



BD

Helping all people
live healthy lives

Interim
Sustainability Report 2008

Who we are and what we do

BD is a leading global medical technology company that develops, manufactures and sells medical devices, instrument systems and reagents. BD is dedicated to improving people's health throughout the world. We are focused on improving drug delivery, enhancing the quality and speed of diagnosing infectious diseases and cancers, and advancing research, discovery and production of new drugs and vaccines. Our capabilities are instrumental in combating many of the world's most pressing diseases. Founded in 1897 and headquartered in Franklin Lakes, New Jersey, BD employs approximately 28,000 associates in 50 countries throughout the world. We serve healthcare institutions, life science researchers, clinical laboratories, the pharmaceutical industry and the general public.

BD is committed to achieving great performance for customers and shareholders, making great contributions to society and being a great place to work. We achieve this through responsible economic, social and environmental practices. BD consists of three segments:

BD Medical

BD is among the world's leading suppliers of medical devices and a leading innovator in injection- and infusion-based drug delivery since 1906, when the Company built the first-ever facility in the U.S. to manufacture needles and syringes.

BD Diagnostics

BD is a leading provider of products for the safe collection and transport of diagnostics specimens, as well as instruments and reagent systems to accurately detect a broad range of infectious diseases, healthcare-associated infections (HAIs) and cancers.

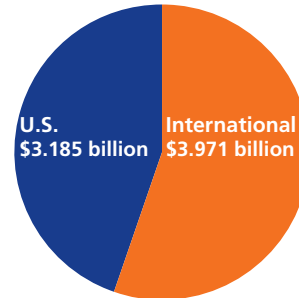
BD Biosciences

BD is a world leader in bringing innovative diagnostic and research tools to life scientists, clinical researchers, laboratory professionals and clinicians who are involved in basic research, drug discovery and development, biopharmaceutical production and disease management.

For more information, please visit www.bd.com.

FY2008 Company facts in brief:

Revenues: \$7.156 billion



R&D spend: \$396.2 million

~ 28,000 associates

~ 50 countries

~ 200 facilities

About this report

This interim sustainability report provides an overview of our performance in the areas of corporate governance, economic progress, environmental stewardship and social responsibility. We plan to publish our next full sustainability report online in 2010. See our previous report at www.bd.com/sustainability.

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Message from the Chairman and CEO

The principles of sustainability are embedded in BD's Core Values of treating others with respect, doing what is right, accepting personal responsibility and always seeking to improve. It is in this spirit that we are raising our corporate sustainability program to the next level.

Many solid initiatives are underway in various BD businesses, and we spent much of the last year carefully examining our progress, challenges and goals as we develop a global sustainability strategy. Our efforts are comprehensive and address sustainable and environmentally efficient operations, as well as improvements to minimize the impact of the products we offer. We are prioritizing our efforts to ensure the greatest improvements while sharing best practices across regions.

As we pursue our purpose of *"Helping all people live healthy lives,"* we strongly believe in balancing the "triple bottom line" – achieving strong economic performance, promoting environmental stewardship and advancing social responsibility. I am pleased that our efforts are gaining prestigious recognition such as our continued inclusion in the Dow Jones Sustainability World and North America Indices and the FTSE4Good index.

Our corporate strategy is to serve the world's population as a global leader in developing and applying technologies to solve emerging, important, sometimes underappreciated and fundamental healthcare problems with discipline and committed service to our customers and shareholders. We do so by enabling the discovery and development of medical therapies, facilitating faster and more accurate diagnosis to accelerate and improve the treatment of disease, and providing unique and affordable devices to deliver drugs and vaccines in developed and developing markets. This is underscored by a systematic adherence to continuous improvement in everything that we do.



We are living in transformational times in which opportunities and challenges alike abound for businesses worldwide. Challenges we face include how to reduce our environmental footprint while also ensuring the safety and quality of our products. We are looking for innovative solutions, as you will see in the pages that follow. We fully expect that our global sustainability strategy will strengthen our ability to meet underappreciated healthcare needs with high-quality products and expert services that are more affordable and accessible for healthcare systems around the world, while at the same time minimizing our environmental impacts.

We are making very good progress toward identifying and prioritizing focus areas for our sustainability program, and there is much more to be done. Our more than 28,000 dedicated associates are committed to continuing to make a positive impact on healthcare around the world, serving the communities in which we operate, and creating value for our shareholders.

Edward J. Ludwig
Chairman and Chief Executive Officer
January 2009

Sustainability at BD: Helping all people live healthy lives

Respecting our associates, supporting our communities, protecting the environment and making positive contributions to the economy are essential to sustainability.

As we develop BD's global sustainability strategy, we have identified the following topics we must manage well:

- **Tackle underappreciated or emerging healthcare needs.** We strive to develop and apply technologies to meet emerging, important and often underappreciated healthcare needs worldwide.
- **Use natural resources responsibly.** We are committed to managing and reducing our environmental footprint while supporting our customers and suppliers in doing the same. (See page 8.)
- **Promote diversity.** Racial, gender, religious and ethnic diversity among our associates, as well as diversity of thinking, is necessary to meet the needs of our global markets.
- **Encourage safety.** Our highest priorities are patient safety, the safety of our associates, and the quality and safety of our products.
- **Act with integrity.** Our focus is on doing what is right, operating ethically, respecting others, always seeking to improve and accepting personal responsibility.
- **Deliver great financial performance.** Profits promote sustainability, and we strive to continue providing our shareholders with strong returns on their investments.



Responsibility for our sustainability efforts rests with the Chairman and CEO and other members of our senior management. The Corporate and Scientific Affairs Committee of our Board of Directors has oversight over certain aspects of these efforts, including Employment Practices; Community Relations; Environment, Health and Safety; and Ethics and Enterprise Compliance.



Our Approach

BD's envisioned future is to become the organization best known for eliminating unnecessary suffering and death from disease and, in so doing, become one of the best-performing companies in the world. Our approach to sustainability is embedded in our culture and our core purpose of "Helping all people live healthy lives."

We are guided by our Core Values:

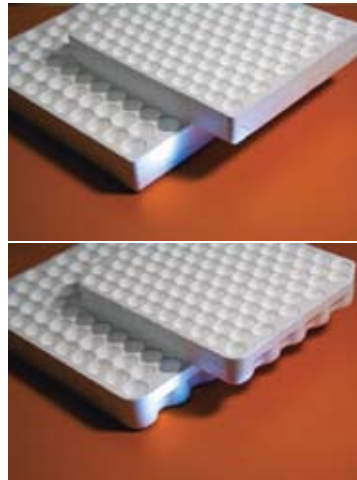
- We treat each other with respect
- We do what is right
- We always seek to improve
- We accept personal responsibility

Management priorities

Executive responsibility for sustainability rests ultimately with executive management (*see chart*). Our sustainability governance structure ensures that our sustainability risks and opportunities are managed throughout our operations.

Stakeholder engagement

We engage with a wide range of stakeholders, including shareholders, associates, customers, government officials, business partners, non-governmental organizations, local communities, healthcare workers and patients. We listen to their views and suggestions, and use that feedback to improve our products, services and business practices.



Blood collection trays before redesign (top) and after redesign (bottom).

Reducing packaging materials

In 2008, the BD Diagnostics - Preanalytical Systems unit redesigned product packaging for blood collection trays to minimize the amount of expanded polystyrene (EPS) used. The trays were scalloped, resulting in the equivalent of eliminating over 6 million trays, or 232,600 pounds of EPS, per year. Because the trays are lighter and thinner, we are able to ship more trays per truckload, using fewer trucks and reducing fuel consumption.

Fit for ethics

We want our associates to be fit enough to avoid the pitfalls of any ethical dilemma. In partnership with the Institute for Global Ethics®, our educational program BD University (*see page 5*) has been coordinating the Ethical Fitness® course for more than 10 years. Ethical Fitness trainers – certified BD associates – work with their colleagues to ensure they are prepared to do the right thing when faced with ethical decisions.



BD associates training to become certified Ethical Fitness® trainers, as part of BD University's "leaders as teachers" approach.

People:

Promoting healthy and fulfilling lives

BD's many relationships around the world are vitally important to us — at work, in the marketplace and in the community. We are in business to meet people's health needs, and it is people who make our business successful: our customers, healthcare workers, patients, associates, suppliers and people in the community, among others.

Customers

Our customers include blood banks, healthcare providers, hospitals, medical researchers, nonprofit partners, patients, public health agencies, pharmaceutical companies and research laboratories.

We are committed to listening to our customers to ensure that we understand their needs. We conduct focus groups and frequently visit the people who use our products. We also provide training so that our customers use our products safely and get the best value from BD.

Healthcare workers

BD is a leader in providing devices that can reduce accidental injuries from sharps (needles) and exposure to bloodborne pathogens. We pioneered the development of safety-engineered medical devices and have been at the forefront of this field for two decades. Our range of safety-engineered products includes hundreds of catalog items for injection, infusion therapy, sample collection, surgery and sharps disposal.

Patients

Our products are designed to ensure patient safety. We work to eradicate any risk of our products being misused or becoming contaminated. This safety focus has led to innovative products such as the IV flush syringe that reduces the risk of infection when administering medicine through a catheter. Our auto-disabling injection devices can only be used once, which prevents their reuse and the possible risk of contamination.

Associates

Ensuring the health, safety and professional development of our 28,000 associates around the world is essential for the success of our business.

Occupational Health and Safety

In 2008, we implemented a Safety Process Model that is built on best practices drawn from BD's safety specialists worldwide. This systematic approach helps us identify potential hazards so that we can make sure our associates are trained – and have the tools – to avoid risks. We set goals and measure our performance, generating a Safety Index score for each of our sites.

Learning and Development

We see BD as a teaching, coaching and learning organization. BD University (BDU) offers seminars on a wide range of subjects, including leadership, business and organizational skills, as well as ethics, diversity and career management. Through our “leaders as teachers” approach, BD executives teach 90% of all courses themselves. In 2008, approximately 16,000 associates participated in over 400 BD University programs.

Career Development

Our associates receive annual performance reviews. Our Performance Management Process (PMP) emphasizes coaching and the professional development of everyone who works at BD.

We encourage our associates to participate in professional societies and associations globally. In the U.S., we offer to reimburse the cost of tuition for approved courses taken externally.



BD seeks to provide an inclusive environment for all. At our global headquarters, associates and their families celebrated a variety of cultures and traditions during Diversity Inclusion Week.

Diversity

For BD to succeed, the rich diversity of our 28,000 associates must be fully utilized to appropriately address market conditions. We welcome people of diverse ethnicity, culture, gender, religion, age, personal style, sexual orientation, physical ability, appearance and tenure, as well as people of diverse opinions, perspectives, lifestyles, ideas, thinking and being. For us, diversity is about understanding and respecting differences and using it to our competitive advantage.

Policies

We have comprehensive policies on harassment, non-discrimination, and HIV/AIDS, among other areas.



Through our Volunteer Service Trip Program, all BD associates are invited to apply for three-week assignments to help improve access to healthcare in medically underserved regions. In 2008, associates again worked with Direct Relief International partners in Ghana.



As part of our collaboration with PEPFAR, BD volunteers are helping expand high-quality laboratory services in African countries such as Uganda and others severely affected by HIV/AIDS and TB.

Case study

Spotlight on workplace safety

Our Sumter, South Carolina, facility recently celebrated having worked 4 million hours without a single lost-time safety incident reported. This impressive achievement was accomplished by creating Safety Action Teams that helped promote positive attitudes around safe behavior and generate more awareness about safety issues. Future plans include improving how near-misses are identified, thus eliminating hazards before an injury can occur.

At the BD Medical facility in Columbus, Nebraska, we have reduced the recordable injury rate from over six injuries per 200,000 hours worked to less than 1.5 since 2002. In addition, over 7.5 million hours have been worked at the site since 2004 without a lost-time incident. In this same time period, the building expanded by over 80,000 square feet, and the number of associates increased from 775 to nearly 1,000.

Economic: Adding value

While our products are fundamentally beneficial to society, BD also contributes to local and national economies by operating a responsible business, bringing economic benefits to societies worldwide.

Our value chain (*see diagram*) begins with identifying healthcare needs, investing in research, developing innovative products and working with business partners (such as independent product developers and original equipment manufacturers). We sell our products directly to customers or through distributors. The wages and salaries received by our associates contribute to the vitality of the local economies where they live. BD retains some profits to reinvest in our business – especially in innovation to further fuel our growth – while pursuing strong returns for our shareholders.

We integrate as good neighbors and good corporate citizens into the communities in which we operate around the world.



Patents



Patents granted worldwide: **491**

Investors



Dividends paid: **\$279 million**

Associates



Worldwide:
More than **28,000**

All figures are from fiscal year 2008, unless otherwise stated.

Research and Development



R&D spend: **\$396.2 million**

Local Suppliers



Supplier spend: **~\$3.2 billion**
Capital expenditures: **\$602 million**
Facilities worldwide: **nearly 200**

Sales



Sales offices worldwide: **More than 50**

Community

Donations worldwide: **\$9.7 million** in cash and products
Hours volunteered during regular business hours worldwide: **13,622**
Matching grants for volunteered hours during personal time: **\$142,000**

Financial



Revenues: **\$7.156 billion**
Retained profits: **\$6.84 billion**
Income taxes paid: **\$330.7 million**

Photo courtesy of Matt McDermott



Environment: Protecting and conserving

Human health and a healthy environment are inseparable. This is why BD is committed to responsible environmental stewardship, while supporting our customers and suppliers in doing the same. We understand that our environmental footprint extends beyond our operations, and are continually looking for opportunities to partner with stakeholders, such as customers and suppliers, to protect the environment.

Our approach

Our environmental policy (*see web links, page 13*) commits us to “minimize the discharge of hazardous materials and the generation of waste, promote recycling and resource recovery, conserve energy, water, and natural resources, and reduce air emissions and water effluents at our facilities worldwide.”

BD’s environmental management system – based on the principles of “Plan, Do, Check, Act” – has helped us make good progress in reducing air emissions, energy use, water use and waste within our operations. Many of our facilities have implemented the internationally-recognized environmental management systems standard ISO 14001, which requires independent certification.

We conduct internal safety and environmental audits regularly to check that our manufacturing facilities, research centers and distribution centers comply with our policies, the law and best practices. We follow up within 12 months of each audit to ensure that corrective actions have been taken.

While we can manage environmental effects that are within our control, we realize that we must make greater efforts to ensure that we fully understand how we can influence those issues outside our direct control. We have identified six key environmental topics that we must manage in the future and that are part of our developing global sustainability strategy (*see CEO’s message, page 1.*)

■ Fossil resources

We are investigating ways to use more renewable energy. An even greater challenge is to find safe and effective alternatives to oil-derived plastics used to make our products, such as syringes.

■ Product disposal

We have always helped users dispose of our products safely. We continue to encourage environmentally responsible disposal and strive to find ways to reduce the environmental impact of our products upon disposal.

■ Supplier social and environmental performance

We want to ensure that our suppliers conform to high environmental standards and act responsibly on issues regarding labor relations. We have begun to include this as a criterion in supplier selection and management.

■ Energy consumption and greenhouse gas emissions

Reducing the use of electricity and fossil fuels saves money and helps us cut our contribution to climate change. We are making good progress. (*See Report Card, page 12.*)

■ Hazardous air emissions

As a minimum, we comply with the law and work to reduce emissions of hydrochlorofluorocarbons (HCFCs) and volatile organic compounds (VOCs), by improving our manufacturing processes. (*See Report Card, page 12.*)

■ Materials of concern

Science continues to advance our knowledge of the environmental effects of materials used in manufacturing. We support science-based decisions and will seek alternatives to any materials that are a legitimate cause of concern.

See our Report Card for a summary of environmental performance, page 12.

Case studies

Renewable electricity drives Utah facility

The BD Medical facility in Sandy, Utah is now sourcing 100% of its electricity from renewable wind power. This facility is BD's first to run significantly on renewable energy and to become a member of the U.S. Environmental Protection Agency's Green Power Partnership. The effort, in partnership with Rocky Mountain Power's Blue Sky program, will avoid the release of 37,060 tons* of carbon dioxide emissions each year.

** Avoided carbon dioxide emissions are based on Rocky Mountain Power's calculations and use an average of its system generation resources.*



Nebraska facility wins award for recycling

In July 2008, the BD facility in Broken Bow, Nebraska, won an Award of Excellence from Keep Nebraska Beautiful, a local environmental group. The award recognized the plant's "Reuse, Recycle" program, which generated 525 tons of recycled materials such as plastic, cardboard and phone books in one year.

Water recycling at San Diego plant recognized

For nearly a decade, the BD Biosciences facility in San Diego has been using recycled water for outdoor irrigation, cooling towers and in dual-plumbed restrooms. The California Section of the WateReuse Association named BD the City of San Diego's "2007 Industrial Customer of the Year."



San Jose facility reflects BD's commitment to sustainable development

BD Biosciences in San Jose opened a new 81,500-square-foot office building and customer training facility that was designed to meet U.S. Green Building Council criteria for Leadership in Energy and Environmental Design (LEED) certification, for which it has applied. The building beats California energy efficiency standards by more than 15 percent, reduces energy consumption by nearly 32 percent and reduces water use by 30 percent.

Society: Contributing to communities

Every day, BD makes great contributions to society through the products we develop, manufacture and sell throughout the world. We add further value through our corporate giving program that is comprised of strategic collaborations, philanthropy and volunteering. We give our time, talent and resources as we strive to reduce the burden of disease and raise health standards: saving and enhancing lives in line with our purpose of *“Helping all people live healthy lives.”*

Strategic collaborations

We are committed to helping improve the delivery of healthcare services, which includes training healthcare workers and increasing access to clinical and laboratory products and services. For example, BD has engaged in an \$18 million, five-year collaboration with the U.S. President’s Emergency Plan for AIDS Relief (PEPFAR) to improve laboratory practices in countries severely affected by HIV/AIDS and tuberculosis (TB). We have also conducted more than 500 Good Laboratory Practice workshops in approximately 56 developing countries.

Philanthropy

We concentrate our giving – which includes cash and product donations – on healthcare programs and initiatives that address key issues in communities where we operate and where long-standing relationships with nonprofit organizations enable us to have a major impact on the health of at-risk populations. These issues include diabetes, HIV/AIDS and TB, immunizations and infectious diseases.

In fiscal year 2008, BD donated \$9.7 million in cash grants and product to select NGOs focusing on our key issue areas. The following are the top international recipients of BD cash grants in 2008: The American Red Cross, Direct Relief International, Project HOPE, Accordia Global Health Foundation, Columbia University, Juvenile Diabetes Research Foundation, International AIDS Vaccine Initiative (IAVI), and the

Global Business Coalition on HIV/AIDS, Tuberculosis and Malaria.

Our product donations reflect BD’s diverse portfolio of products and services worldwide. We work closely with international nonprofit agencies and organizations to routinely donate millions of dollars worth of vital products that address the critical needs arising in emergency situations, as well as for continuing global health needs, such as mass immunizations. BD is an active member of Partnership for Quality Medical Donations (PQMD), which requires us to adhere to the World Health Organization’s guidelines for appropriate healthcare product donations.

Volunteering

Since BD’s founding in 1897, our associates have demonstrated a commitment to volunteering and community service. Our new generation of volunteers provides essential services to help improve conditions for people around the globe.

The BD Volunteer Service Trip Program, in its fourth year in 2008, has sent BD associate volunteers to Zambia (2005 and 2006) and Ghana (2007 and 2008) to help tackle HIV/AIDS and improve basic healthcare services, respectively.

We strongly support the community service efforts of our associates outside of work. We also recognize and applaud excellence in community involvement by our associates and retirees. Through the BD Henry Becton Community Service Awards Program, which honors the legacy of

Case studies

Spreading technology to tackle AIDS

We are committed to increasing access to critical diagnostic technologies. In 2004, we entered into an agreement with The William J. Clinton Foundation to expand accessibility of advanced CD4 cell-counting technology for immune system monitoring of people living with HIV/AIDS. This led to deeply discounted pricing – approximately 75 percent – for certain developing countries, compared with developed-world pricing. BD supports the agreement with Good Laboratory Practice training and equipment servicing. By July 2008, the program had placed 2,775 CD4 cell-counting systems – and continues to supply additional systems and training – in countries where the technology is needed most.

Strengthening health systems

In 2008, BD announced a three-year collaboration valued at \$1.25 million with the International Council of Nurses (ICN) and PEPFAR to establish a Wellness Center for Health Care Workers® in Uganda and strengthen existing Centers in Swaziland, Lesotho and Zambia. BD committed to donating \$250,000 as well as needed training and consulting services. The collaboration aims to address the region's severe health worker shortage by offering care and support services for health workers and their families. In turn, they can better care for their patients and communities.



At the Maranatha Maternity Clinic in Kumasi, Ghana, BD associate volunteers trained nurses and midwives in healthcare worker and patient safety practices.



Photo courtesy of AmeriCares



For the 2008 AIDS Walk San Diego, the BD team of 106 participants comprised the second largest group and raised nearly \$30,000, including BD's matching gift donations, to combat HIV/AIDS in the San Diego community.

Fighting measles

BD supports the American Red Cross and its Measles Initiative, which provides technical and financial support to governments and communities on vaccination campaigns and disease surveillance worldwide, with cash contributions. More than 600 million children in over 60 countries have been vaccinated through this initiative, preventing nearly 3 million deaths.

the son of BD co-founder Maxwell W. Becton, we make donations in winners' names to the organizations where they volunteer. Additionally, in the U.S., eligible associates are entitled to use up to 15 paid hours per year to perform community service.

BD also matches cash donations made by eligible associates and retirees to charitable organizations that meet program guidelines.

See Report Card for philanthropy data, page 12.



Photo courtesy of ICN

Performance: Report Card

Performance Indicator	Measure	2006	2007	2008
People				
Ethics & Compliance Training	Cumulative number of course units delivered through our online "Doing What is Right" program since inception	21,937	63,887	125,888
Occupational Illness/Injury Rate	Injuries/Illnesses per 200,000 hours worked	1.9	1.3	1.4
Economic <i>(See pages 6-7)</i>				
Environment				
Energy Consumption	The amount of energy used to run BD operations (gigajoules)	4,160,889	4,165,865	<i>Not yet reported ¹</i>
Greenhouse Gas Emissions ²	Emissions which contribute to climate change (CO ₂ equivalents in metric tons)	465,126	479,578	<i>Not yet reported ¹</i>
Ozone-depleting Substance Emissions	Emissions which damage the ozone layer (metric tons)	144.5	89.1	<i>Not yet reported ¹</i>
VOC (Volatile Organic Compound) ³	Emissions which contribute to smog formation (metric tons)	101.4	132.8	<i>Not yet reported ¹</i>
Society				
Cash Donations	U.S. dollars	\$6,017,202	\$5,785,096	\$6,251,162
Product Donations	U.S. dollars	\$2,585,393	\$2,268,351	\$3,466,956

¹ BD collects and reports environmental data on a calendar year basis. At the time of publication, 2008 environmental performance data were not available.

² Absolute GHG emissions have risen in line with production but normalized emissions have declined, reflecting greater efficiency in our use of energy.

³ Emissions of VOCs have risen as a direct result of our phase out of ozone-depleting substances.

Awards:

Highlights of awards and recognitions received in 2008

Industry/Business Recognition

- Dow Jones Sustainability Indices
- America's Most Admired Companies® — *FORTUNE*
- World's Most Ethical Companies — Ethisphere Council
- FTSE4Good Index



**Dow Jones
Sustainability Indexes**
Member 2008/09



FTSE4Good

Employees

- Best Employers for Healthy Lifestyles — National Business Group on Health — United States
- Award for Leading Practices in Health & Employee Wellness — Singapore Human Resources Institute
- International Innovation in Diversity Award — *Profiles in Diversity Magazine*
- Best Places to Work in Canada — Great Place to Work® Institute
- Employer of Choice for Women — Equal Opportunity for Women in the Workplace — Australia
- Best Places to Work in New Jersey — *NJBIZ Magazine* — United States

Environmental Health and Safety

- Annual Workplace Safety & Health Performance Gold Award — Singapore Ministry Of Manpower

Community Support

- Business Excellence Award for Tuberculosis Diagnostics Efforts — Global Business Coalition
- Community Cornerstone Award — United Way of Bergen County, NJ — United States

Please visit us at www.bd.com

To learn more about this report or to provide feedback, please contact: bdse@bd.com



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Mixed Sources

Product group from well-managed
forests, controlled sources and
recycled wood or fiber

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