Our Sustainability Journey at BD: History, Strategy and Performance

ISE/CHRMS Breakfast Seminar
December 16, 2011

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The Office of Global Sustainability
Why did I join BD?

Why did I stay?
First edition of *National Geographic Magazine*, published October 1888
BD is a leading global medical technology company that develops, manufactures and sells medical devices, instrument systems and reagents.
Corporate Purpose:
“Helping all people live healthy lives”

BD’s Core Values:
• We do what is right
• We always seek to improve
• We treat each other with respect
• We take personal responsibility
BD’s Envisioned Future:

Become the organization most known for eliminating unnecessary suffering and death from disease, and in so doing, become one of the best performing companies in the world.
Strategic Focus

Four Areas of Focus:

• Enabling safer, simpler and more effective parenteral drug delivery

• Improving clinical outcomes through new, accurate and faster diagnostics

• Providing tools and technologies to the research community that facilitate basic science, drug discovery and cell therapy

• Enhancing disease management in diabetes, women’s health and cancer, and infection control

BD’s Strategy is to apply technology to address unmet and underappreciated -- but important -- needs within Healthcare and Life Sciences.
*Financial data restated according to most recent published amounts in BD’s annual report financial summaries.
Net Income & Dividends Paid 1962 - 2010

($ in millions)

* Financial data restated according to most recent published amounts in BD’s annual report financial summaries.
At BD, Sustainability is a culture in which each decision we make will be guided by a desire, on balance, to improve the environmental, health, and social well-being of our associates and the people we serve.
Philanthropy

The Earth Institute
AT COLUMBIA UNIVERSITY

FAIRLEIGH DICKINSON UNIVERSITY

JDRF
Juvenile Diabetes Research Foundation International
dedicated to finding a cure

BD
Philanthropic Alignment

INHEALTH INSTITUTE FOR HEALTH TECHNOLOGY STUDIES

Direct Relief
INTERNATIONAL

unicef united states fund
Whatever it takes to save a child.
2015 Sustainability Strategy

Product stewardship

- Sustainable products & packaging
- Materials of concern
- End of use management

Sustainable operations

- Supply Chain Stewardship
- Reducing environmental impacts from manufacturing
- Addressing climate change impacts
### Aspirations: Product Stewardship

#### Materials of Concern
- Full transparency of all substances in our products
- New product development process will include MOC risk assessment
- Eliminate priority materials of concern from our products
- Mechanisms in place to anticipate and respond to new MOCs, as identified by our customers or regulatory bodies
- Include assessment of product portfolios to identify MOCs in pre-acquisition due diligence.

#### Sustainable Products and Packaging
- Design for environment principles fully integrated into sourcing and GPDS
- Designs minimize raw materials and maximize recycled content
- Designs minimize environmental impacts that occur during manufacturing and use
- Designs maximize transport and storage efficiencies
- Evaluate better alternatives to fossil fuel based plastics
- Environmental reduction impacts from new product designs are quantified and communicated to customers

#### End of Use Management
- Product and packaging design includes consideration of total product life cycle.
- Pioneer best in class solutions for end-of-life waste management of our products and packaging
- Utilize life cycle analysis to better understand product environmental footprint
- Products managed cradle to cradle

### Aspirations: Sustainable Operations

#### Sustainable Supply Chain Program
- All suppliers and subcontractors have verifiable social/environmental processes that meet BD’s stated expectations
- All goods and services purchased meet sound sustainability criteria as set by BD’s published requirements
- Partner with suppliers, customers, and NGOs to drive sustainability innovation
- Establish shipping standards to minimize environmental impact
- Climate change impact up and downstream in our supply chain will be quantified and minimized
- Drive sourcing transparency on social and environmental issues from the supply base

#### Manufacturing Environmental Impacts
- Publish and meet meaningful environmental emission reduction targets
- All new construction and major modifications will be consistent with LEED criteria
- Environmental impacts of mergers, acquisitions, and operational relocations included in decision-making
- No ozone-depleting or volatile organic (VOC) compound emissions from BD operations
- All sites are using a verifiable EHS management system to improve environmental performance.
- ISO 14001 certification expands beyond manufacturing across the organization.

#### Response to Climate Change
- Publish and meet meaningful energy reduction targets
- Embrace renewable energy technologies and promote its use within our own operations and our supply chain
- Quantify the financial risks to operations posed by climate change
- Assess opportunities beyond operations posed by climate change impacts
2015 Environmental Targets

**Production**

- **Reduce hazardous waste generation** by 10% by 2015, from 2008 levels
- **Reduce non-hazardous waste generation** by 15% by 2015, from 2008 levels

**Energy**

- **Increase renewable energy use** in BD’s portfolio to 25% by 2015, from 2008 levels
- **Reduce energy consumption** from operations by 30% by 2015, from 2008 levels

**Resources**

- **Reduce the use of water** by 15% by 2015, from 2008 levels

To meet these targets, BD will:

- Focus on natural resource conservation
- Improve lighting and equipment efficiency
- Use alternative energy generation sources
- Provide policy and performance guidelines
- Conduct energy audits
Progress: Energy and GHG Emissions

Use of Renewable Energy

2010 Energy Consumption from Renewable Sources: 26%
2010 Energy Consumption from Traditional Sources: 74%

Energy Use (gigajoules)

<table>
<thead>
<tr>
<th>Year</th>
<th>Absolute</th>
<th>Normalized: Gigajoules per $1,000 Cost of Products Sold</th>
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</thead>
<tbody>
<tr>
<td>2007</td>
<td>4,165,865</td>
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</tr>
<tr>
<td>2008</td>
<td>4,436,132</td>
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<tr>
<td>2009</td>
<td>4,380,282</td>
<td>1.32</td>
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<tr>
<td>2010</td>
<td>A</td>
<td>1.29</td>
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Greenhouse Gas Emissions (metric tons)

<table>
<thead>
<tr>
<th>Year</th>
<th>Absolute</th>
<th>Normalized: Metric Tons per $1,000 Cost of Products Sold</th>
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<tbody>
<tr>
<td>2007</td>
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<tr>
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<td>2009</td>
<td>525,658</td>
<td>0.16</td>
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<tr>
<td>2010</td>
<td>405,026</td>
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</table>

Data represents Scope 1 (direct fuel use) and Scope 2 (indirect from electricity) emissions.
Progress:
Water and Waste
Manufacturing Environmental Impacts

- Foundation of EHS Compliance
- Focus on energy, waste and water footprint reduction for new and existing facilities, against our 2015 Sustainability Targets
- LEED-Certified Green Buildings: All new construction and major renovations over $1 million will be built to LEED criteria.
BD Ranks 11th on EPA’s Fortune 500 List of Green Power Purchasers

• BD has been awarded membership to the 2011 Green Power Leadership Club.

• BD’s green power purchase of >200 million kWh is equivalent to avoiding the CO2 emissions of nearly 28,000 passenger vehicles per year — or the equivalent amount of electricity needed to power more than 17,000 average American homes annually.

• BD is #20 on the EPA Green Power Partnership’s National Top 50 list.
Supply Chain Stewardship

• BD Expectations for Suppliers"
  • Referenced in all contract documents
  • (RFP, PO, Agreements)

• BD’s Environmentally Preferable Purchasing (EPP) Guideline
  • In progress
  • Will make guidance and policy about our sustainable purchasing aspirations available to BD Purchasers
BD is working towards building *Design for Environment* into our Global Product Development System (GPDS), can include:

- Material selection
- Packaging and material use optimization
- Design for more efficient manufacturing

Opportunity to work with suppliers, especially in the area of different material selection
Practice Greenhealth

- A member-based nonprofit organization providing tools, resources and networking opportunities to healthcare organizations creating sustainable environments.

- PGH Members
  - Hospitals and Clinics
  - Individual Healthcare Professionals
  - Group Purchasing Organizations
  - Architects & Designers
  - Suppliers & Service Providers
A Closed-Loop Recycling Solution

Turning Waste Into a Resource.

1. Use
   - Safety, convenience, and affordability of BD single-use safety devices, AV Fistula and dialyzers

2. Disposal
   - Clean, new BD Recykleen™ containers for safe, convenient collection and optimal infection control

3. Treatment
   - Recycled materials incorporated into new BD containers

4. Recycling
   - Recycling of plastic and metal materials for maximum yield; we can currently recycle ~ 70% of the materials

5. New Product
   - Filled containers picked up from your facility by WM and transported off-site for safe treatment and processing

BD ecoFinity™ Life Cycle Solution

Powered by an alliance with Waste Management®

©2011 BD and WM Healthcare Solutions, Inc.
Engaging Our Employees to Make Sustainability Advancements

Belgium

Japan

China
Reporting on Sustainability at BD

- Covers BD’s approach and performance in 3 key areas:
  1. Economic
  2. Environmental
  3. Social

- BD’s 2010 Sustainability Report ➔
  www.bd.com/sustainability
Recognition and Affiliations

- **BD**
- **WORLD’S MOST ETHICAL COMPANIES**
- **NJ BIZ Best Places to Work**
- **Green Power Partner**
- **FTSE4Good**
- **Dow Jones Sustainability Indexes**
- **Best Employers for Healthy Lifestyles 2011**
- **Best Employers 2011/12**
- **Fortune World’s Most Admired Companies 2011**
- **Practice Greenhealth Member**
- **GREAT PLACE TO WORK 2010**
- **MEJORES EMPRESAS PARA TRABAJAR**
- **Recognition and Affiliations**
Sustainability Progression

Since the beginning:
Product Quality and Patient Safety

Since the mid 1980’s:
The addition of Healthcare Worker Safety

Into the Future:
The link between a healthy environment and healthy people
Keys to BD’s Success in Sustainability Thinking:

• Consistent home-grown leadership
• Continuous improvement mentality
• Custom cultural course corrections, consistent with who you are
• Keep your organization and your stakeholders in the center of your universe