li> </ul>	<p>For further details on our approach in this area, refer to the <a href="#">Innovation at BD</a> section.</p>
<b>Collaboration and Partnerships</b>	<ul style="list-style-type: none"> <li>Working with diverse stakeholders and multi-stakeholder partnerships to tackle global sustainability and health challenges and drive positive innovations, including through public policy engagement.</li> </ul>	<p>We aim to build on existing partnership successes and develop new strategic partnerships that work across the value chain. An example of this is our <a href="#">2030+ goal to expand partnerships to address the impact of plastics, such as our partnership with Casella</a>.</p> <p>Partnerships are also central to our <a href="#">cybersecurity</a> program and <a href="#">health equity</a> activities and programs. For example, in September 2022, we announced a collaboration with the International Council of Nurses to strengthen national nursing associations in Africa.</p>
<b>Customer-Centric Care (Including Product Innovation)</b>	<ul style="list-style-type: none"> <li>Driving continuous development of new products, solutions and services to meet customer and public health needs.</li> <li>Helping to address global chronic disease and acute-care challenges while demonstrating value-based outcomes.</li> <li>Identifying unmet needs, delivering the right innovations and enabling best practices.</li> <li>Collaborating with customers and partners to develop comprehensive healthcare products that meet emerging healthcare needs.</li> </ul>	<p><i>Our stakeholders see BD as committed to customer-centric care and product innovation. Collaboration and partnership will be important to our strategies in these areas.</i></p> <p>Category innovation and customer outcomes are two elements of our <a href="#">2025 strategy</a>.</p> <p>For further details about innovation at BD, refer to the <a href="#">Innovation at BD</a> section.</p>
<b>Cybersecurity</b>	<ul style="list-style-type: none"> <li>Securing the storage and access of product data and addressing medical data privacy laws. Preventing unauthorized access and improper use of product data and developing robust customer privacy policies for biometric data. Collaborating with industry partners to enhance security standards for medical devices and technologies.</li> <li>Securing company information and data storage and preventing unauthorized access to company computers, databases and websites.</li> </ul>	<p>For information about how we manage cybersecurity, please refer to the <a href="#">cybersecurity</a> section of this report and the <a href="#">BD 2022 Cybersecurity Annual Report</a>.</p>
<b>Employee and Worker Health and Safety</b>	<ul style="list-style-type: none"> <li>Improving associate safety by minimizing hazards in production facilities and other locations where BD associates work.</li> <li>Promoting associate health, safety, security, privacy and well-being.</li> </ul>	<p>We have established 2030+ goals intended to maintain a healthy and thriving workforce that cultivates our culture of inclusion, safety and well-being.</p> <p>Refer to the <a href="#">health and safety</a> section for further details on how we manage this area.</p>
<b>Energy and Emissions from Our Operations</b>	<ul style="list-style-type: none"> <li>Reducing energy consumption and increasing percentage of renewable energy.</li> <li>Reducing greenhouse gases, hazardous air pollutants and other air emissions impacts caused by BD's operations.</li> <li>Addressing the risks and opportunities resulting from the existing and emerging impacts that the climate has on the business.</li> <li>Reporting the company's performance on prevention, management and mitigation of impacts.</li> </ul>	<p>Details on how we manage energy usage, emissions and impacts from climate change can be found in the <a href="#">Climate change</a> section.</p>

ESG issue	Definition	How we manage this issue
<p><b>Ethical Business Practices</b></p>	<ul style="list-style-type: none"> <li>• Upholding and promoting high standards of ethics in business behavior.</li> <li>• Promoting ethical brand management and promotion, ethical marketing, and prevention of anti-competitive practices.</li> <li>• Training associates on responsible interactions between company staff and healthcare professionals.</li> <li>• Engaging in sales and marketing practices that incentivize ethical behaviors and promote truthful, non-misleading information in sales interactions with customers and the medical/scientific community.</li> <li>• Improving Board structure and independence, executive compensation and accountability. Measuring sustainability strategy and business performance.</li> <li>• Complying with state, federal and international laws pertaining to corruption and abuse, including anti-kickback laws and the U.S. Foreign Corrupt Practices Act.</li> </ul>	<p>Refer to the <a href="#">Transparency</a> section for further details on our Ethical Business Practice programs.</p>
<p><b>Global Systemic Health Challenges</b></p>	<ul style="list-style-type: none"> <li>• Developing of treatments and medical devices that address widespread critical disease areas where there is unmet need and opportunity to prevent, diagnose and mitigate the impacts of global disease burdens, including delivering HIV/AIDS, malaria and maternal infant mortality.</li> <li>• Addressing risks and opportunities that result from impacts caused by antimicrobial resistance (AMR) and continuing to prioritize AMR research and treatments with a focus on prevention, management and mitigation of disease impact.</li> <li>• Addressing the risks and opportunities posed by the existing and emerging impacts that the climate has on human health.</li> </ul>	<p>For details on how we are helping to address global systemic health challenges, including AMR, please refer to the <a href="#">health equity</a> section.</p> <p>In January 2022, the Lancet published “<a href="#">Global burden of bacterial antimicrobial resistance in 2019: a systematic analysis</a>”. BD contributed data for this study.</p> <p>In March 2022, we launched <a href="#">BD Infectious Disease Insights</a> to dig deeper into today’s most prominent infectious disease trends.</p> <p>As part of our 2030+ goals, we have set a goal to use our capabilities to contribute to solutions that address unmet climate-related health needs. We will provide details of progress in this area in future reports.</p>
<p><b>Health Literacy and Adherence</b></p>	<ul style="list-style-type: none"> <li>• Partnering with patients to promote their understanding of medical conditions or diseases and the reasons they are being treated, in order to improve patient outcomes through adherence to medication/treatment regimens.</li> </ul>	<p>We provide various materials to help patients understand and manage their conditions, including web-based tools from:</p> <p><b>BD Interventional:</b> Patients can understand and manage their Urinary Retention condition from the following websites:</p> <p><b>Liberator Medical:</b> This website provides consumers with tools to both understand their condition and choose the right product.</p> <p><b>BD PureWick™:</b> This site includes information to help women who are suffering from urinary incontinence understand whether the PureWick™ System is the right product for them.</p>
<p><b>Healthcare Market Transformation</b></p>	<ul style="list-style-type: none"> <li>• Addressing the risks and opportunities posed by the transformation of healthcare delivery at a country, regional and/or global level.</li> <li>• Addressing the market shifts from in-patient to out-patient healthcare facilities and chronic disease management.</li> </ul>	<p><i>Healthcare market transformation requires more intensive innovation to meet customer demands, advance data solutions and offer customized products for different market segments. Our stakeholders indicated that future success is based on our ability to stay abreast of, and be a part of, the market transformation.</i></p> <p>Further details about our growth strategy can be found in the <a href="#">Our business</a> section.</p>








ESG issue	Definition	How we manage this issue
<b>Human Rights</b>	<ul style="list-style-type: none"> <li>Respecting the human rights of various stakeholders, including suppliers, associates, customers, patients, and surrounding communities.</li> </ul>	<p>BD is committed to operating in a way that respects human rights. Our commitment is detailed in our global human rights policy.</p> <p>For further details, refer to the <a href="#">Human rights</a> section.</p>
<b>Inclusion, Diversity and Talent</b>	<ul style="list-style-type: none"> <li>Respecting and promoting associates and suppliers of all different backgrounds and identities, including gender, age, ethnicity/race, physical abilities/qualities and sexual orientation.</li> <li>Training associates and suppliers to prevent discriminatory behaviors and attitudes and to develop diversity and inclusion policies.</li> <li>Creating a stimulating work environment that offers opportunities for development and promotion that attract and retain diverse top talent.</li> </ul>	<p><i>The acquisitions of CareFusion and C. R. Bard changed the culture at BD. The pandemic has also changed how and where associates work. BD's culture is a priority for associates, and our stakeholders have noted that investment in company culture will help retain and recruit top talent. Our associates have also indicated that BD would benefit from further communication internally about its sustainability efforts.</i></p> <p>We have established 2030+ goals intended to maintain a healthy and thriving workforce that cultivates our culture of inclusion, safety and well-being. Details on our human capital programs, including inclusion and diversity, can be found in the <a href="#">Healthy workforce and communities</a> section.</p> <p>We leverage internal communication platforms to communicate sustainability programs and performance—including publication of external ESG disclosures.</p> <p>The central Sustainability team engages with various central, regional and business teams, as well as our associate resource groups and leadership development cohorts, to communicate our <a href="#">ESG strategy and 2030+ goals</a>.</p>
<b>Intellectual Property Rights and Product Integrity</b>	<ul style="list-style-type: none"> <li>Developing policies to protect patent rights and flexibility, as well as licensing agreements.</li> <li>Protecting product integrity and training customers on proper product use through monitoring, evaluation and chain-of-custody technologies.</li> </ul>	<p>For information about our approach to safeguarding confidential information and intellectual property, please refer to our <a href="#">Code of Conduct</a>.</p>
<b>Pricing Pressure</b>	<ul style="list-style-type: none"> <li>Improving company R&amp;D productivity and resource efficiency in order to deliver value-added healthcare services that comply with regulations, evidence-based outcome requirements, and changing point-of-care policies, and that address reimbursement pricing constraints.</li> </ul>	<p>For further details on our approach in this area, refer to the <a href="#">Innovation at BD</a> section.</p>
<b>Product Impacts on Human Health and the Environment</b>	<ul style="list-style-type: none"> <li>Reducing waste and optimizing opportunities for recovery, reuse or recycling of products and by-products and appropriate waste disposal.</li> <li>Reporting performance against waste targets.</li> <li>Designing products to extract maximum value over their lifetime through longevity, reuse and recycling.</li> <li>Mitigating environmental and human health impacts (e.g., from chemicals, energy, water and waste) across the life cycle of BD products.</li> </ul>	<p><i>Stakeholders are particularly concerned with waste in the healthcare ecosystem and would like to see more transparency about BD's efforts to address it, including collaborations and partnerships.</i></p> <p>We have established 2030+ goals intended to reduce the environmental impact of our portfolio and to address the sustainability needs of our customers. Refer to the section on <a href="#">Product impact</a>.</p> <p>For details on how we manage waste from our operations and performance against targets, refer to <a href="#">Waste management</a>.</p>
<b>Product Quality and Safety</b>	<ul style="list-style-type: none"> <li>Supporting robust quality and regulatory management, including communicating quality and safety standards to our suppliers. Conducting supplier audits and product monitoring and evaluations.</li> </ul>	<p>For further details about our programs in this area, refer to <a href="#">Product safety</a>.</p>

ESG issue	Definition	How we manage this issue
<b>Regulatory Compliance</b>	<ul style="list-style-type: none"> <li>Adhering to local laws and regulations for product design, manufacturing and quality in the countries where BD operates.</li> </ul>	<p>In accordance with our Code of Conduct, we follow the laws, rules and company policies that apply to us. Details of how we manage compliance with specific laws are included throughout this report.</p>
<b>Social Impact</b>	<ul style="list-style-type: none"> <li>Driving and measuring investments in healthcare innovation and community development and engaging associates in community service and capacity training.</li> </ul>	<p>Social impact is an element of our 2030+ goals to build <a href="#">Healthy workforce and communities</a>.</p>
<b>Supply Chain Continuity and Sustainability</b>	<ul style="list-style-type: none"> <li>Supporting continuity of product supply, including assurance of manufacturing, inventory tracking and pandemic readiness.</li> <li>Developing supply resilience strategies to help meet customer needs when natural disasters, political disruption or healthcare policy changes occur.</li> <li>Sourcing materials responsibly with minimal negative environmental and social impacts and seeking to establish a sustainable upstream supply chain via climate resilience, supply chain diversity and responsible sourcing.</li> </ul>	<p><i>Given our role in the healthcare ecosystem, supply chain and business continuity—including climate resilience—are key to our ability to meet customer needs. Stakeholders have indicated that BD has an opportunity to encourage more sustainability in the industry given our leadership position.</i></p> <p>We have established 2030+ goals intended to create a supply chain that is adaptable to disruption and able to contribute to strong environmental and social performance. Please refer to the section on <a href="#">Responsible supply chain</a>.</p>
<b>Transparency</b>	<ul style="list-style-type: none"> <li>Maintaining overall transparency with key stakeholders, including disclosures on sustainability strategy and programs.</li> </ul>	<p>It is our goal to invite trust across stakeholder groups through transparent reporting of our performance on ESG issues relevant to our business.</p> <p>We have set 2030+ goals to provide our stakeholders with regular disclosures about our ESG performance and programs. We will do so by aligning with relevant and recognized external ESG reporting frameworks and providing issue-specific information.</p> <p>This report establishes the foundation for our goal to provide information about our ESG programs and performance.</p>
<b>Water</b>	<ul style="list-style-type: none"> <li>Optimizing the use of water and the reduction and reuse of wastewater throughout operations.</li> <li>Reducing potable water use and improving water disposal and discharge.</li> <li>Reporting performance against water targets.</li> </ul>	<p>For details on how we manage water usage in our operations and performance against targets, refer to <a href="#">Water management</a>.</p>

# UN Sustainable Development Goals (SDGs)

The following table provides an outline of how we contribute to the achievement of each SDG, how directly BD can impact the SDG through core business activities (degree of control) and which stages of BD's value chain are most relevant to the SDG.



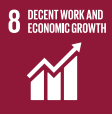



Sustainable Development Goal	How we contribute to the achievement of the SDG <sup>1</sup>	Degree of control <sup>2</sup>	Value chain <sup>3</sup>
 <p>Goal 1. End poverty in all its forms everywhere</p>	<p>We can contribute to the achievement of this SDG by ensuring that workers within our operations and our value chain are paid a living wage. For example, under our 2030+ goals, we are committed to paying competitive market rates and utilizing living-wage assessments.</p> <p>Through our work in <a href="#">health equity</a>, we support programs to build community resilience.</p>	Moderately direct for our own operations, less direct in our value chain	Raw materials, Suppliers, Operations, Distribution
 <p>Goal 2. End hunger, achieve food security and improved nutrition, and promote sustainable agriculture</p>	<p><i>We have determined that BD's impact on, or contribution to, achievement of this goal is negligible.</i></p>	Moderately direct for our own operations, less direct in our value chain	Raw materials, Suppliers, Operations, Distribution
 <p>Goal 3. Ensure healthy lives and promote well-being for all at all ages</p>	<p>Details of how we are contributing to the achievement of this SDG are provided throughout this report.</p> <p>Goal 3.9 requires that the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination be substantially reduced by 2030. Our 2030+ goals regarding climate change, product impact and responsible supply chain are aimed at reducing the impact of our operations, value chain and products on the environment, thereby reducing potential to undermine achievement of this goal.</p>	Very direct	Raw materials, Suppliers, Inbound logistics, Operations, Distribution, Product use, End of life
 <p>Goal 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	<p>We are supporting achievement of this goal through our 2030+ goals to proactively manage the needs of our future workforce through training, development and re-skilling strategies. Details of how we enable our associates to grow can be found <a href="#">here</a>.</p> <p>We collaborate with agencies around the world, providing training to assist in the <a href="#">strengthening of health systems</a>.</p>	Moderately direct	Operations, Product use
 <p>Goal 5. Achieve gender equality and empower all women and girls</p>	<p>In accordance with our Code of Conduct, we believe everyone deserves to work in a supportive, inclusive and safe environment, and we will never discriminate against anyone on the basis of "protected characteristics," including gender. This extends to our Expectations for Suppliers.</p> <p>Details on how we build inclusion, diversity and equity can be found <a href="#">here</a> and in our <a href="#">ID&amp;E Report</a>.</p>	Moderately direct	Suppliers, Inbound logistics, Operations, Distribution, Product use







<sup>1</sup> The rationale is based on a review of BD's current activities and strategies, considering (a) the risks to people and the environment linked to our company's operations and value chain, and (b) actual and potential positive impacts or benefits of products, services and investments related to the SDGs.

<sup>2</sup> Degree of control is assessed by determining how directly BD can impact the SDG through its core business activities. While some targets will benefit from BD's direct involvement, others are more relational and will benefit from BD's overall influence or through parties and stakeholders other than BD itself. The degree of control is considered either "very direct," "moderately direct," or "less direct."

<sup>3</sup> Value-chain impacts were assessed based on where in BD's value chain the SDG is most relevant. The greatest social and environmental impact that BD has on the SDGs may be beyond the scope of the assets it owns or controls, with the greatest business opportunities being potentially further upstream or downstream in the value chain. This is a high-level mapping of BD's value chain to identify areas with high likelihood of either negative or positive impacts on the issues that the SDGs represent.



Sustainable Development Goal	How we contribute to the achievement of the SDG <sup>1</sup>	Degree of control <sup>2</sup>	Value chain <sup>3</sup>
 <p>Goal 6. Ensure availability and sustainable management of water and sanitation for all</p>	<p>We believe that access to water, sanitation and hygiene is a human right.</p> <p>Our 2030+ goals regarding climate change, product impact and responsible supply chain are aimed at reducing the impact of our operations, value chain and products on water, thereby reducing potential to undermine achievement of this goal.</p> <p>Details on how we manage water use can be found <a href="#">here</a>.</p>	<p>Very direct</p>	<p>Raw materials, Suppliers, Operations, Product use, End of life</p>
 <p>Goal 7. Ensure access to affordable, reliable, sustainable and modern energy for all</p>	<p>Our contribution to achievement of this SDG is neutral.</p> <p>Details on how we manage our energy usage can be found <a href="#">here</a>.</p>	<p>Moderately direct</p>	<p>Suppliers, Inbound logistics, Operations, Distribution</p>
 <p>Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<p>Our Global Human Rights Policy is guided by the principles outlined in the UN Declaration of Human Rights and International Labor Organization’s Declaration on Fundamental Principles and Rights at Work. This commitment extends beyond BD processes and practices to those in our supply chains.</p> <p>We are also supporting achievement of this SDG through our 2030+ goals to a healthy workforce and community and programs such as our Good Jobs Strategy.</p> <p>Our 2030+ goals regarding <a href="#">Product impact</a> are aimed at addressing plastic and packaging consumption in our product portfolio, thereby reducing potential to undermine achievement of this goal, specifically the target to improve resource efficiency and decouple growth from environmental degradation.</p>	<p>Very direct</p>	<p>Suppliers, Inbound logistics, Operations, Distribution, Product use</p>
 <p>Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</p>	<p>We support the achievement of this SDG through our development of products and services related to healthcare and medical research; and through our 2030+ goals to a responsible supply chain.</p> <p>Details of our investment in R&amp;D can be found <a href="#">here</a>.</p>	<p>Very direct</p>	<p>Operations, Product use</p>
 <p>Goal 10. Reduce inequality within and among countries</p>	<p>In accordance with our Code of Conduct, we believe everyone deserves to work in a supportive, inclusive and safe environment, and we will never discriminate against anyone on the basis of “protected characteristics.” This extends to our Expectations for Suppliers.</p>	<p>Very direct</p>	<p>Suppliers, Operations</p>
 <p>Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable</p>	<p>Our 2030+ goals regarding climate change, product impact and responsible supply chain are aimed at reducing the impact of our operations, value chain and products on the environment, thereby reducing potential to undermine achievement of this goal.</p> <p>Details on our waste management and air emissions programs can be found <a href="#">here</a>.</p>	<p>Very direct</p>	<p>Suppliers, Inbound logistics, Operations, Distribution, Product use, End of life</p>

Sustainable Development Goal	How we contribute to the achievement of the SDG <sup>1</sup>	Degree of control <sup>2</sup>	Value chain <sup>3</sup>
 <p>Goal 12. Ensure sustainable consumption and production patterns</p>	<p>Our 2030+ goals regarding climate change, product impact and responsible supply chain are aimed at reducing the impact of our operations, value chain and products on the environment, thereby reducing potential to undermine achievement of this goal.</p> <p>Our 2030+ goal to transparency supports achievement of Goal 12.6.</p>	<p>Very direct</p>	<p>Raw materials, Suppliers, Inbound logistics, Operations, Distribution, Product use, End of life</p>
 <p>Goal 13. Take urgent action to combat climate change and its impacts</p>	<p>In September 2021, we strengthened our commitment to reducing emissions by joining the UN Race to Zero, via the Business Ambition for 1.5°C and Science Based Targets initiative (SBTi). Our goal to set and achieve science-based targets, and our 2030+ goal to use our capabilities to contribute to solutions that address unmet climate-related health needs, contribute to achievement of this SDG.</p> <p>Details of our approach to climate change management can be found <a href="#">here</a>.</p>	<p>Very direct</p>	<p>Raw materials, Suppliers, Inbound logistics, Operations, Distribution, Product use, End of life</p>
 <p>Goal 14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development</p>	<p>Our 2030+ goals regarding climate change, product impact and responsible supply chain are aimed at reducing the impact of our operations, value chain and products on the environment, thereby reducing potential to undermine achievement of this goal.</p>	<p>Less direct</p>	<p>Raw materials, Suppliers, Inbound logistics, Operations, Distribution, End of life</p>
 <p>Goal 15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</p>	<p>Our 2030+ goals regarding climate change, product impact and responsible supply chain are aimed at reducing the impact of our operations, value chain and products on the environment, thereby reducing potential to undermine achievement of this goal.</p>	<p>Less direct</p>	<p>Raw materials, Suppliers, Inbound logistics, Operations, Distribution, End of life</p>
 <p>Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p>	<p>In accordance with our Code of Conduct, we are fair and honest when we do business and follow all the laws that govern how companies compete and behave with each other.</p> <p>Details of how we support achievement of this goal through ethical business practices can be found in the <a href="#">Transparency</a> section of this report.</p>	<p>Very direct</p>	<p>Raw materials, Suppliers, Inbound logistics, Operations, Distribution</p>
 <p>Goal 17. Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development</p>	<p>We support achievement of this SDG by partnering with agencies and NGOs around the world to build capacity and <a href="#">strengthen health systems</a>.</p>	<p>Moderately direct</p>	<p>Operations, Product use</p>

# Data tables

## Scopes 1 and 2

### 2030+ goals:

Reduce Scopes 1 and 2 emissions by 46% by 2030 (from 2019 baseline, absolute).

Carbon-neutral across direct operations by 2040.

### Current status:

Decreased by 10% (market-based) in FY 2022 from FY 2019 baseline.

In previous years, we have purchased additional unbundled Renewable Energy Credits (RECs) to offset greenhouse gas (GHG) emissions at our U.S. facilities. However, due to the significant increase in the market price for RECs in FY 2020, we purchased and retired nearly 150,000 metric tonnes CO<sub>2</sub>e of carbon offsets (these offsets are not reflected in the data provided in this report).

Since FY 2021, we have chosen to divert funds previously set aside for the purchase of unbundled RECs to activities to establish baseline emissions for our significant sources of Scope 3 emissions. Over the coming years we will continue to develop our strategy for achieving our stated commitments to carbon neutrality.

Emissions data, including unbundled RECs that were purchased in FY 2019, is available in our 2021 ESG report.

## Method of calculation

Data represents Scope 1 (direct) and Scope 2 (indirect from electricity) energy sources. BD has used emission factors that are temporally, geographically and technologically accurate for each site and source within its operational boundary as specified by the WRI/WBCSD GHG Protocol. This includes updating electric power emission factors to reflect changes in the grid mix for areas in which BD operates. As many utilities have ceased publishing emission factors, we have used regional emission factors and restated across all years to ensure consistency.

In general, historical emission factors remain consistent with the publication that was most recent at the time of original reporting.

Data has been restated to account for changes to emissions factors and improved reporting.

Data includes emissions related to embecta and acquisitions.

### GHG emissions – Scopes 1 and 2 (location-based)

	FY 2019 baseline	FY 2020	FY 2021	FY 2022
Metric tonnes CO <sub>2</sub> e, absolute emissions				
Scope 1	148,088	144,999	155,403	150,534
Scope 2	455,126	441,696	432,841	442,260
Total Scopes 1 and 2	603,214	586,695	588,244	592,809
Reduction from baseline		-3%	-2%	-2%



GHG emissions, by source – Scopes 1 and 2 (market-based)

	FY 2019 baseline	FY 2020	FY 2021	FY 2022
Metric tonnes CO <sub>2</sub> e, absolute emissions				
Scope 1, by source				
Diesel	2,567	3,035	2,630	2,422
Gasoline (Petrol)	40	38	41	46
Jet Fuel (Jet A or A-1)	2,655	1,464	945	2,342
Liquefied Petroleum Gas (LPG)	3,252	3,476	5,057	4,537
Natural Gas	97,939	98,937	104,898	105,363
Number 1 Fuel Oil	0	0	0	0
Number 2 Fuel Oil	3,911	3,622	3,627	3,289
Propane	8,669	7,407	7,969	7,659
Sulfur Hexafluoride (SF6)	0	0	0	0
Fleet	29,055	27,019	30,235	24,891
Renewable energy - solar	0	0	0	0
Hydrogen	0	0	0	0
Total Scope 1	148,088	144,999	155,403	150,534
Scope 2, by source				
Electric Power	508,389	470,097	468,202	480,632
Green Electric Power	-65,825	-62,649	-84,089	-91,160
Renewable Energy Credit (REC)	-59,983	-64,086	-53,957	-63,645
Steam	0	576	832	1,380
Total Scope 2	382,580	343,938	330,988	327,207
Total Scopes 1 and 2	530,668	488,937	486,392	477,756
Reduction from baseline		-8%	-8%	-10%

Footnotes:

Market-based: Quantifies Scope 2 GHG emissions based on GHG emissions emitted by the generators from which the reporter contractually purchases electricity bundled with contractual instruments, or contractual instruments on their own (e.g., utility-specific emission factors, renewable energy certificates).

Location-based: Quantifies Scope 2 GHG emissions based on average energy generation emission factors for defined geographic locations, including local, subnational, or national boundaries (e.g., local power grid).

## Scope 3

### 2030+ goals:

Scope 3 emissions targets for material Scope 3 categories to be set by September 2023.

### Current status:

FY 2021 baselines have been calculated for our significant sources. We anticipate submitting near- and long-term targets to SBTi for verification by end of FY 2023.

	Metric tonnes CO <sub>2</sub> e, absolute emissions	FY 2019	FY 2020	FY 2021 baseline	FY 2022	Percentage of total reported FY 2022 Scope 3 emissions	Method of calculation
Category 1	Purchased goods and services			2,927,154	3,128,376	45%	<p>In FY 2021, we changed our approach to calculating categories 1 and 2 emissions in preparation for setting science-based targets.</p> <p>In the first phase, we calculated emissions using the Environmentally Extended Input-Output (EEIO) method. With this approach, GHG emissions are estimated using a spend-based method and the emissions factors are based on emissions allocated to industry categories. While this method provides a reasonable estimate to enable prioritization of actions, the associated error margin is high and does not provide data that is sufficiently granular for prioritizing reduction initiatives.</p> <p>FY 2021 reported emissions were estimated using a composite approach, whereby average material GHG emission factors were applied to purchases of the highest-volume goods, and company-specific GHG emissions data was used for the highest-volume services. Spend-based data and assumptions were then used to fill gaps. This method delivers a more accurate estimate of GHG emissions than EEIO alone, and provides the necessary granularity needed to inform and focus reduction activities.</p> <p>Data for FY 2021 has been restated due to update in methodology to calculate emissions from services. Data for both years excludes embecta.</p> <p>Data for FY 2019 and FY 2020 has not been included due to the change in methodology used in FY 2021.</p>
Category 2	Capital goods			417,477	87,249	1%	<p>Data for FY 2021 has been restated due to update in methodology to calculate emissions from services. Data for both years excludes embecta.</p> <p>Data for FY 2019 and FY 2020 has not been included due to the change in methodology used in FY 2021.</p>
Category 3	Fuel- and energy-related activities (not included in Scopes 1 or 2)	101,392	97,464	148,597	148,181	2%	<p>Fuel- and energy-related activities were calculated using BD Scopes 1 and 2 data and applying electricity and fuel transmission and distribution loss and well-to-tank factors from DEFRA. Data for all years includes embecta.</p>

	Metric tonnes CO <sub>2</sub> e, absolute emissions	FY 2019	FY 2020	FY 2021 baseline	FY 2022	Percentage of total reported FY 2022 Scope 3 emissions	Method of calculation
Category 4	Upstream transportation and distribution			629,222	601,174	9%	<p>In FY 2021, we aligned our GHG accounting practices for transportation activities with those of the Global Logistics Emissions Council (GLEC) Framework. Specifically, GLEC Framework default emission-intensity factors in grams (g) carbon dioxide equivalent (CO<sub>2</sub>e) per tonne-kilometer (t-km) (g CO<sub>2</sub>e/t-km) were utilized to estimate emissions from air, rail, road and sea transportation of finished products to the customer. BD assumes that it is responsible for the cost of this outbound transportation, and therefore the emissions are categorized as Scope 3, category 4. This category also includes leased square footage information combined with average intensities for energy consumption by each asset type to obtain total consumption by energy source for each asset class. This represents the warehouses that are under BD's materiality threshold in terms of floor area. Emission factors from IEA were then applied to different energy sources to calculate GHG emissions.</p> <p>Data for FY 2021 has been restated to include an estimate of inbound transportation from Tier 1 suppliers. This is estimated on BD finished goods transportation data, plus an uplift to account for the additional weight of packaging and process waste.</p> <p>Data for both years excludes embecta.</p> <p>Data for FY 2019 and FY 2020 has not been included due to the change in methodology used in FY 2021.</p>
Category 5	Waste generated in operations	22,028	22,703	20,772	20,725	0%	<p>Primary waste data (recyclables, solid waste including both incinerated and sent to landfill) was used with the EPA Waste Reduction Model (WARM) emission factors.</p> <p>Data includes embecta.</p>
Category 6	Business travel	107,392	50,032	36,612	62,029	1%	<p>Air travel was calculated from reports received from BD vendors, where each flight segment was categorized into specific flight haul lengths and then multiplied by DEFRA's published emission factors for those flights. Rental car was calculated based on reports from BD vendors. These reports included total miles driven with the calculation based on DEFRA emission factors. For hotel stays, the total of room nights by each country was multiplied by the DEFRA hotel stay emissions factors for that country. Rail travel was based on city-pair distances and a vendor report, which shows the origin station and destination station for each trip. The total distances travelled from both reports are calculated and then converted to emissions with DEFRA Rail Factors by rail type. Reimbursed car included mileage data, which was converted to emissions by using DEFRA factors by vehicle and fuel type.</p> <p>Data excludes embecta.</p>
Category 7	Employee commuting	20,400	20,400	20,400	20,400	0%	<p>Employee commuting was estimated using the Quantis Scope 3 evaluator with total employee headcount being the input.</p>
Category 8	Upstream leased assets	877	1,031	754	619	0%	<p>Leased square footage information from BD was combined with average intensities for energy consumption by each asset type to obtain total consumption by energy source for each asset class. This represents the offices and labs that are under BD's materiality threshold in terms of floor area. Emission factors from IEA were then applied to different energy sources to calculate GHG emissions.</p> <p>Data includes embecta.</p>



	Metric tonnes CO <sub>2</sub> e, absolute emissions	FY 2019	FY 2020	FY 2021 baseline	FY 2022	Percentage of total reported FY 2022 Scope 3 emissions	Method of calculation
Category 9	Downstream transportation and distribution			299,630	286,273	4%	This category accounts for final mile transportation of finished goods, once they have left BD warehouses. This is estimated using BD finished goods transportation data.  Data for both years excludes embecta.  Data for FY 2019 and FY 2020 has not been included due to the change in methodology used in FY 2021.
Category 10	Processing of sold goods						Not relevant
Category 11	Use of sold products			262,033	281,742	4%	BD has a broad and diverse product portfolio, including products that have no impact in use per se and those where the majority of the life cycle impact is in the use phase (i.e., energy-using products), as well as products and markets both where end-of-life recovery can be expected to be high and where it can be expected to be low.  It is not feasible to consider each product separately, and therefore 10 exemplar products were selected to represent product categories and to assess the footprint of Categories 11 and 12 in each case. This data was supplemented with data calculated via life cycle assessment for syringe products, before extrapolating to the rest of the product categories.  Data excludes embecta.
Category 12	End-of-life treatment of sold products			2,417,861	2,355,929	34%	BD has a broad and diverse product portfolio, including products that have no impact in use per se and those where the majority of the life cycle impact is in the use phase (ie energy-using products), as well as products and markets both where end-of-life recovery can be expected to be high and where it can be expected to be low.  It is not feasible to consider each product separately, and therefore 10 exemplar products were selected to represent product categories and to assess the footprint of Categories 11 and 12 in each case. This data was supplemented with data calculated via life cycle assessment for syringe products, before extrapolating to the rest of the product categories.  Data excludes embecta.
Category 13	Downstream leased assets		1,501	3,134	1,940	0%	Leased square footage information from BD was combined with average intensities for energy consumption by each asset type to obtain total consumption by energy source for each asset class. This represents all the third-party distribution centers and data centers. Emission factors from IEA were then applied to different energy sources to calculate GHG emissions.  Data includes embecta
Category 14	Franchises						Not relevant
Category 15	Investments						Not relevant
	<b>Total emissions (metric tonnes CO<sub>2</sub>e)</b>			7,183,646	6,994,637		

# Energy

## 2030+ goals:

Reduce energy consumption by 25% by 2030 (from 2019 baseline, normalized to COPS).

## Current status:

Reduced by 8% in FY 2022, from FY 2019 baseline.

34% of electric power from renewable energy.

Data represents Scope 1 (direct) and Scope 2 (indirect from electricity) energy sources. Data has been restated to account for improved reporting and includes emissions related to embecta and acquisitions.

Energy consumption (GJ)	FY 2019 baseline	FY 2020	FY 2021	FY 2022
Scope 1, absolute	2,281,506	2,268,700	2,416,026	2,429,757
Scope 2, absolute	4,280,794	4,241,934	4,452,441	4,656,751
Total energy, absolute	6,562,300	6,510,635	6,868,147	7,086,508
Total energy, normalized (GJ per \$M COPS)	729	682	635	673
% reduction from baseline, normalized		-6%	-13%	-8%

Renewable energy consumption	FY 2019 baseline	FY 2020	FY 2021	FY 2022
Green Electric Power Consumed (GJ)	615,737	654,661	832,828	940,723
Renewable Energy Credits (RECs) purchased (GJ)	430,286	459,716	434,128	481,399
Renewable Power - Onsite (GJ)	5,455	5,294	11,567	17,366
Total Renewable Energy (GJ)	1,051,479	1,194,328	1,357,120	1,579,543

Renewables as % of electric power consumption	FY 2019 baseline	FY 2020	FY 2021	FY 2022
Electric Power Consumption (GJ)	4,280,794	4,232,785	4,439,217	4,634,824
% of electric power via REC purchases	10%	11%	10%	10%
% of electric power sourced from green electric power	14%	15%	19%	20%
% of electric power generated on-site	0%	0%	0%	0%
% of electric power from renewable energy	25%	28%	31%	34%

Energy data including unbundled RECs that were purchased in FY 2019 is available in our 2021 ESG report.

# Water

## 2030+ goals:

Reduce water consumption by 40% by 2030 (from 2019 baseline, normalized to COPS).

## Current status:

Reduced by 13% from baseline.

Data has been restated to account for improved reporting and includes emissions related to embecta and acquisitions.

Water consumption (m <sup>3</sup> )	FY 2019 baseline	FY 2020	FY 2021	FY 2022
Water - Purchased from local utility	5,060,320	4,739,178	4,678,501	5,133,344
Water - Groundwater	285,019	305,910	292,973	296,412
Water - Rainwater	1,629	777	302	9,456
Water - Recycled	3,174	3,850	3,885	3,536
Water - Surface Water	129,714	154,073	166,931	111,621
Total water use	5,479,857	5,203,787	5,142,592	5,554,369
Total water use, normalized (cubic meters per \$M COPS)	609	545	475	527
% reduction from baseline, normalized		-10%	-22%	-13%

Wastewater disposal (m <sup>3</sup> )	FY 2019 baseline	FY 2020	FY 2021	FY 2022
Wastewater	4,660,159	4,312,524	4,004,401	4,097,526
Total wastewater disposed, normalized (cubic meters per \$M COPS)	518	452	370	389
% wastewater discharged	85%	83%	78%	74%



## Waste

### 2030+ goals:

- Reduce nonhazardous waste by 50% by 2030 (from 2019 baseline, normalized to COPS).
- Increase landfill diversion to 90% by 2030 (from 2019 baseline, absolute).
- Increase recycling to 80% by 2030 (from 2019 baseline, absolute).
- Reduce hazardous waste by 50% by 2030 (from 2019 baseline, normalized to COPS).

### Current status:

- Reduced by 13%.
- 76% diversion rate.
- Recycling rate of 62%.
- Increased by 7%.

Data has been restated to account for improved reporting and includes emissions related to embecta and acquisitions.

	FY 2019 baseline	FY 2020	FY 2021	FY 2022
<b>Nonhazardous waste generated (metric tonnes)</b>				
Total nonhazardous waste generated	68,156	71,958	70,252	69,446
Total nonhazardous waste generated, normalized (metric tonnes per \$M COPS)	7.57	7.54	6.49	6.59
% reduction from baseline, normalized		0%	-14%	-13%
<b>Waste diverted from landfill (metric tonnes)</b>				
Total nonhazardous waste disposed of via landfill	16,231	15,283	15,668	16,536
% nonhazardous waste diverted from landfill	76%	79%	78%	76%
<b>Waste recycled (metric tonnes)</b>				
Total nonhazardous waste recycled	41,870	44,330	43,408	43,119
% nonhazardous waste recycled	61%	62%	62%	62%
<b>Waste disposed of via incineration (metric tonnes)</b>				
Total nonhazardous waste disposed of via incineration	10,055	12,346	11,176	9,791
% nonhazardous waste incinerated	15%	17%	16%	14%

Hazardous waste generated (metric tonnes)	FY 2019 baseline	FY 2020	FY 2021	FY 2022
Total hazardous waste generated	2,670	3,024	3,098	3,349
Total hazardous waste generated, normalized (metric tonnes per \$M COPS)	0.30	0.32	0.29	0.32
% reduction from baseline, normalized		7%	-3%	7% increase

Regulated (biohazardous and controlled) waste generated (metric tonnes)	FY 2019 baseline	FY 2020	FY 2021	FY 2022
Total regulated waste generated	1,296	1,539	1,301	1,564
Total regulated waste generated, normalized (metric tonnes per \$M COPS)	0.14	0.16	0.12	0.15
% reduction from baseline, normalized		12%	-16%	3% increase

BD EHS Corporate standards define categories of waste as follows:

**Nonhazardous Waste** – Any garbage, refuse, solid, liquid, semi-solid or contained gaseous substance, object or material that is not harmful to humans or the environment that is discarded, inherently waste-like, disposed of or intended to be recycled.

**Hazardous Waste** – Any solid, liquid, semi-solid or contained gaseous substance, object or material that is harmful to humans or the environment that is abandoned, discarded, inherently waste-like, disposed of or intended to be disposed of.

**Regulated Medical Waste (RMW)** – Wastes that are regulated by specific federal (national), state and local guidelines and regulations that specify the categories of biohazardous waste that are subject to regulation and outline the requirements associated with treatment and disposal.

**Biohazardous Waste** – Sometimes called medical waste, refers to waste that has the risk of carrying infectious diseases. Biohazardous waste may include, but is not limited to, these broad categories:

- cultures and stocks of infectious agents and associated biologicals – specimens from medical and pathology laboratories; cultures and stocks of infectious agents from clinical, research and industrial laboratories; disposable culture dishes and devices used to transfer, inoculate and mix cultures; waste from the production of biologicals; discarded live and attenuated vaccines
- human blood and blood products – waste blood, serum, plasma and blood products
- pathological waste – tissue, organs, body parts, blood and body fluid
- sharps – contaminated hypodermic needles, syringes, scalpel blades, Pasteur pipettes and broken glass
- contaminated animal carcasses, body parts and bedding – contaminated animal carcasses, body parts and bedding of animals that were intentionally exposed to pathogens
- miscellaneous laboratory waste – contaminated specimen containers, slides, cover slips, disposable gloves, lab coats, aprons, towels, padding, equipment and tubing

**Controlled Waste** – A waste that requires special handling due to its physical, chemical or biological characteristics or local regulations.

# Air

## 2030+ goals:

Reduce VOCs and HAPs by 30% by 2030 (from 2019 baseline, normalized to COPS).

Reduce ozone-depleting substances (ODSs) by 50% by 2030 (from 2019 baseline, normalized to COPS).

Eliminate use of R22 by 2030 (absolute).

## Current status:

Reduced by 33%.

Reduced by 88%.

R22 refrigerant (also known as R22 freon and HCFC-22 freon) is a chemical used in both air conditioners and heat pumps. It has a harmful impact on the ozone layer when released into the air and therefore has been banned from manufacture or import in many jurisdictions where BD operates.

Throughout FY 2021 and FY 2022, we conducted audits of all our locations worldwide in order to capture the number and type of units that use R22 freon. A replacement schedule is under development.

Using our “Replace with a Purpose” approach, site-level plans will be developed that focus on compliance, reliability, redundancy and long-term capacity while optimizing efficiency. By avoiding like-for-like replacements, our Replace with a Purpose approach will ensure that the long-term needs of our sites are met.

Data has been restated to account for improved reporting and includes emissions related to embecta and acquisitions.

	FY 2019 baseline	FY 2020	FY 2021	FY 2022
Total VOCs emitted	377	412	332	296
Total VOCs emitted, normalized (metric tonnes per \$M COPS)	0.04	0.04	0.03	0.03
Total HAPs emitted	112	86	78	89
Total HAPs emitted normalized (metric tonnes per \$M COPS)	0.01	0.01	0.01	0.01
Total VOCs + HAP emitted	489	498	410	385
Total VOCs + HAP emitted, normalized (metric tonnes per \$M COPS)	0.05	0.05	0.04	0.04
% reduction from baseline, normalized		-4%	-30%	-33%

VOCs – volatile organic compounds

HAPs – hazardous air pollutants

	FY 2019 baseline	FY 2020	FY 2021	FY 2022
Total ODS emitted	104	26	17	2
Total ODS emitted, normalized (metric tonnes per \$M COPS)	0.0115	0.0027	0.0015	0.0002
% reduction from baseline, normalized		-77%	-42%	-88%

ODS – ozone depleting substances



## Safety

	FY 2019	FY 2020	FY 2021	FY 2022
LTIFR (per 200,000)	0.24	0.17	0.17	0.19
OIFR (per 200,000)	0	0	0	0
IIR (per 200,000)	0.51	0.42	0.33	0.43
Fatalities	0	0	0	0

Data includes associates in our manufacturing and supply chain operations only. It does not include associates in office locations.

FY 2022 excludes embecta

LTIFR – Lost time injury frequency rate

OIFR – Occupational illness frequency rate

IIR – Injury and illness rate

## Diversity

### FY 2022 performance

	Gender (Global)	Year-Over-Year Improvement	Ethnicity (U.S. Only)	Year-Over-Year Improvement
Executive	32%	+2%	24%	+3%
Management	41%	+1%	32%	+2%
All associates	46%	no change	41%	+2%

\*We define “executives” as associates in positions of vice president and above. “Management” positions are defined as those in manager, director or equivalent roles.

\*\*Information regarding ethnicity and gender is based on information provided by associates.

\*\*\*Ethnicity data reflects that of the U.S. workforce including Puerto Rico. In alignment with industry standards, it excludes associates who have elected not to share demographic (ethnicity) information with the company.

### Gender breakdown of Board of Directors and Executive Officers

	Female	Male
Board of Directors	3	8
Executive Officers	4	9
Officers	6	15

### Board of Directors, Ethnicity

	Ethnicity
White	9
Black or African American	1
Hispanic, Latino or Spanish Origin	1

### Executives

\*We define “executives” as associates in positions of vice president and above.

\*\*Information regarding race and gender is based on information provided by associates.

\*\*\*Ethnicity data reflects that of the U.S. workforce including Puerto Rico. In alignment with industry standards, it excludes associates who have elected not to share demographic (ethnicity) information with the company.

<b>Gender, global</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
Female	25%	27%	30%	32%
Male	75%	73%	70%	68%
Total	354	364	381	379

<b>Age, global</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
up to 34	0%	0%	0%	0%
35 – 54	72%	70%	69%	66%
55 +	28%	30%	31%	34%
Total	354	364	381	379

<b>Ethnicity, U.S.</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
Asian	10%	11%	11%	11%
Black or African American	3%	4%	4%	4%
Hispanic or Latino	4%	5%	5%	6%
Other	1%	1%	1%	1%
White	78%	75%	75%	74%
Unknown	3%	5%	5%	4%
Total	291	293	302	298

**Management**

\*“Management” positions are defined as those in manager, director or equivalent roles.

\*\*Information regarding race and gender is based on information provided by associates.

\*\*\*Ethnicity data reflects that of the U.S. workforce including Puerto Rico. In alignment with industry standards, it excludes associates who have elected not to share demographic (ethnicity) information with the company.

<b>Gender, global</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
Female	39%	39%	40%	41%
Male	61%	61%	60%	59%
Total	10086	10390	11443	11809

<b>Age, global</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
up to 34	11%	11%	11%	12%
35 – 54	72%	72%	71%	71%
55 +	17%	17%	18%	17%
Total	10086	10390	11443	11809

<b>Ethnicity, U.S.</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
Asian	14%	14%	14%	15%
Black or African American	3%	4%	4%	4%
Hispanic or Latino	8%	8%	9%	9%
Other	2%	2%	2%	2%
White	69%	67%	66%	65%
Unknown	4%	5%	5%	5%
Total	6028	6172	6690	6845

**All Associates**

\*Workforce includes all associates, both management and non-management.

\*\*Information regarding race and gender is based on information provided by associates.

\*\*\*Ethnicity data reflects that of the U.S. workforce including Puerto Rico. In alignment with industry standards, it excludes associates who have elected not to share demographic (ethnicity) information with the company.

\*\*\*\*In FY 2019, gender was not disclosed for 1% of the dataset.

<b>Gender, global</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
Female	49%	49%	49%	49%
Male	50%	51%	51%	51%
Total	70193	72077	75402	77374

<b>Age, global</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
up to 34	38%	37%	38%	38%
35 – 54	50%	50%	50%	49%
55 +	12%	13%	13%	12%
Total	70200	72077	75402	77374



Ethnicity, U.S.	FY 2019	FY 2020	FY 2021	FY 2022
Asian	11%	11%	11%	12%
Black or African American	9%	9%	9%	10%
Hispanic or Latino	16%	16%	16%	18%
Other	2%	2%	2%	2%
White	55%	53%	52%	50%
Unknown	8%	9%	10%	8%
Total	2422	24624	25645	26240

**New Hire rate**

\*New hire rate is calculated as the number of associates who started working for BD during the fiscal year, divided by the average headcount for the fiscal year.

Gender, global	FY 2019	FY 2020	FY 2021	FY 2022
Female	31%	27%	29%	36%
Male	28%	26%	25%	31%

Age, global	FY 2019	FY 2020	FY 2021	FY 2022
up to 34	56%	50%	52%	62%
35 – 54	15%	13%	14%	18%
55 +	7%	6%	6%	8%

**Turnover rate**

\*Turnover is calculated as the number of associates who exited during the fiscal year, both voluntarily and involuntarily, divided by the average headcount for the fiscal year.

Gender, global	FY 2019	FY 2020	FY 2021	FY 2022
Female	26%	26%	25%	32%
Male	23%	23%	21%	27%

Age, global	FY 2019	FY 2020	FY 2021	FY 2022
up to 34	41%	43%	40%	50%
35 – 54	15%	13%	13%	17%
55 +	14%	13%	13%	16%

## Inspections and audits

	FY 2019	FY 2020	FY 2021	FY 2022
Number of inspections by worldwide regulatory agencies	34	41	41	54
Percentage with zero observations	59%	81%	68%	78%
Number of FDA inspections	15	6	4	10*
Percentage with zero observations	73%	50%	50%	60%
Number of corporate audits	35	47	65	74**

Data in this table includes embecta, prior to the spin-off.

\*Includes inspections carried out at locations acquired in FY 2022.

\*\*Corporate audits of newly acquired locations will commence in FY 2023.

## Key quality indicators

	FY 2019	FY 2020	FY 2021	FY 2022
Number of FDA Class I recalls	4	10*	3	1
Number of FDA Class II recalls	33	25	25**	23
Number of FDA Class III recalls	7	11	10	11

See [FDA's MedWatch: The FDA Safety Information and Adverse Event Reporting Program](#)

Products listed in FDA MedWatch Safety Alerts

Number of serious injuries and deaths related to BD products

See [FDA's About Manufacturer and User Facility Device Experience \(MAUDE\)](#)

Number of FDA warning letters received

0 0 0 0

Number of FDA warning letters resolved

1 0 0 0

Data in this table includes embecta, prior to spin.

\*7 out of 10 FDA Class I recalls in FY 2020 related to BD Alaris™ System.

\*\*Includes one recall related to embecta, prior to the spin-off.

## R&D spend data

	FY 2020	FY 2021	FY 2022
R&D expense (millions of dollars)	\$1,039	\$1,279	\$1,256
% of revenues	6.5%	6.7%	6.7%

# GRI index

**Statement of use** Becton, Dickinson & Company has reported the information cited in this GRI content index for the period October 1, 2021 to September 30, 2022, with reference to the GRI Standards.

GRI Standard	Disclosure	Location	Page
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	Introduction – About BD	7
	2-2 Entities included in the organization’s sustainability reporting	Introduction – About this report	5
	2-3 Reporting period, frequency and contact point	Introduction – About this report	5
	2-4 Restatements of information	Appendices – Data tables	97
	2-5 External assurance	The report is not externally assured	
	2-6 Activities, value chain and other business relationships	Introduction – Our business 2022 Form 10-K	8
	2-7 Employees	Healthy workforce and communities – Inclusion, diversity and equity	55
	2-9 Governance structure and composition	Transparency – Corporate governance	70
		Transparency – ESG governance 2022 Proxy Statement	72
	2-10 Nomination and selection of the highest governance body	2022 Proxy Statement	
	2-11 Chair of the highest governance body	2022 Proxy Statement	
	2-12 Role of the highest governance body in overseeing the management of impacts	Transparency – ESG governance	72
	2-13 Delegation of responsibility for managing impacts	Transparency – ESG governance	72
	2-14 Role of the highest governance body in sustainability reporting	Transparency – ESG governance	72
	2-16 Communication of critical concerns	2022 Proxy Statement	
	2-17 Collective knowledge of the highest governance body	Transparency – ESG governance	72
	2-18 Evaluation of the performance of the highest governance body	2022 Proxy Statement	
	2-19 Remuneration policies	2022 Proxy Statement	
	2-20 Process to determine remuneration	2022 Proxy Statement	



GRI Standard	Disclosure	Location	Page
	2-21 Annual total compensation ratio	2022 Proxy Statement	
	2-22 Statement on sustainable development strategy	Introduction – ESG strategy	13
	2-23 Policy commitments	Introduction – Alignment with United Nations Sustainable Development Goals	14
	2-24 Embedding policy commitments	Transparency – ESG governance	72
	2-25 Processes to remediate negative impacts	Transparency – ESG governance	72
	2-26 Mechanisms for seeking advice and raising concerns	Transparency – Ethics and compliance	81
		Transparency – Human rights	78
	2-27 Compliance with laws and regulations	Product impact – Product safety	34
		Transparency – Ethics and compliance	81
		Climate change – Environment, health and safety management	25
	2-28 Membership associations	Product impact – Product safety	34
	2-29 Approach to stakeholder engagement	Appendices – Stakeholder engagement	86
	2-30 Collective bargaining agreements	Not disclosed	
		Our Global Human Rights policy states that we are committed to supporting the freedom of association and the rights of workers and employers to bargain collectively in all of our operations.	
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	Introduction – ESG issue management	12
	3-2 List of material topics	Introduction – ESG issue management	12
		Appendices – ESG issues	89
	3-3 Management of material topics	Introduction – ESG issue management	12
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	2022 Form 10-K	
		Responsible supply chain – Economic impact	47
	201-2 Financial implications and other risks and opportunities due to climate change	Appendices – TCFD Disclosures	120
	201-3 Defined benefit plan obligations and other retirement plans	2022 Form 10-K	
	201-4 Financial assistance received from government	2022 Form 10-K	

GRI Standard	Disclosure	Location	Page
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1 Infrastructure investments and services supported	Responsible supply chain – Economic impact	47
		Healthy workforce and communities – Our contribution to healthy communities	66
	203-2 Significant indirect economic impacts	Responsible supply chain – Economic impact	47
		Healthy workforce and communities – Our contribution to healthy communities	66
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers	Responsible supply chain – Supplier diversity	47
<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for risks related to corruption	Transparency – Ethics and compliance	81
	205-2 Communication and training about anti-corruption policies and procedures	Transparency – Ethics and compliance	81
	205-3 Confirmed incidents of corruption and actions taken	While we have implemented, and continue to improve upon, programs and management systems for ethics and compliance, we may, on occasion, be subject to legal actions. For a description of certain legal actions, see our Annual Report on Form 10-K for our 2022 fiscal year and our subsequent SEC filings.  See also Transparency – Ethics and Compliance.	81
<b>GRI 206: Anti-competitive Behavior 2016</b>	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	While we have implemented, and continue to improve upon, programs and management systems around ethics and compliance, we may, on occasion, be subject to legal actions. For a description of certain legal actions, see our Annual Report on Form 10-K for our 2022 fiscal year and our subsequent SEC filings.  See also Transparency – Ethics and Compliance.	81
<b>GRI 207: Tax 2019</b>	207-1 Approach to tax	2022 Form 10-K	
	207-4 Country-by-country reporting	2022 Form 10-K	
<b>GRI 301: Materials 2016</b>	301-2 Recycled input materials used	Due to the nature of our products and the need for consistence and traceability in order to adhere to stringent quality and performance criteria, we are unable to use recycled materials in the majority of our products and packaging. However, a number of our sharps disposal solutions do utilize recycled content.	
	301-3 Reclaimed products and their packaging materials	Product impact – Product takeback	33
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	Data tables – Energy	102
	302-2 Energy consumption outside of the organization	Data tables – Energy	102
	302-3 Energy intensity	Data tables – Energy	102
	302-4 Reduction of energy consumption	Data tables – Energy	102

GRI Standard	Disclosure	Location	Page
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource	Climate change – Water management	20–21
	303-3 Water withdrawal	Data tables – Water	103
	303-4 Water discharge	Data tables – Water	103
	303-5 Water consumption	Data tables – Water	103
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	Data tables – Scopes 1 and 2	97–98
	305-2 Energy indirect (Scope 2) GHG emissions	Data tables – Scopes 1 and 2	97–98
	305-3 Other indirect (Scope 3) GHG emissions	Data tables – Scope 3	99–101
	305-4 GHG emissions intensity	Climate change – Climate change management	16
	305-5 Reduction of GHG emissions	Data tables – Scopes 1 and 2, Scope 3	97–101
		Climate change – Climate change management	16–18
	305-6 Emissions of ozone-depleting substances (ODS)	Data tables – Air emissions	106
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	We report emissions of Hazardous Air Pollutants (HAPs) as regulated by the EPA. These are found in Data tables – Air Emissions.	106	
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	Climate change – Waste	22
	306-2 Management of significant waste-related impacts	Climate change – Waste	22
	306-3 Waste generated	Climate change – Waste	22
		Data tables – Waste	104–105
	306-4 Waste diverted from disposal	Climate change – Waste	22
Data tables – Waste		104–105	
306-5 Waste directed to disposal	Climate change – Waste	22	
	Data tables – Waste	104–105	
<b>GRI 308: Supplier Environmental Assessment 2016</b>	308-1 New suppliers that were screened using environmental criteria	Responsible supply chain – Supply chain resiliency and responsible sourcing	43–44
	308-2 Negative environmental impacts in the supply chain and actions taken	Responsible supply chain – Supply chain resiliency and responsible sourcing	43, 45–46



GRI Standard	Disclosure	Location	Page
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	Healthy workforce and communities – ID&E	55
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Healthy workforce and communities – Compensation, benefits and well-being	57
	401-3 Parental leave	Healthy workforce and communities – Compensation, benefits and well-being	57
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	Climate change – EHS management Healthy workforce & communities – Health & safety	25–27 59–61
	403-2 Hazard identification, risk assessment, and incident investigation	Climate change – EHS management Healthy workforce & communities – Health & safety	25–27 59–61
	403-3 Occupational health services	Healthy workforce & communities – Health & safety	59–61
	403-4 Worker participation, consultation, and communication on occupational health and safety	Healthy workforce & communities – Health & safety	59–61
	403-5 Worker training on occupational health and safety	Healthy workforce & communities – Health & safety	59–61
	403-6 Promotion of worker health	Healthy workforce & communities – Health & safety	59–61
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Healthy workforce & communities – Health & safety	59–61
	403-8 Workers covered by an occupational health and safety management system	Healthy workforce & communities – Health & safety	59–61
	403-9 Work-related injuries	Healthy workforce & communities – Health & safety	59–61
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	While we do not report this metric, details of training for our associates are outlined throughout the report	54
	404-2 Programs for upgrading employee skills and transition assistance programs	Healthy workforce & communities – Learning and development, ID&E	54–56
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	Healthy workforce & communities – ID&E	55
	405-2 Ratio of basic salary and remuneration of women to men	Healthy workforce & communities – ID&E	55

GRI Standard	Disclosure	Location	Page
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programs	Transparency – Environmental justice	80
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1 New suppliers that were screened using social criteria	Responsible supply chain – Supply chain resiliency and responsible sourcing Transparency – Human rights due diligence in the supply chain	43–44 79
	414-2 Negative social impacts in the supply chain and actions taken	Responsible supply chain – Supply chain resiliency and responsible sourcing Transparency – Human rights due diligence in the supply chain	43–44 79
<b>GRI 415: Public Policy 2016</b>	415-1 Political contributions	Transparency – Participation in the policymaking process	83
<b>GRI 416: Customer Health and Safety 2016</b>	416-1 Assessment of the health and safety impacts of product and service categories	Product impact – Product safety	34
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Product impact – Product safety	34
<b>GRI 417: Marketing and Labeling 2016</b>	417-1 Requirements for product and service information and labeling	Product impact – Management of materials of concern	30
		Transparency – Product marketing	82

# SASB index

SASB Disclosure	Disclosure requirement	Response or disclosure location
HC-MS-250a.1	Number of recalls issued, total units recalled	See <a href="#">Key Quality Indicators</a>
HC-MS-250a.2	List of products listed in the FDA's MedWatch Safety Alerts for Human Medical Products database	See <a href="#">Key Quality Indicators</a>
HC-MS-250a.3	Number of fatalities related to products as reported in the FDA Manufacturer and User Facility Device Experience	See <a href="#">Key Quality Indicators</a>
HC-MS-250a.4	Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMPs), by type	See <a href="#">Key Quality Indicators</a>
HC-MS-270a.1	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	While we have implemented, and continue to improve upon, programs and management systems for product marketing, we may, on occasion, be subject to legal actions. For a description of certain legal actions, see our Annual Report on Form 10-K for our 2022 fiscal year and our subsequent SEC filings.
HC-MS-270a.2	Description of code of ethics governing promotion of off-label use of products	<a href="#">Transparency – Ethics in sales and marketing</a>
HC-MS-410a.1	Discussion of process to assess and manage environmental and human health considerations associated with chemicals in products, and meet demand for sustainable products	<a href="#">Product Impact – 2030+ commitments; Management of materials of concern</a>
HC-MS-410a.2	Total amount of products accepted for takeback and reused, recycled or donated, broken down by (1) devices and equipment and (2) supplies	<a href="#">Product Impact – Product takeback</a> <a href="#">Healthy workforce &amp; communities – Healthy communities</a>
HC-MS-430a.1	Percentage of (1) entity's facilities and (2) Tier I suppliers' facilities participating in third-party audit programs for manufacturing and product quality	92 percent of manufacturing sites and 88 percent of design centers have quality management systems externally certified to either ISO 13485, ISO 9001 or ISO 17025. These locations will receive audits of their management systems as part of the ongoing certification process. Supplier quality audits are carried out by an internal BD team using a risk-based approach determined by the goods or service. Supplier quality audits are part of a comprehensive supplier management approach that also includes monitoring of key metrics and supplier corrective action as required. <a href="#">Product Impact – Product safety</a>
HC-MS-430a.2	Description of efforts to maintain traceability within the distribution chain	BD has implemented a series of procedures and technology solutions to ensure end-to-end identification and traceability of materials and products throughout the supply chain. Our procedures describe assignment of stock-keeping unit level (SKU-level) material, product and batch unique identifiers, as well as how these identifiers are managed within our enterprise resource planning (ERP) systems. These traceability and identification principles also include BD's purchased finished goods. Traceability is maintained throughout all stages of manufacturing, storage and distribution, from receipt through and including installation, return and repair (where applicable). Additionally, BD has acquired and deployed a control tower solution that monitors and tracks real-time shipments across ocean, air and ground to internal and customer ship-to addresses.
HC-MS-430a.3	Description of the management of risks associated with the use of critical materials	<a href="#">Responsible Supply Chain – Responsible sourcing</a>



SASB Disclosure	Disclosure requirement	Response or disclosure location
HC-MS-510a.1	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	<p>While we have implemented, and continue to improve upon, programs and management systems for ethics and compliance, we may, on occasion, be subject to legal actions.</p> <p>For a description of certain legal actions, see our Annual Report on Form 10-K for our 2022 fiscal year and our subsequent SEC filings.</p> <p>For further information about antibribery and anticorruption, see <a href="#">Transparency – Ethics and compliance</a>.</p>
HC-MS-510a.2	Description of code of ethics governing interactions with healthcare professionals	<p><a href="#">Transparency – Ethics in sales and marketing</a></p>

# TCFD disclosures

The disclosures in this report follow the recommendations and guidance set out in the October 2021 report “Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures.”

## Governance

At the Board of Directors level, the Corporate Governance and Nominating Committee has oversight responsibility for the processes, policies and practices related to climate change, and will receive updates on topics concerning climate change at least annually. The full Board also receives reports on topics concerning climate change at least annually.

At the management level, the Enterprise Risk and ESG Committee (ERC) provides oversight of our enterprise risk management (ERM) program, our 2030+ goals, and other ESG priority matters, including climate change. The ERC is also responsible for reporting to the Board and its committees and overseeing external and internal reporting on climate change.

Further details about Board oversight of ESG matters and the ERC can be found [here](#).

The chief EHS & sustainability officer (CSO) leads the company’s strategy around climate change. The CSO reports to the company’s EVP & chief integrated supply chain officer (EVP ISC). This position reports to the CEO and is part of the company’s Executive Leadership team. The CEO is also chair of our Board of Directors.

As important matters arise, such as climate issues impacting business continuity or regulatory updates that could impact the company’s strategy, the CSO will brief the ERC as needed; the ERC chairperson will brief the relevant Board committee and the full Board of Directors, if applicable.

The central teams mentioned below have responsibility for management of climate change emissions and the identification and management of risks related to specific areas of our value chain.

The central Sustainability team is resourced to address a number of broad areas of focus regarding climate change, including:

- Stakeholder engagement and reporting
- Human rights
- Sustainable operations

This team is responsible for compiling our greenhouse gas (GHG) inventory and working with BD sites to reduce emissions through energy reduction and renewable energy projects. This team also partners with central and business teams to incorporate climate risks, such as extreme weather, into business continuity planning programs. The central Sustainability team also works with the ERM team to provide input on risks and opportunities related to climate change through our company’s ERM program.

The central Sustainability team also oversees the Sustainability Operations Council. Sponsored by the CSO and chaired by the senior director, sustainability operations, the council consists of representatives from each business team on behalf of our manufacturing facilities, distribution center and large campus locations. The council tracks performance against Scopes 1 and 2 targets and aligns resources to build a multiyear pipeline of sustainability projects to achieve our 2030+ climate change management goals.

The central Procurement team is responsible for tracking Scope 3, category 1 (purchased goods and services) and category 2 (capital goods) emissions, and partnering with our suppliers to lower those emissions. The central Sustainability team also partners with the central Procurement team on the development and implementation of our energy demand reduction and renewables strategy.

The central Procurement team oversees the Responsible Sourcing Operating Committee, which has been established to guide and facilitate the human rights supplier due diligence and reduction efforts of our Scope 3, category 1 emissions. The committee is chaired by the director, procurement effectiveness. Overall progress and major action items are reported to the SVP, global supply chain, the chief procurement officer (CPO) and to the CSO on a quarterly basis.

Further details on Scope 3, category 1 emission reduction programs can be found in the [Responsible Supply Chain](#) section.

The central Supply Chain team is responsible for tracking Scope 3, categories 4 and 9 emissions (upstream and downstream transportation and distribution) and reducing those emissions. This team is also responsible for reducing Scopes 1 and 2 emissions from our distribution centers. Further details on category 4 and category 9 emission reduction programs can be found in the [Responsible Supply Chain](#) section.

The central R&D team is responsible for establishing and tracking emissions for Scope 3, category 11 and 12 emissions (use and end-of-life disposal of products). The central R&D team coordinates with business teams on this work via the [Sustainable Medical Technology Institute](#). The central R&D team also partners with business teams on life cycle assessments of products.

The central R&D and Sustainability teams have established a Product Impacts Council to support and track progress toward achieving our 2030+ product impact goals. This includes establishing baselines and targets for Scope 3, categories 11 and 12 emissions and establishing a life cycle assessment community of practice to support the business teams. The council is sponsored by the executive vice president and chief technology officer, and the EVP ISC.

The teams listed above report on progress at least annually to the ERC, and on specific risks as necessary.

## Strategy

A summary of climate risks and opportunities that could have a substantive impact on our business is outlined below. We define substantive strategic risk as climate-related risks that have more variability and uncertainty over a longer time frame than is normally considered for financial risk. The majority of disclosures in this report fall under the category of substantive strategic risk.

Any risk or opportunity that could result in a change in business operations, revenue or expenditure, thereby prompting disclosure in other company filings (e.g., 10-K) may be considered financially substantive for the purposes of TCFD-recommended and CDP disclosures. This applies to both supply chain and direct operations.

When considering climate-related risks and opportunities, we define the magnitude of potential impact as follows:

- Low – insignificant impact on revenues and/or minor disruption of operations.
- Medium – some impact on revenues and/or some disruption to operations, likely limited to a geographic region and/or number of business units. This may result in disclosure in financial reports.
- High – significant impact on revenues and/or severe disruption to operations, likely affecting multiple regions and/or business units. This will likely result in disclosures in financial reports.

We consider a short-term time horizon to be up to three years in the context of climate-related risks and opportunities. This is in alignment with other general financial planning and business practices (such as financial planning for energy efficiency projects).

Medium-term time horizons are defined as three to 10 years in alignment with general financial planning and business processes with a medium-term outlook, such as power purchase agreements, which often have terms of around 10 years.

Long-term time horizons are aligned with other business practices and long-term goals. For example, our company's 2030+ goals with a 2019 baseline and carbon neutrality goals fit into a long-term time horizon.



## Risks

### Where the risk occurs in the value chain

#### Direct operations

Risk type	Acute, physical
Climate-related driver	Increased severity and frequency of extreme weather events such as cyclones and floods
Potential financial impact	Decreased revenues due to reduced production capacity
Time horizon	Medium-term
Likelihood	About as likely as not
Magnitude of impact	Low – medium
Description	<p>There is evidence to suggest that climate change is already impacting the frequency and severity of tropical storms. The impact of an extreme weather event on healthcare was exemplified by hurricane Maria. As reported in the results for our first fiscal quarter in 2018, costs of \$7 million were incurred as a result of hurricane-related damage to our production facilities in Puerto Rico from Hurricane Maria. We have manufacturing sites all over the world. In some instances, the manufacturing of certain product lines is concentrated in one or more of our plants. Interruptions to our manufacturing operations resulting from weather or natural disasters, regulatory requirements or issues in our manufacturing process, equipment failure or other factors could adversely affect our ability to manufacture our products. In some instances, we may not be able to transition manufacturing to other BD sites or a third party to replace the lost production. A significant interruption of our manufacturing operations could result in lost revenues and damage to our relationship with customers.</p> <p>In addition, many of our products require sterilization prior to sale, and we utilize both BD facilities and third parties for this process. In some instances, only a few facilities are qualified under applicable regulations to conduct this sterilization. To the extent we or third parties are unable to sterilize our products, whether due to lack of capacity (e.g., caused by disruption from an extreme weather event), regulatory requirements (e.g., related to reducing greenhouse gas emissions) or otherwise, we may be unable to transition sterilization to other sites or modalities in a timely or cost-effective manner, or at all, which could have an adverse impact on our operating results.</p>
Our response	<p>Our 2030+ goals include targets to reduce GHG emissions across our value chain, in addition to a commitment to create a supply chain that is adaptable to disruption and able to contribute to strong environmental and social performance; this includes a goal to incorporate climate risk into supply chain and network architecture strategies.</p> <p>Hurricane Maria demonstrated how important it is to continue our work in this area, in order to manage and reduce risk from future extreme weather-related events around the world. Risks to our operations, including those caused by potential natural disasters, are identified as part of our Enterprise Risk Management process. Each BD facility that is in an area of risk for natural disasters has a crisis/emergency plan specific to its location. If needed, we also implement projects that increase or improve our backup systems and resilience to physical extremes. For example, hurricane Fiona in September 2022 resulted in under \$5M of financial impact to the company. However, thanks to the emergency preparedness and crisis management governance we put in place following hurricane Maria, we had minimal interruption of production and deliveries, which resulted in no loss of sales.</p> <p><b>Case study: We have developed and are implementing risk mitigation plans to protect the exposed factories against extreme weather-related risks (namely flood and windstorm). In FY 2023 we have reduced the amount of potential loss in this area by 60 percent.</b></p> <p>At four of our facilities in Puerto Rico, we plan to install Combined Heat and Power (CHP) units by 2030, which reduce reliance on the power grid and increase resilience; by producing our own energy on-site, we are able to continue to operate in situations causing energy outages, such as extreme weather.</p> <p>We have updated our strategy to incorporate climate change considerations. BD undertook climate scenario analysis to better understand how climate-related risks (such as climate-induced water scarcity) and opportunities could impact the business. BD partnered with BSR, a global nonprofit organization of sustainable business experts that works with its global network of leading companies to build a just and sustainable world, to develop four scenarios corresponding to warming by 2100 that explored climate-related risks and opportunities, and other key uncertainties for our business. These scenarios incorporated credible and publicly available climate projections for emissions reductions and climate impacts. These scenarios were reviewed by BD management in early 2020 and insights from the scenario analysis were incorporated into the development of our BD 2030+ goals.</p>

**Where the risk occurs in the value chain**

**Direct operations**

Risk type	Emerging regulation
Climate-related driver	Carbon-pricing mechanisms
Potential financial impact	Increased indirect (operating) costs
Time horizon	Medium-term
Likelihood	Exceptionally unlikely
Magnitude of impact	Low
Description	<p>Our operations are global, and affected by complex state, federal and international laws relating to various areas, including environmental protection. Violation of these laws can result in criminal or civil sanctions, including substantial fines and, in some cases, exclusion from participation in healthcare programs.</p> <p>Environmental laws, particularly with respect to the emissions of greenhouse gases, are also becoming more stringent throughout the world, which may increase our costs of operations or necessitate the closures of, or changes to, our manufacturing plants or processes or those of our suppliers, or result in liability for BD. The enactment of additional laws in the future may increase our compliance costs or otherwise adversely impact our operations. Additionally, new laws or regulations adopted in response to climate change could also increase energy and transportation costs, as well as the costs of certain raw materials and components. In particular, we purchase supplies of resins, which are oil-based components used in the manufacturing of certain products, and any significant increases in resin costs could adversely impact future operating results. Increases in oil prices can also increase our packaging and transportation costs. We may not be able to offset any increases in our operational costs. Local and national governments may implement taxes on fuel and energy to mitigate the impacts of climate change, and these taxes may increase over time in the areas where BD operates.</p> <p>BD is currently subject to regulatory programs in regions where we operate; these can impact the cost of utilities, taxes and compliance fines in these regions. While only carbon schemes such as the U.K. CRC have impacted our operations to date, we operate in 17 countries where there is existing carbon regulation. In a transition to a low-carbon economy, it is possible that these locations or our global operations may qualify for carbon pricing.</p> <p>We consider this scenario to be extremely unlikely in the medium term, particularly as it applies to our global operations.</p>
Our response	<p>In our climate change impact area, we have set goals to reduce our GHG emissions. We will achieve this reduction through two mechanisms – reduced energy demand and increased use of renewables. Each facility has identified a pipeline of projects aimed at reducing our GHG emissions and will utilize a traditional capital funding process to implement these projects. This process will continue to increase the number of projects with potential sustainability benefits and associated cost savings and contribute to the competitiveness of BD in both the short and long term.</p> <p>Previous projects have included HVAC replacements, chiller upgrades, compressed-air upgrades and LED installations, in addition to larger projects such as the installation of cogeneration facilities and various major solar installation projects.</p> <p>As part of our procurement strategy, we evaluate all new energy deals for a green-energy option. We currently purchase green tariffs in Germany, Ireland, Spain, Belgium, the Netherlands and the U.K. In FY 2021, we invested over \$2.5 million in solar and wind energy through power purchase agreements and RECs from existing contracts.</p> <p><b>Case study:</b> In FY 2022, we implemented 74 projects that include updating building controls, HVAC replacements, lighting retrofits, machine replacements, process optimization and other efficiency upgrades in the production process and building operations. The projects were expected to generate \$827,000 annual savings in energy cost and 2,780 metric tonnes of CO<sub>2</sub>e reduction starting in FY 2022 and into FY 2023. We have increased the number of sites using renewable electricity to 31. Of these sites, 17 are using 100 percent renewable electricity, five sites are using partial renewable electricity, and nine sites utilizing on-site renewables.</p>

**Where the risk occurs in the value chain**

**Direct operations**

Risk type	Acute physical
Climate-related driver	Increased severity and frequency of extreme weather events such as cyclones and floods
Potential financial impact	Decreased revenues due to reduced demand for products and services
Time horizon	Medium-term
Likelihood	About as likely as not
Magnitude of impact	Low – medium
Description	<p>We sell products to researchers at pharmaceutical and biotechnology companies, academic institutions, government laboratories and private foundations. Research and development spending by our customers can fluctuate based on spending priorities and general economic conditions. A number of these customers are also dependent for their funding upon grants from U.S. government agencies, such as the U.S. National Institutes of Health (NIH), and from agencies in other countries. Climate change could impact our customers as severe weather events increase in frequency and distribution. Hospitals and other medical care facilities can be impacted by severe weather through reduced demand, where patients may cancel or defer elective treatments and procedures, and/or physical damage to infrastructure and facilities that may require the suspension of operations.</p> <p>Following natural disasters, the number of uninsured or underinsured patients can also increase, which can lead to lower rates of reimbursement for our U.S. customers. These factors may lead to budget restrictions for our customers, and potentially lower revenues for BD. Although they are not related to severe weather, we have seen similar trends in the recent COVID-19 pandemic. As a result of measures taken in response to the COVID-19 pandemic, we experienced significant reductions in the demand for some of our products, resulting in reductions in elective and nonessential procedures, lower utilization of routine testing and related specimen collections, reduced capital spending by customers, and a decrease in research activity due to laboratory closures and reduced clinical testing.</p>
Our response	<p>We manage this risk through our 2030+ goals, partnerships and scenario analyses.</p> <p>Our 2030+ goals include targets to reduce GHG emissions across our value chain, in addition to a commitment to creating a supply chain that is adaptable to disruption and able to contribute to strong environmental and social performance; this includes a goal to incorporate climate risk into supply chain and network architecture strategies.</p> <p>We have set a 2030+ product impact goal to address the impact of plastics through existing and new strategic partnerships that work across the value chain. This includes our membership in the Sustainable Healthcare Coalition, a healthcare-sector-led group that looks for the greatest opportunities to inspire sustainable practices in healthcare through the collaboration of its members. We see the value of partnerships and evolving discussion with this and other coalitions. Scenario analysis can be a valuable tool to envision alternative scenarios and challenge conventional wisdom about the future.</p> <p><b>Case study:</b> BD undertook climate scenario analysis to better understand how climate-related risks (such as climate-induced water scarcity) and opportunities could impact the business. BD partnered with BSR, a global nonprofit organization of sustainable business experts that works with its global network of leading companies to build a just and sustainable world, to develop four scenarios corresponding to warming by 2100, which explored climate-related risks and opportunities and other key uncertainties for our business. These scenarios incorporated credible and publicly available climate projections for emissions reductions and climate impacts. These scenarios were reviewed by BD management in early 2020, and insights from the scenario analysis were incorporated into the development of our 2030+ goals.</p>

**Where the risk occurs in the value chain**

**Upstream**

Risk type	Market
Climate-related driver	Increased cost of raw materials
Potential financial impact	Increased direct costs
Time horizon	Short-term
Likelihood	About as likely as not
Magnitude of impact	Medium
Description	<p>BD has approximately 1,000 critical-to-healthcare suppliers that provide many different types of raw materials and components, including plastics, glass, metals, textiles, paper products, electronic and mechanical subassemblies, and various biological, chemical and petrochemical products. Our results of operations could be negatively impacted by volatility in the cost of raw materials, components, freight, and energy, which, in turn, increases the costs of producing and distributing our products. New laws or regulations adopted in response to climate change could also increase energy and transportation costs, as well as costs of certain raw materials and components. In particular, we purchase supplies of resins, which are oil-based components used in the manufacture of certain products, and any significant increases in resin costs could adversely impact future operating results. Increases in oil prices can also increase our packaging and transportation costs. We may not be able to offset increases in these costs through other cost reductions.</p>
Our response	<p>This is managed through procurement and engineering expertise. Our strategic sourcing and supplier resiliency teams, in collaboration with all business units, continuously assess the risks in our supply chain, including those from sole and single-sourced suppliers, and put mitigation and continuity plans in place for prioritized high-risk materials and suppliers. These remediation and continuity plans may include securing secondary supply with alternative suppliers, qualification of alternative manufacturing facilities, maintaining contingency stock, internal development of supply, and establishment of technology escrow accounts. We also strive to increase our material efficiency through design and ongoing sustained engineering efforts. Sustaining engineering teams work on material reduction, packaging reduction and product improvements in order to mitigate our exposure to these risks. In 2016, we refined our approach to supplier risk profiling by adding reputational risks into our Enterprise Supplier Risk Management process for direct suppliers. Every year since then, we have continued to refine the risk factors, incorporating emerging sustainability-related risks into our supply chain resiliency framework and business processes. As risks are identified, we prioritize them and implement mitigation plans as necessary. We will continue to refine our risk model and adjust our top risks accordingly.</p> <p>We have set a 2030+ product impact goal to address the impact of plastics through existing and new strategic partnerships that work across the value chain. This includes our membership in the Healthcare Plastic Recycling Council, <a href="http://www.HPRC.org">www.HPRC.org</a>.</p>



**Where the risk occurs in the value chain**

**Upstream**

Risk type	Market
Climate-related driver	Availability of raw materials
Potential financial impact	Increased direct costs
Time horizon	Short-term
Likelihood	About as likely as not
Magnitude of impact	Medium
Description	A reduction or interruption in the supply of certain raw materials and components could adversely affect our operating results. We purchase many different types of raw materials and components used in our products. Certain raw materials and components are not available from multiple sources. In addition, for quality assurance, cost-effectiveness and other reasons, certain raw materials and components are purchased from sole suppliers. The price and supply of these materials and components may be impacted or disrupted for reasons beyond our control, such as extreme weather events. While we work with suppliers to ensure continuity of supply, no assurance can be given that these efforts will be successful. In addition, due to regulatory requirements relating to the qualification of suppliers, we may not be able to establish additional or replacement sources on a timely basis or without excessive cost. The termination, reduction or interruption in supply of these raw materials and components could adversely impact our ability to manufacture and sell certain products.
Our response	<p>This is managed through procurement expertise. Our strategic sourcing and supplier resiliency teams, in collaboration with all business units, continuously assess the risks in our supply chain, including those from sole and single-sourced suppliers, and put mitigation and continuity plans in place for prioritized high-risk materials and suppliers. These remediation and continuity plans may include securing secondary supply with alternative suppliers, qualification of alternative manufacturing facilities, maintaining contingency stock, internal development of supply and establishment of technology escrow accounts. In 2016, we refined our approach to supplier risk profiling by adding reputational risks into our Enterprise Supplier Risk Management process for direct suppliers. Every year since then, we have continued to refine the risk factors, incorporating emerging sustainability-related risks into our supply chain resiliency framework and business processes. As risks are identified, we prioritize them and implement mitigation plans as necessary. We will continue to refine our risk model and adjust our top risks accordingly.</p> <p>In addition, our 2030+ goals to create a supply chain that is adaptable to disruption and able to contribute to strong environmental and social performance includes a goal to partner with strategic, preferred and critical suppliers to evaluate risk in Tier 2 by 2030.</p>

## Opportunities

### Where the opportunity occurs in the value chain

#### Direct operations

Opportunity type	Resource efficiency
Climate-related driver	Use of more efficient production and distribution processes
Potential financial impact	Reduced indirect (operating) costs
Time horizon	Short-term
Likelihood	About as likely as not
Magnitude of impact	Low
Description	<p>Increased cost for traditional energy as a result of climate change makes capital investments in renewable energy (or projects with a longer return on investment) more feasible and saves more money over the lifetime of the project. This is particularly relevant for BD, where rising costs from both our energy usage and a portion of our raw-material base (plastic resins), as well as competition from low-cost producers around the world, can reduce our competitive advantage.</p>
Strategy to realize opportunity	<p>In our climate change impact area, we have set goals to reduce our GHG emissions. We will achieve this reduction through two mechanisms – reduced energy demand and increased use of renewables.</p> <p>Each facility has identified a pipeline of projects aimed at reducing our GHG emissions and will utilize a traditional capital funding process to implement these projects. This process will continue to increase the number of projects with sustainability benefits and associated cost savings and contribute to the competitiveness of BD in both the short and long term.</p> <p>Previous projects have included HVAC replacements, chiller upgrades, compressed-air upgrades and LED installations, in addition to larger projects such as the installation of cogeneration facilities and various major solar installation projects.</p> <p>As part of our procurement strategy, we evaluate all new energy deals for a green-energy option. We currently purchase green tariffs in Germany, Ireland, Spain, Belgium, the Netherlands and the U.K. In FY 2021, we invested over \$2.5 million in solar and wind energy through power purchase agreements and RECs from existing contracts.</p> <p><b>Case study:</b> In FY 2022, we implemented 74 projects that include updating building controls, HVAC replacements, lighting retrofits, machine replacements, process optimization and other efficiency upgrades in the production process and building operations. The projects were expected to generate an \$827,000 annual savings in energy cost and 2,780 metric tonnes of CO<sub>2</sub>e reduction starting in FY 2022 and into FY 2023.</p>

**Where the opportunity occurs in the value chain**

**Direct operations**

Opportunity type	Resource efficiency
Climate-related driver	Reduced water usage and consumption
Potential financial impact	Reduced indirect (operating) costs
Time horizon	Short-term
Likelihood	About as likely as not
Magnitude of impact	Low
Description	<p>Reliable and high-quality water is particularly important to our business in order to maintain strict quality specifications. There are many instances where projects have savings and efficiencies in multiple sustainability categories (e.g., a project that reduces energy consumption may also have a significant water reduction associated with it). For example, we have implemented water recovery processes (e.g., at water purification plants) that have both conserved water and reduced our energy consumption; similarly, optimizing process heating reduces the use of steam and water. As water is still a relatively low-cost resource in most of the regions where we operate, water efficiency projects often do not have as favorable a return on investment (ROI) as other sustainability or capital investment projects. However, for facilities in water-stressed areas, reducing our consumption now will help build resilience over the long term. Managing this risk enables us to capitalize on more opportunities, such as reduced operational costs over the long term.</p>
Strategy to realize opportunity	<p>As part of our 2030+ goals, we have set targets to reduce our water usage by 40 percent by 2030 (from a baseline of 2019 and normalized to COPS). This opportunity is managed by implementing projects with significant energy, water and waste savings. We utilize a traditional capital funding process at the facility level to implement projects that will reduce water usage and increase efficient use of water. This process will continue to increase the number of projects with sustainability benefits and associated cost savings and contribute to the competitiveness of BD in both the short and long term. These methods have contributed to more than \$13.8 million in cost savings in both energy and water since FY 2019.</p> <p><b>Case study:</b> BD implemented or approved five water-related projects in the United States, Puerto Rico, Mexico, England and China in FY 2022 that are projected to reduce annual water costs by \$47,000 per year. These projects focused on water conservation and reuse of water. Increased cost for water as a result of constrained availability makes capital investments in water conservation methods (or projects with a longer ROI) more feasible and saves more money over the lifetime of the project. We will continue to identify and implement viable water reduction projects.</p>

**Where the opportunity occurs in the value chain**

**Downstream**

Opportunity type	Products and services
Climate-related driver	Shift in consumer preferences
Potential financial impact	Increased revenues resulting from increased demand for products and services
Time horizon	Medium-term
Likelihood	More likely than not
Magnitude of impact	Medium
Description	<p>We face changing customer preferences and requirements, including increased demand for more environmentally preferable products as customers become more concerned about climate change and its impacts. While climate change criteria are not currently used as a purchasing condition by our customers, we receive a significant number of requests for sustainability information. While no formal tracking mechanism exists, we estimate sustainability criteria to be included in most of the RFPs from European-based customers, some from Australia and New Zealand, and a significant portion from U.S.-based customers as well.</p> <p>Particularly notable is the U.K.'s NHS, which in October 2020 became the world's first health service to commit to reaching carbon net zero. The NHS' <a href="#">Net Zero Supplier Roadmap</a> will require suppliers to publish a carbon reduction plan and to meet requirements for product carbon footprinting. Also, beginning in 2030, suppliers will be able to qualify for NHS contracts only if they can demonstrate their progress through published progress reports and continued carbon emissions reporting.</p> <p>We have also had increased interest from, and engagement with, our pharmaceutical customers regarding our carbon reduction plans and how we can assist in lowering carbon emissions across the pharmaceutical value chain.</p> <p>As a company with a proven reputation for maintaining the quality and safety of our products while reducing our carbon footprint, we are strategically positioned to manage this opportunity. We also benefit from reducing the energy-related costs associated with a product as it increases our competitiveness in a market that increasingly looks toward low-cost solutions.</p>
Strategy to realize opportunity	<p>As part of our 2030+ goals to climate change and product impact, we have set a number of goals to realize this opportunity. First, we are committed to setting targets to reduce Scope 3 emissions that result from the use and end-of-life disposal of our products. Second, we have set a number of goals to realize our commitment to reduce the environmental impact of our portfolio and address the sustainability needs of our customers. These priorities led us to form the <a href="#">Sustainable Medical Technology Institute</a>.</p> <p><b>Case study:</b> We see the value of partnerships and evolving discussion with coalitions. Our memberships in the Sustainable Healthcare Coalition and Healthcare Plastic Recycling Council have allowed us to gain insights into developing and evolving customer expectations.</p>



**Where the opportunity occurs in the value chain**

**Upstream**

Opportunity type	Products and services
Climate-related driver	Increased need for products and services
Potential financial impact	Increased revenues resulting from increased demand for products and services
Time horizon	Medium-term
Likelihood	More likely than not
Magnitude of impact	Medium
Description	With health-related impacts of climate change expected to increase, the need for products and solutions provided by BD, such as diagnostics and delivery systems, may increase as well. Health impacts could include an increase in vector-borne and infectious diseases; alterations in disease patterns requiring diagnostic and surveillance solutions; emergence of new diseases requiring BD technologies that enable medical research; an increase in antimicrobial resistance (exacerbated by climate change), potentially increasing demand for BD diagnostic and surveillance solutions; and disproportionate climate-related health impacts in developing countries, which may increase demand for our low-cost innovations.
Strategy to realize opportunity	As part of our 2030+ goals related to mitigating climate change, we have set a goal to use our capabilities to contribute to solutions that address unmet climate-related health needs, recognizing the connection between climate change and human health.  <b>Case study:</b> BD undertook climate scenario analysis to better understand how climate-related risks (such as climate-induced water scarcity) and opportunities could impact the business. BD partnered with BSR, a global nonprofit organization of sustainable business experts that works with its global network of leading companies to build a just and sustainable world, to develop four scenarios corresponding to warming by 2100, which explored climate-related risks and opportunities and other key uncertainties for our business. These scenarios incorporated credible and publicly available climate projections for emissions reductions and climate impacts. These scenarios were reviewed by BD management in early 2020, and insights from the scenario analysis were incorporated into the development of our BD 2030+ goals.

How risks and opportunities have influenced our strategy and financial planning processes

The aspects of climate change that have most influenced our strategy are:

- Physical risks to operations and supply chain.
- Market risks due to increasing cost and/or availability of raw materials.
- Availability of water for our operations.
- The increasing expectations of our customers, and reputational considerations in both the short and long term.

These risks have translated into our 2030+ goals across the areas of climate change, product impact and a responsible supply chain, and our public commitment to the UN Race to Zero.

Opportunities such as customer preferences for environmentally preferable products have resulted in our 2030+ goal to reduce the environmental impact of our portfolio and address the sustainability needs of our customers.

While our 2030+ goals are managed at the corporate level by various central teams, the integration of these goals into business strategy varies among our company’s segments because of diverse geographic locations and product portfolios. All business segments work toward the same 2030+ goals to increase operational efficiency, but certain segments place a heavier emphasis on product sustainability. For example, the BD Medical segment produces drug delivery systems (such as needles, syringes and catheters) that are primarily single-use, in order to prevent the spread of infection. Therefore, environmentally preferable product considerations, such as less material and recycled content (where possible), are a heavier area of focus for this segment. In other business segments where instruments are part of the portfolio, the use phase has the greatest impact, and more consideration is given to the energy efficiency of products. Our work to establish baseline Scope 3 emissions from the use and end-of-life disposal of our products, as well as increased utilization of life cycle assessments, will provide insights to identify areas of opportunity to reduce emissions and environmental impact across our portfolio.

The following describes where and how specific risks and opportunities have influenced our strategy and financial planning.

**Part of the value chain**

**Description of influence**

Products and services

**How our strategy has been influenced:** Some suppliers, facilities or product lines could be impacted by the risk of climate-related issues in products and services. Carbon regulation and the rise of raw-material costs due to acute and chronic climate change events could impact the cost of products. At BD, we view climate change as an issue affecting the health of the global population that will likely disproportionately impact vulnerable populations such as those without access to healthcare. The global greenhouse gas (GHG) emission trajectory is expected to increase the frequency and intensity of some extreme weather events and, along with increasing temperatures, these factors will bring about a range of health risks and population impacts. Heat-related fatalities and illnesses, such as heat stroke and respiratory illnesses, will increase due to rising temperatures and levels of air pollution.

Increased flooding will affect waterborne illnesses and the spread of vector-borne diseases, such as malaria, Zika virus and West Nile virus. These factors will place strain on the healthcare infrastructure, so we believe it is imperative that we take steps not only to reduce GHG emissions from our own operations, but also to manage—and where possible mitigate—the potential risks and negative impacts of climate change across our value chain.

Finally, improvements to our products and solutions to reduce their carbon footprint across their life cycle will support our customers in pursuit of their sustainability goals. This could include designing electrical equipment to be more energy efficient, considering alternative materials, and making our supply chain networks more efficient. The magnitude of this impact has been small compared to revenue from other types of products and services in our portfolio. Time horizons covered include short and medium term.

**Case study of substantial strategic decisions: Inherent in our Purpose of *advancing the world of health™*** is working to meet emerging or unmet health needs that our products, solutions and expertise can address. We have a portfolio of solutions that can help detect and diagnose illnesses that will be exacerbated by climate change, such as antimicrobial resistance (AMR). Additionally, chronic disease risks are likely to increase with climate change. Our growth strategy will focus on transformative solutions to positively impact the treatment of chronic disease.

Supply chain

**How our strategy has been influenced:** The risks and opportunities in our supply chain are in the form of rising energy costs that would impact our process and cause a reduction or interruption in the supply of certain raw materials and components that could adversely affect our operations. Severe weather that impacts our supply chain would increase our risk of disruption to customers. This is managed through procurement expertise. Our strategic sourcing teams continuously assess our sole-sourced raw materials and maintain business continuity plans with our suppliers. Our continuity plans may include securing secondary supply with alternative suppliers, qualification of alternative manufacturing facilities, maintaining contingency stock, internal development of supply, and establishment of technology escrow accounts. In 2016, we refined our approach to supplier risk profiling by adding reputation risks into our Enterprise Supplier Risk Management process for direct suppliers. An initial set of risks were identified, and mitigation plans are in progress. We will continue to refine our risk model and adjust our top risks accordingly. The magnitude of impacts on our supply chain from climate change has been small compared to other factors. However, if frequency of disruption increases, potential impacts could be significant as our supply chain is large and complex. Time horizons covered include short and medium term.

**Case study of substantial strategic decisions:** As part of our 2030+ goal to create a supply chain adaptable to disruption and able to contribute to strong environmental and social performance, we have set goals to (1) complete ESG desktop audits for strategic, preferred and critical suppliers by 2023 and (2) have 90 percent of total spend reflected in completed supplier ESG desktop audits by 2025. Using third-party survey platforms, such as Ecovadis, we are able to collect different environmental KPIs (GHG emissions, water usage, waste generated, etc.) and assess suppliers' policies and processes to manage various ESG issues.

Investment in R&D

**How our strategy has been influenced:** At BD, we view climate change as an issue of public health. The global greenhouse gas (GHG) emission trajectory is expected to increase the frequency and intensity of some extreme weather events and, along with increasing temperatures, these factors will bring about a range of health risks and population impacts. Heat-related fatalities and illnesses, such as heat stroke and respiratory illnesses, will increase due to rising temperatures and levels of air pollution. Increased flooding will affect waterborne illnesses and the spread of vector-borne diseases, such as malaria, Zika virus and West Nile virus. These factors will place strain on the healthcare infrastructure, so we believe it is imperative that we take steps to not only to reduce GHG emissions from our own operations, but also to manage—and where possible mitigate—the potential risks and negative impacts of climate change across our value chain.

As part of our 2030+ goal to minimize our contribution to global emissions, we have also set a goal to utilize our capabilities to address unmet health needs for climate-vulnerable populations. While we do not currently have a specific program around investment in R&D for climate-related diseases, we see risks and opportunities related to the nexus of climate change and human health as something that would surface as part of our work to address unmet health needs. We would allocate investments through existing funding channels within the organization. The magnitude of this impact is expected to be small in relation to other R&D investments. Time horizons covered include medium and long term.

**Case study of substantial strategic decisions:** Inherent in our Purpose of *advancing the world of health™* is working to meet emerging or unmet health needs that our products, solutions and expertise can support. We have a portfolio of solutions that can help detect and diagnose illnesses that will be exacerbated by climate change, such as antimicrobial resistance (AMR). Additionally, chronic disease risks are likely to increase with climate change.

Our growth strategy will focus on transformative solutions to positively impact the treatment of chronic disease. In FY 2022, BD announced the formation of the BD Sustainable Medical Technology Institute (BD SMTI), which will develop and support programs to achieve our 2030+ product impact goals.

Part of the value chain

Description of influence

Operations

**How our strategy has been influenced:** Risks from climate change in operations are intensified for some suppliers, facilities or product lines. This could include carbon regulation increasing operational costs, acute and chronic events such as an increase in extreme hurricanes impacting BD manufacturing facilities and/or supplier facilities, and chronic events such as prolonged drought increasing water costs in operations.

We have incorporated this risk into our business continuity planning for operations by evaluating where we manufacture products that are classified as critical to healthcare, and by pursuing redundant manufacturing capabilities where appropriate. In addition to goals set for our climate change impact area, we have set a 2030+ goal to incorporate climate risk into supply chain and network architecture strategies. The magnitude of this impact has been small compared to other factors like operational expenditures and annual revenue. Time horizons covered include short and medium term.

**Case study of substantial strategic decisions:** In our climate change impact area, we have set goals to reduce our GHG emissions. We will achieve this reduction through two mechanisms—reduced energy demand and increased use of renewables.

Each facility has identified a pipeline of projects aimed at reducing our GHG emissions and will utilize a traditional capital funding process to implement these projects. This process will continue to increase the number of projects with sustainability benefits and associated cost savings and contribute to the competitiveness of BD in both the short and long term. Previous projects have included HVAC replacements, chiller upgrades, compressed-air upgrades and LED installations, in addition to larger projects such as the installation of cogeneration facilities and various major solar installation projects.

Indirect costs, capital expenditures and assets

**How our strategy has been influenced:** Risks and opportunities that would affect operating costs and capital expenditure / capital allocation are factored into our financial planning through normal budgeting processes for the short term. These risks include increased operational costs from regulation or rising energy costs. Each facility has identified a pipeline of projects aimed at reducing our GHG emissions through demand reduction and increase in the use of renewables, and will utilize a traditional capital funding process to implement these projects. The magnitude of impact is relatively small (less than 5 percent of total operating costs). Time horizons covered by financial planning are short to medium term.

Risks and opportunities from climate change in asset financial planning are impacted for some suppliers, facilities and product lines. Risks include property damage from acute physical impacts from increased severity of extreme weather events—as seen during Hurricane Maria. These risks are managed as part of general business continuity planning over the medium term.

**Case study of substantial strategic decisions:** BD has entered into multiple power purchase agreements (PPAs) at various facilities to secure a supply of renewable energy for our operations. These PPAs range from on-site renewable energy installations to indirect procurement of off-site green energy. By signing these agreements and fixing our energy costs over a long period of time, we are managing our operating costs as well as reducing climate impacts. Time horizons covered by financial planning are short to medium term.

## Scenario analysis

In 2019, responding to the need for strategic resilience in a time of rapid change, as well as a desire to assess and report to investors on climate risk in line with the TCFD recommendations, BD undertook climate scenario analysis to better understand how climate-related risks and opportunities could impact the business. BD partnered with [BSR](#), a global nonprofit organization of sustainable business experts that works with its global network of leading companies to build a just and sustainable world. BSR and BD collaboratively developed qualitative scenarios, augmented them with information from relevant climate projections and completed a climate scenario to analyze and assess the resilience of our corporate strategy to climate-related risks and opportunities, in line with the TCFD recommendations.

Four scenarios were developed that corresponded to warming by 2100 allowing us to explore climate-related risks and opportunities, and other key uncertainties for our business. The time horizons covered included both the medium and long term (2030+). In order to incorporate information from climate projections into the scenarios, specific temperature increases and climate projections were assigned to each scenario. Two of the resulting scenarios were created based on the RCP 2.6 scenarios with the 1.5°C trajectory by 2100; the remaining two were created based on RCP 8.5, which is also the business-as-usual scenario. The areas that were considered as part of the scenario analysis include supply chain, business strategy, policy, market trends and technology.

A cross-functional workshop was held in order for participants to explore the strategic implications of the four future scenarios. The results were used to determine (1) issues that are likely to increase in importance, regardless of scenario, and (2) highly dynamic issues that are very responsive to different scenarios and therefore require close monitoring and a foresight-driven management approach. These insights were incorporated into the development of our BD 2030+ commitments and goals, including the science-based target that was announced at the end of 2020.

Under the business-as-usual scenarios, a number of issues increased in importance, including water and global systemic health challenges related to climate change. Under the remaining scenarios with the 1.5°C trajectory by 2100, energy and emissions from our operations, social impact and access for underserved populations, talent, diversity and inclusion, and global systemic health challenges related to climate change increased in importance. These issues are addressed under our 2030+ goals.

Further information about which of our ESG issues increased in importance and/or were dynamic can be found in the [ESG issues section](#).

## Risk management

At a company level, climate-related risks are identified by the central Sustainability team. The process for identifying risks involves stakeholder engagement with our internal technical experts, customers, shareholders, BD associates, business partners (e.g., suppliers), communities, governments, international agencies and nongovernmental organizations.

Climate-related risks are identified and evaluated by the Sustainability team through general sustainability materiality assessments and are informed by our ERM program and business continuity planning in areas such as disaster planning (including severe storms).

Physical (operational) risks posed by climate change that could impact our direct operations and/or supply chain and result in disruption to business continuity are identified and evaluated via processes established within the ISC team. Risk teams within the ISC team partner with individual facilities, business teams and subject matter experts to identify and evaluate risks (which may include, but are not confined to, climate change impacts). The central Risk Management team is responsible for monitoring compliance with property protection standards through which longer-term systematic risks can be evaluated. The process includes, but is not limited to, aggregation of insurance reports, sustainability risk assessments and third-party tools, such as water risk assessments. Examples of these physical risks include damage to facility and/or product from severe weather (such as Hurricane Maria’s impact on our facilities in Puerto Rico) and upstream fluctuations in the availability of materials (such as hurricanes in Texas impacting refineries and, by extension, resins).

Transitional risks posed by climate change (financial, external, legal and compliance, and strategic) are evaluated by the central Sustainability team. Both physical and transitional risks posed by climate change may also be reviewed within the ERM program, based on risk assessment and other procedures performed to identify and assess risks against established guidelines. Though risks that are identified as part of our ERM program may be impacted by climate change (for example, supply chain disruption due to extreme weather), climate change may not be named as a specific individual risk. Any climate-related risks that may be captured within our ERM program will be managed in accordance with the ERM program governance.

For further information regarding management and Board oversight of our ERM program, please refer to the [ESG Governance section](#).

Once risks and opportunities from climate change have been identified, they are evaluated and prioritized by the central Sustainability team. This includes assessing key risk areas, evaluating the likelihood and impact, and ranking these risks. Key prioritization components include the magnitude of the event should it occur (financial or reputational), the probability of such an event happening and our direct control over mitigating the risk.

Climate-related risks (including GHG emissions and water scarcity) were also identified by the central Sustainability team as risks to the company as a part of the [ESG issue management](#).

Our 2030+ goals were implemented to mitigate or manage these risks. Various central teams are responsible for collectively managing or mitigating climate change risk. Details can be found throughout this report.

Updates on our progress against our 2030+ goals are reported internally to management via the ERC and to the Board. Externally, progress is shared via our sustainability reporting (including annual reporting to the CDP). External reporting is carried out to meet growing stakeholder expectation for transparency, and therefore helps to manage any reputational risk.

BD has also developed a best-in-class Supply Base Resiliency program that evaluates supplier risk against 14 different risk factors. These factors include environmental risk (supplier practice and policy to account for their own climate-based risks and greenhouse gas emissions); location risk (including indicators such as a country’s reliance on fossil fuels and the emission of carbon dioxide), which accounts for hazardous environments/locations potentially caused by climate change and may also impact supplier operations; and geopolitical risk, which can account for potential risk brought on by environmental/sustainability policy (or lack thereof). Suppliers included in this risk program are evaluated based on risk criteria and, if the risk rating is high, asked to develop an improvement plan to better account for that risk.

The following table details how various risks are considered in our climate-related risk assessments:

<b>Current regulation</b>	Current regulation is relevant and always included in climate-related risk assessments. Specific risk assessments including monitoring of local regulations, such as carbon taxes and emission trading scheme applicability, are reviewed. These climate-related risks are assessed through strategy planning sessions, materiality assessments and business continuity planning.
<b>Emerging regulation</b>	Emerging regulation is relevant and always included in climate-related risk assessments, where “emerging” is defined as regulation likely to happen in the next 1 – 2 years. Risks are monitored at the facility level as part of normal business continuity planning.  Specific risk assessments include monitoring of local regulations such as carbon taxes and emission-trading schemes. We continue to review emerging regulation in Europe as part of the energy-efficiency schemes and anticipate undergoing audits as part of this regulation. New laws or regulations adopted in response to climate change could also increase energy costs as well as the costs of certain raw materials and components, which are evaluated on an ongoing basis. We may not be able to offset increases in these costs through other cost reductions. Environmental laws, particularly with respect to the emission of greenhouse gases, are also becoming more stringent throughout the world, which may increase our costs of operations or necessitate changes in our manufacturing plants or processes or those of our suppliers, or result in liability to BD. These climate-related risks are assessed through strategy planning sessions, materiality assessments and business continuity planning.



<b>Technology</b>	Technology risk is relevant and sometimes included in climate-related risk assessments. Risks associated with a transition to a lower-carbon economic system on the operational side include the use of renewable energy. Solar power, combined heat and power, and fuel cells are used at various BD facilities to reduce carbon and increase energy efficiency to aid in achieving our 2030+ climate change goals, which were developed to mitigate climate-related risks. These climate-related risks are assessed through strategy planning sessions, materiality assessments and business continuity planning.
<b>Legal</b>	Legal risks are not relevant because no litigation claims linked to climate-related issues have been identified to date.
<b>Market</b>	Market risks are relevant and sometimes included in climate-related risk assessments. Plastics are used extensively across our portfolio of products, therefore regulations on carbon and fossil fuels could result in fluctuating prices. These climate-related risks are assessed through strategy planning sessions, materiality assessments and business continuity planning. Mitigation measures include projects to reduce material usage for products and packaging.
<b>Reputation</b>	Reputation risks are relevant and sometimes included in climate-related risk assessments. They are monitored from a general standpoint through customers that prioritize sustainability in their RFPs or purchasing specifications, as well as through ESG-oriented investors and analysis of BD from ESG ratings agencies. These climate-related risks are assessed through strategy planning sessions, materiality assessments and business continuity planning.
<b>Acute physical</b>	Acute physical risks are relevant and sometimes included in climate-related risk assessments. These assessments are generally performed at an asset level and incorporated into business continuity plans. For example, the impact of Hurricane Maria in 2017 on our facilities in Puerto Rico resulted in updates to standard extreme weather evaluations and planned mitigation activities as part of business continuity planning. These climate-related risks are assessed through strategy planning sessions, materiality assessments and business continuity planning.
<b>Chronic physical</b>	Chronic physical risks are relevant and sometimes included in climate-related risk assessments. Risks evaluated include supply disruptions that may result from water scarcity in our direct operations. These climate-related risks are assessed through strategy planning sessions, materiality assessments and business continuity planning.

## Metrics and targets

Details of our metrics and targets can be found in the [Climate change](#) section. Performance data can be found in the [data tables](#).

# Policies, guidelines and statements center

The following list provides links to commonly referenced BD documents.

<b>BD Websites</b>	<a href="https://www.bd.com">bd.com</a>	
About BD	<a href="https://www.bd.com/en-us/about-bd/our-company">https://www.bd.com/en-us/about-bd/our-company</a>	Includes information about BD's business segments, leadership, and ethics and compliance
Careers website	<a href="https://jobs.bd.com">https://jobs.bd.com</a>	Career opportunities at BD
Cybersecurity	<a href="https://cybersecurity.bd.com">https://cybersecurity.bd.com</a>	Links to the Trust center, bulletins and patches, and vulnerability disclosures, plus the annual Cybersecurity report
ESG	<a href="https://www.bd.com/en-us/about-bd/esg">https://www.bd.com/en-us/about-bd/esg</a>	Links to Sustainability (including report archive), Global Public Health and Social Investing
Inclusion, diversity and equity	<a href="https://www.bd.com/en-us/about-bd/esg/inclusion-diversity-equity">https://www.bd.com/en-us/about-bd/esg/inclusion-diversity-equity</a>	Links to our ID&E report
Investor relations	<a href="https://investors.bd.com">https://investors.bd.com</a>	Links to our financial reports and SEC filings; press releases, events and presentations; and corporate governance information, including public policy positions and PAC and corporate contributions
Newsroom	<a href="https://news.bd.com">https://news.bd.com</a>	Latest BD news, the BD blog and ESG news
Quality transparency center	<a href="https://www.bd.com/en-us/about-bd/quality-at-bd">https://www.bd.com/en-us/about-bd/quality-at-bd</a>	Provides easier access to recall and field action information
<b>BD corporate policies &amp; brands</b>		
BD Brand List	<a href="https://www.bd.com/content/dam/bdcom-assets/en/en-us/documents/about/BD_Product-brand-list_EN.pdf">https://www.bd.com/content/dam/bdcom-assets/en/en-us/documents/about/BD_Product-brand-list_EN.pdf</a>	
BD Code of Conduct	<a href="https://www.bd.com/content/bd-com/na/us/en-us/about-bd/our-company.html?containerId=our-company-code-of-conduct&amp;activeTab=4">https://www.bd.com/content/bd-com/na/us/en-us/about-bd/our-company.html?containerId=our-company-code-of-conduct&amp;activeTab=4</a>	
BD Expectations for Suppliers	<a href="https://www.bd.com/en-us/about-bd/policies/expectations-for-suppliers-page">https://www.bd.com/en-us/about-bd/policies/expectations-for-suppliers-page</a>	
Clinical Trial Publication Policy	<a href="https://www.bd.com/en-us/about-bd/policies/clinical-trial-publication-policy.html">https://www.bd.com/en-us/about-bd/policies/clinical-trial-publication-policy.html</a>	
Data Protection Notice – Customers in Europe	<a href="https://www.bd.com/en-us/about-bd/policies/data-protection-notice-for-bd-customers-europe">https://www.bd.com/en-us/about-bd/policies/data-protection-notice-for-bd-customers-europe</a>	
Materials of Concern list	<a href="https://www.bd.com/content/dam/bdcom-assets/en/en-us/documents/policies-guidelines-and-statements/suppliers/BD_Materials-of-Concern_List_EN.pdf">https://www.bd.com/content/dam/bdcom-assets/en/en-us/documents/policies-guidelines-and-statements/suppliers/BD_Materials-of-Concern_List_EN.pdf</a>	
Conflict Minerals Policy	<a href="https://www.bd.com/content/dam/bdcom-assets/en/en-us/documents/policies-guidelines-and-statements/policies/bd_conflict-minerals-policy_en.pdf">https://www.bd.com/content/dam/bdcom-assets/en/en-us/documents/policies-guidelines-and-statements/policies/bd_conflict-minerals-policy_en.pdf</a>	
Global Antibribery and Anticorruption Policy	<a href="https://www.bd.com/content/dam/bdcom-assets/en/en-us/documents/policies-guidelines-and-statements/Corporate/BD-ABAC_Policy.pdf">https://www.bd.com/content/dam/bdcom-assets/en/en-us/documents/policies-guidelines-and-statements/Corporate/BD-ABAC_Policy.pdf</a>	
Global EHS Policy	<a href="https://www.bd.com/content/dam/bdcom-assets/en/en-us/documents/policies-guidelines-and-statements/Corporate/BD-Global-Environment-Health-Safety-Policy.pdf">https://www.bd.com/content/dam/bdcom-assets/en/en-us/documents/policies-guidelines-and-statements/Corporate/BD-Global-Environment-Health-Safety-Policy.pdf</a>	
Global External Funding Policy	<a href="https://www.bd.com/content/dam/bdcom-assets/en/en-us/documents/policies-guidelines-and-statements/Corporate/BD_External_Funding_Policy_Executed_09.30.19.pdf">https://www.bd.com/content/dam/bdcom-assets/en/en-us/documents/policies-guidelines-and-statements/Corporate/BD_External_Funding_Policy_Executed_09.30.19.pdf</a>	
Global Humane Handling Care and Use of Animals Policy	<a href="https://www.bd.com/content/dam/bdcom-assets/en/en-us/documents/policies-guidelines-and-statements/Corporate/BD-Global-Humane-Handling-Care-and-Use-of-Animals-Policy.pdf">https://www.bd.com/content/dam/bdcom-assets/en/en-us/documents/policies-guidelines-and-statements/Corporate/BD-Global-Humane-Handling-Care-and-Use-of-Animals-Policy.pdf</a>	
Global Human Rights Policy	<a href="https://www.bd.com/content/dam/bdcom-assets/en/en-us/documents/policies-guidelines-and-statements/Corporate/BD-Global-Human-Rights-Policy.pdf">https://www.bd.com/content/dam/bdcom-assets/en/en-us/documents/policies-guidelines-and-statements/Corporate/BD-Global-Human-Rights-Policy.pdf</a>	
Privacy statement	<a href="https://www.bd.com/en-us/about-bd/policies/privacy-policy-statement">https://www.bd.com/en-us/about-bd/policies/privacy-policy-statement</a>	
<b>Human rights and conflict minerals regulatory statements &amp; disclosures</b>		
Australia Modern Slavery and Human Trafficking statement	<a href="https://www.bd.com/content/dam/bdcom-assets/en/en-us/documents/policies-guidelines-and-statements/suppliers/BD-FY2022-AUS-Modern-Slavery-Statement.pdf">https://www.bd.com/content/dam/bdcom-assets/en/en-us/documents/policies-guidelines-and-statements/suppliers/BD-FY2022-AUS-Modern-Slavery-Statement.pdf</a>	
California Transparency in Supply Chains Act	<a href="https://www.bd.com/content/dam/bd-assets/bd-com/en-us/document/policy/corporate-policies-and-guidelines/guidelines/BD_CA-Transparency-in-Supply-Chains_EN.pdf">https://www.bd.com/content/dam/bd-assets/bd-com/en-us/document/policy/corporate-policies-and-guidelines/guidelines/BD_CA-Transparency-in-Supply-Chains_EN.pdf</a>	
Form SD, Specialized Disclosure Report – Conflict Minerals. Calendar year end 2022	<a href="https://investors.bd.com/static-files/e530a597-aa48-401f-865f-df3d9600689c">https://investors.bd.com/static-files/e530a597-aa48-401f-865f-df3d9600689c</a>	
Norwegian Transparency Act Disclosure	<a href="https://www.bd.com/content/dam/bdcom-assets/en/en-us/documents/policies-guidelines-and-statements/suppliers/BD-FY2022-No-Transparency-Act.pdf">https://www.bd.com/content/dam/bdcom-assets/en/en-us/documents/policies-guidelines-and-statements/suppliers/BD-FY2022-No-Transparency-Act.pdf</a>	
U.K. Modern Slavery and Human Trafficking statement	<a href="https://www.bd.com/content/dam/bdcom-assets/en/en-us/documents/policies-guidelines-and-statements/suppliers/BD-FY2022-UK-Modern-Slavery-Statement.pdf">https://www.bd.com/content/dam/bdcom-assets/en/en-us/documents/policies-guidelines-and-statements/suppliers/BD-FY2022-UK-Modern-Slavery-Statement.pdf</a>	

# Acronyms, initialisms and glossary

The following is a non-exhaustive list of acronyms and terms used throughout this report that are included to provide clarity. Not all acronyms are exclusive to BD.

AAALAC	Association for Assessment and Accreditation of Laboratory Animal Care	EMS	Environmental management system	IDEE	Inclusion, Diversity, Equity and Engagement
AdvaMed	Advanced Medical Technology Association	EPP	Environmentally preferable purchasing	IIR	Injury and illness rate
AI	Artificial Intelligence	ERC	Enterprise Risk and ESG Committee	IMP	Inventory management plan
AMR	Antimicrobial resistance	ERM	Enterprise Risk Management	ISA	International Society of Automation
ARG	Associate Resource Group	ERM	Environmental Resources Management	ISC	Integrated supply chain
BD	Becton, Dickinson and Company	ESG	Environmental, social and governance	ISO	International Organization for Standardization
BD SMTI	BD Sustainable Medical Technology Institute	ESOs	Environmental, Health and Safety Opportunities	IT	Information Technology
BDU	BD University	EVP	Executive Vice President	LEAP	Leadership Excellence Accelerator Programs
BSR	Business for Social Responsibility	EVP ISC	Executive Vice President, Integrated Supply Chain	LMIC	Low- and middle-income countries
CA	Clinical Affairs	FBI	Federal Bureau of Investigation	LTIFR	Lost time injury frequency rate
CDC	Centers for Disease Control	FDA	Food and Drug Administration	M&A	Merger and Acquisition
CDP	Carbon Disclosure Project	FIND	Foundation for Innovative New Diagnostics	MA	Medical Affairs
CEJST	Climate and Economic Justice Screening Tool	FY	Fiscal Year	MASC	Medical Safety Specialists
CEO	Chief Executive Officer	GCA	Global clinical affairs	MAUDE	Manufacturer and User Facility Device Experience
CEQ	Council on Environmental Quality	GCP	Good clinical practice	MDSAP	Medical Device Single Audit Program
CFP	Chemical Footprint Project	GHG	Greenhouse gas	MIS	Management information system
CISA	Cybersecurity and Infrastructure Security Agency	GHGP	Greenhouse Gas Protocol	MOC	Materials of Concern
COPS	Cost of products sold	GLEC	Global Logistics Emissions Council	MSS	Medical Safety Specialists
CPA	Center for Political Activity	GMS&G	Global Medical Safety and Governance	NACD	National Association of Corporate Directors
CQRB	Corporate Quality and Regulatory Board	GRI	Global Reporting Initiative™	NGO	Nongovernmental organizations
CRC	Clinical Research Collaboration	HAP	Hazardous air pollutant	NIST	National Institute of Standards and Technology
CRC	Cybersecurity Risk Committee	HIPAA	Health Insurance Portability and Accountability Act	NOX	Nitrogen oxides
CSO	Chief Sustainability Officer	HIRC	Healthcare Industry Resilience Collaboration	ODS	Ozone-depleting substances
EC/IRB	Ethics Committee/Institutional Review Board	HPRC	Healthcare Plastics Recycling Council	OHS	Occupational health and safety
eDHR	Electronic device history records	HPV	Human papillomavirus	OIFR	Occupational illness frequency rate
EEIO	Environmentally Extended Input-Output	HQ	Headquarters	OT	Operational Technology
EEO-1	U.S. Federal Employment Information Report	HSCC	Healthcare & Public Health Sector Coordinating Council	PAC	Political action committee
EFS	Expectations for Suppliers	HVAC	Heating, ventilation, and air conditioning	POC	Point of care
EHS	Environment, health and safety	IACUC	Institutional Animal Care and Use Committee	PPA	Power purchase agreement
		ID&E	Inclusion, Diversity and Equity	PPE	Personal protective equipment

QMS	Quality management system
R22	A chemical refrigerant
R&D	Research and development
REC	Renewable Energy Credits
RFP	Request for proposal
RMW	Regulated Medical Waste
RoHS	Restriction of Hazardous Substances Directive
ROI	Return on investment
S&EHS	Sustainability and environment, health and safety
SAB	Scientific Advisory Board
SASB	Sustainability Accounting Standards Board
SBTi	Science Based Targets initiative
SCR	Supplier Change Request

SDS	Safety Data Sheets
SEC	Securities and Exchange Commission
SHC	Sustainable Healthcare Coalition
SKU	Stock-keeping unit
SMI	Strategic Marketplace Initiative
SOC	Sustainable Operations Council
SOC2+	System and Organization Controls
SOPs	Standard operating procedures
SOX	Sulfur oxides
SVP	Senior vice president
TB	Tuberculosis
TCFD	Task Force on Climate-related Financial Disclosures

UL	Underwriters' Laboratories
ULCAP	UL Cybersecurity Assurance Program
UMB	University of Maryland
UN SDGs	United Nations Sustainable Development Goals
VOCs	Volatile organic compounds
VP	Vice president
VP GCA	Vice President of Global Clinical Affairs
WARM	Waste Reduction Model
WBCSD	World Business Council for Sustainable Development
WHO	World Health Organization
WRI	World Resources Institute
WWF	World Wildlife Fund

The “strong teams” operating model outlines our approach to how different parts of the organization can come together to deliver value. The foundation for this model is empowerment of teams and servant leadership. At the center are our customers.

Central team	These teams are typically corporate functions and drive people, process and systems excellence.
Business team	These teams drive strategy and product portfolio. The teams are arranged by segment, business unit and platform.
Regional team	These teams are focused on channels, customers and service. The teams are arranged by region, country and sales team.

<i>Advancing the world of health™</i>	Our Purpose.
BD 2025	Our current phase of value creation, anchored in three key pillars—Grow, Simplify and Empower.
THE BD WAY	A set of behaviors that embodies who we are, what we stand for and why we exist.
Together we advance	Our ESG strategy, a four-pillar framework through which we address the most relevant ESG issues for our business and stakeholders.
2030+ goals	A set of goals in five impact areas—climate change, product impact, responsible supply chain, healthy workforce and communities, and transparency. These are areas where we see the most opportunity for BD to create meaningful and measurable change over the next decade and beyond.



To find out more about sustainability at BD or to provide feedback on our reporting, please contact [BD Sustainability Office@bd.com](mailto:BD_Sustainability_Office@bd.com).

This report contains information about BD and its operations around the world. Statements regarding our future business direction and intent represent goals and objectives only and are subject to change or withdrawal without notice. These statements are based on plans, estimates and projections as of the time they are made, and therefore undue reliance should not be placed on them. We undertake no obligation to update the statements or information contained in this report.

#### Cautionary statement regarding forward-looking statements

This report contains certain forward-looking statements within the meaning of the federal securities laws regarding BD's business, strategy, goals, commitments and objectives. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those expressed, projected, anticipated or implied in such statements. All statements, other than statements of historical facts, may be forward-looking statements. Some forward-looking statements may be identified by the use of words such as "plan," "expect," "believe," "intend," "will," "may," "anticipate," "estimate," "target," and other words of similar meaning in conjunction with, among other things, discussions of future operations and financial performance and strategy for growth, future product development, regulatory approvals, competitive position, sustainability initiatives and expenditures. Readers should not place undue reliance on forward-looking statements. Forward-looking statements are, and will be, based on management's then-current views and assumptions regarding future events, developments and operating performance, and speak only as of their dates. Statements regarding BD's goals, commitments and objectives may include statistics or metrics that are based on estimates and assumptions under developing standards that may change in the future. Such goals and commitments are not intended to be promises or guarantees, and actual results may differ, possibly materially. It is not possible to predict or identify all of these risks and uncertainties, many of which are beyond BD's control, including, without limitation, challenges relating to economic, competitive, governmental and technological factors affecting BD's operations, markets and products, and other factors listed in BD's 2022 Annual Report on Form 10-K and other filings with the Securities and Exchange Commission (SEC). BD expressly disclaims any undertaking to update or revise any forward-looking statements set forth herein to reflect events or circumstances after the date hereof, except as required by applicable law or regulation.

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