# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Category</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO LETTER</td>
<td>1</td>
</tr>
<tr>
<td>ABOUT C. R. BARD</td>
<td>2</td>
</tr>
<tr>
<td>- Our Core Values</td>
<td>3</td>
</tr>
<tr>
<td>- Strategy and Material Sustainability Issues</td>
<td>4</td>
</tr>
<tr>
<td>OUR PRODUCTS</td>
<td>6</td>
</tr>
<tr>
<td>- Product Quality And Safety</td>
<td>7</td>
</tr>
<tr>
<td>- Innovation And Design</td>
<td>8</td>
</tr>
<tr>
<td>- Product Packaging, Materials And Environmental Attributes</td>
<td>10</td>
</tr>
<tr>
<td>- Supply Chain Management</td>
<td>10</td>
</tr>
<tr>
<td>- Medical Device Risk Factors</td>
<td>10</td>
</tr>
<tr>
<td>ENVIRONMENT, HEALTH AND SAFETY (EHS)</td>
<td>12</td>
</tr>
<tr>
<td>- EHS Management System</td>
<td>13</td>
</tr>
<tr>
<td>- Reported Data</td>
<td>13</td>
</tr>
<tr>
<td>- Health And Safety</td>
<td>13</td>
</tr>
<tr>
<td>- Energy And Greenhouse Gas Emissions</td>
<td>14</td>
</tr>
<tr>
<td>- Waste</td>
<td>14</td>
</tr>
<tr>
<td>- Water</td>
<td>15</td>
</tr>
<tr>
<td>OUR WORKPLACE</td>
<td>16</td>
</tr>
<tr>
<td>- Diversity And Inclusion</td>
<td>16</td>
</tr>
<tr>
<td>- Attracting, Developing And Retaining Talent</td>
<td>16</td>
</tr>
<tr>
<td>SOCIAL RESPONSIBILITY</td>
<td>18</td>
</tr>
<tr>
<td>- C. R. Bard Foundation And Corporate Giving</td>
<td>18</td>
</tr>
<tr>
<td>- Employee Volunteerism</td>
<td>19</td>
</tr>
<tr>
<td>- Scholarship Programs</td>
<td>19</td>
</tr>
<tr>
<td>GOVERNANCE AND ETHICS</td>
<td>20</td>
</tr>
</tbody>
</table>
A MESSAGE FROM THE CEO

Sustainability is closely aligned with our Core Values of Quality, Integrity, Service and Innovation, and is a key component of our strategic objective to position the company to deliver above-market revenue growth for years to come.

We often highlight the diversity of our product portfolio when we talk to our stakeholders, because it is among the things that set us apart. The products in each category are designed to enhance the lives of patients while lowering health care costs across the continuum of care. We are typically able to balance economic headwinds in one part of the business with strong, consistent performance in other categories with the goal of sustaining long-term growth.

Manufacturing advanced medical technologies that are safe and effective for patients requires natural resources, so we endeavor to manage these in efficient and sustainable ways, helping to preserve them for future generations.

Our mission of Advancing Lives extends beyond the patients and customers who use our products. At Bard, we take very seriously our responsibility to our employees and the community. In conjunction with the C. R. Bard Foundation and through employee volunteerism and donations of time, money and products, we support the education, health care, social welfare, arts and culture initiatives that our employees care most about in the communities in which they live and work. In addition, we cultivate and value an inclusive workforce that spans a variety of cultures around the globe, employing talented individuals of diverse backgrounds and perspectives. We provide our employees with a safe working environment, competitive compensation and opportunities to develop their careers beyond their initial set of responsibilities.

Our commitment extends to protecting people and the environment by meeting all applicable local, state, and federal regulations, as well as a strict code of internal standards. Ethical, responsible corporate citizenship is embedded in our culture, and is integral to our interactions with customers, suppliers, governments and colleagues.

In short, when we talk about our goals and strategic priorities, sustainability is an inherent part of the equation, even when we don't address it explicitly. On the following pages, we aim to provide detail and context around our current performance and efforts related to sustainability, including the ways it relates to the design and manufacture of our products and the way we treat our colleagues, our community and our environment.

TIMOTHY M. RING
Chairman and Chief Executive Officer
C. R. Bard, Inc.
ABOUT C. R. BARD

C. R. Bard, Inc. and its subsidiaries (“Bard”) are engaged in the design, manufacture, packaging, distribution and sale of medical, surgical, diagnostic and patient care devices. Charles Russell Bard founded the company in 1907. In 1923, the company was incorporated as C. R. Bard, Inc. and distributed an assortment of urological and surgical products. Bard became a publicly traded company in 1963 and began trading on the New York Stock Exchange five years later. Currently, the company sells a broad range of products to hospitals, individual health care professionals, extended care facilities and alternate site facilities on a global basis. The company participates in the markets for vascular, urology, oncology and surgical specialty products.

2015 SELECTED HIGHLIGHTS

- Headquarters in Murray Hill, New Jersey
- 34 manufacturing-related facilities in 10 countries and 54 administrative and regional sales offices in more than 30 countries
- Nearly 15,000 employees worldwide
- Four operating divisions:
  - Bard Peripheral Vascular, Inc.
  - Bard Medical Division
  - Bard Access Systems, Inc.
  - Davol Inc.
- Among the major manufacturers of medical devices in the United States
- Approximately 80% of the company’s net sales were from product lines in which Bard holds a number one or number two market share position
- C. R. Bard Foundation has donated approximately $41 million to nonprofit organizations since 1987

2015 TOTAL SALES BY PRODUCT GROUP

<table>
<thead>
<tr>
<th>Product Group</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surgical Specialties</td>
<td>17%</td>
</tr>
<tr>
<td>Vascular</td>
<td>28%</td>
</tr>
<tr>
<td>Oncology</td>
<td>27%</td>
</tr>
<tr>
<td>Urology</td>
<td>25%</td>
</tr>
<tr>
<td>Other</td>
<td>3%</td>
</tr>
</tbody>
</table>

FINANCIAL OVERVIEW

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>$3,416.0</td>
<td>$3,323.6</td>
<td>$3,049.5</td>
</tr>
<tr>
<td>Net income</td>
<td>$135.4</td>
<td>$294.5</td>
<td>$689.8</td>
</tr>
<tr>
<td>R&amp;D expense</td>
<td>$259.2</td>
<td>$302.0</td>
<td>$295.7</td>
</tr>
<tr>
<td>Cash dividend paid per share</td>
<td>$0.92</td>
<td>$0.86</td>
<td>$0.82</td>
</tr>
<tr>
<td>Return on average shareholder investment</td>
<td>8.3%</td>
<td>15.1%</td>
<td>34.4%</td>
</tr>
</tbody>
</table>

*The financial information (other than dividends per share and return on shareholder investment) has been extracted from our 2015 financial statements, which have been audited in accordance with GAAP and the standards of the PCAOB. The other financial and sustainability data in this report (e.g., safety statistics, environmental footprint data, and community investments) has been carefully compiled and subject to a number of quality reviews, though it has not been the subject of audit procedures or an audit performed by a third party.
OUR CORE VALUES

As an organization, we have developed a set of Core Values that represent our reality and our aspirations. These four values prepare us for the challenges ahead, guide our everyday activities and align us to our mission. They are central to how we behave and want to be viewed by our colleagues, customers, shareholders and communities.

QUALITY

For us, quality is about anticipating and exceeding the needs and expectations of health care professionals and patients throughout the world. Quality, safety and efficacy go hand in hand at Bard.

INTEGRITY

We believe that fundamental honesty and ethical behavior are at the core of who we are and what we do. We demonstrate our respect for each other, our shareholders, customers and communities by honoring our commitments and being reliable and trustworthy.

SERVICE

We are passionate about advancing patients’ lives and supporting health care professionals in delivering quality, effective care and controlling costs. Through the efforts of the C. R. Bard Foundation and a culture of volunteerism that motivates our employees, Bard is committed to strengthening the health and well-being of our communities by improving the quality of life for people around the world.

INNOVATION

We value resourceful and creative ideas that enable us to serve patients, assist health care professionals and win in the marketplace. By fostering an open, inclusive and flexible environment, we encourage inventive concepts and solutions from our employees, clinicians and business partners.
STRATEGY AND MATERIAL SUSTAINABILITY ISSUES

Known to investors for our steady growth and stable leadership, we announced a multi-year strategic plan in 2013 focused on top-line growth from emerging markets, continued innovation and acquisitions. We have advanced this strategy by tripling our salesforce in emerging markets, opening a research and development center in China, and targeting and acquiring companies and technologies that are already market-leading or have the potential to be so.

We are also focused on maintaining high product quality while reducing manufacturing costs. Our ongoing efforts in these areas were refocused in 2002 when Bard reorganized manufacturing under a centralized operations team, and have been supported with increasing investments in the corporate roles of procurement and supply chain management.

The global marketplace is constantly evolving. In the United States — by far our largest market — the Affordable Care Act and hospital consolidation have, and continue to, reshape the health care industry. Bard believes its strategy to address the continuum of care through product leadership and a focus on health care economics, in both the acute and non-acute markets, is aligned with the new regulatory focus on improving both long-term patient outcomes and the overall cost of health care. Elsewhere in the world, the European Union continues to augment its regulations while emerging markets such as China show dramatic growth and evolving regulations, often following the European Union’s example.

This is Bard’s second annual sustainability report, which we have prepared using the Global Reporting Initiative’s (GRI) G4 framework as guidance. To facilitate our sustainability reporting, we utilized a cross-functional team with representatives from Investor Relations, Facilities, EHS, Human Resources, Communications and senior management to identify the most material sustainability issues for our business from a range of stakeholder perspectives. A benchmarking of peer companies and review of industry guidance from GRI and the Sustainability Accounting Standards Board (SASB) was updated to ensure our material sustainability issues were complete and relevant for our business this year. Throughout this report, we describe our management approach and performance with respect to these issues.

OUR MATERIAL SUSTAINABILITY ISSUES

- Materials of Concern
- Supply Chain Management

- Employee Health and Safety
- Community Engagement and Investment
- Energy Use and GHG Emissions
- Production Waste
- Water Use
- Economic Performance

- Product and Patient Safety
- Product Innovation
- Product Environmental Attributes
Just two and a half months after a balloon angioplasty procedure to treat peripheral artery disease (PAD), the pain in Terry Hoover’s leg returned. His cardiologist then asked him to be part of the LEVANT 2 clinical trial—the first FDA-approved pivotal trial for a drug-coated balloon. The LEVANT 2 trial compared a Lutonix® balloon coated with a therapeutic dose of the drug paclitaxel to a plain, uncoated balloon for treatment of PAD in the femoropopliteal arteries. Paclitaxel has been shown to delay or prevent the re-growth of tissue, allowing the diseased vessel to stay open. Three years after his treatment with the Lutonix® drug-coated balloon, Terry remains free of pain—and full of energy.
OUR PRODUCTS

We are committed to advancing the safety and efficacy of patient care by providing a range of products for vascular, oncology, urology, and surgical specialties. The variety, complexity and specialization of medical devices have grown dramatically over time. As medical care advances and accessibility increases, our industry faces new challenges and opportunities. Our foremost concern is expanding our ability to help doctors, nurses and other health care professionals have a meaningful, lasting impact on the health of people around the world.

Engineering a drug-coated balloon technology that is safe, effective, durable, and that could be commercially manufactured was a daunting R&D challenge — but not to the team at Bard’s Lutonix Technology Center in New Hope, MN, which developed the first FDA-approved angioplasty catheter with a drug-coated balloon indicated for the treatment of peripheral artery disease in patients’ thighs and knees. “The balloon is an important part of the equation, but the coating technology is the game-changer,” says Tracy Estrada, Associate Director, R&D.
PRODUCT QUALITY AND SAFETY

Our corporate and divisional teams for Quality, Regulatory Affairs, Compliance, Medical Affairs and Information Technology work together to manage quality and patient safety throughout a product’s lifecycle. We integrate them into our research and development (R&D) and clinical affairs programs, and we monitor our products for compliance with our safety expectations through monthly reviews of Quality Performance Indicators and routine Quality Management Review meetings.

During the development and premarket phases, we determine, document and integrate customer and regulatory requirements into the testing and manufacturing processes. Each Bard facility operates within its certified Quality Management System (QMS) in compliance with ISO 13485, the FDA’s medical device regulations and international health authorities’ medical device laws. Once a product is on the market, Bard monitors postmarket performance through multiple processes, including complaint reporting, quality management reviews and periodic product reviews. We use various approaches to self-assessment and improvement within our quality program, including:

- Corrective and preventive actions that follow FDA regulations and ISO requirements, which provide a framework for a standardized and rigorous statistical analysis of product performance; and
- An internal audit program focused on the quality management system.

Our efforts to continually improve our quality program include:

- Building our organizational capabilities and technical leadership;
- Focusing on better understanding customers’ requirements for product performance and quality;
- Adjusting for existing and emerging regulatory frameworks to enable global business growth;
- Proactively identifying and addressing emerging compliance requirements;
- Analyzing, improving and implementing software solutions to optimize efficiency and improve compliance; and
- Considering safety, efficacy and value at all stages of product development, manufacturing, distribution and use.

As an example, we are in the third year of a multi-year implementation of a program mandated by the FDA to identify medical devices throughout their distribution and use. When fully implemented, the labels of medical devices marketed in the U.S. will include a unique device identifier (UDI) in human- and machine-readable forms. All medical device manufacturers must also submit certain information about their devices to the FDA’s Global Unique Device Identification Database (GUDID), which will be accessible by the public.
Along with product safety and clinical performance, Bard focuses on providing product value — for instance, by developing products that help reduce the overall cost of care while improving the clinical impact of certain procedures or treatments. For example, the GeoALIGN® Marker Bands recently introduced on the LUTONIX® 035 drug coated balloon, ULTRAVERSE® 035 PTA dilatation catheter and CROSSER® CTO Recanalization Catheter are designed to increase procedure efficiency and minimize fluoroscopy exposure. Using these external markers as a guide, physicians are able to reduce the amount of fluoroscopy needed to align therapies at the treatment site thereby reducing radiation exposure to the patient, the physician and the catheter lab staff.

We are also moving to smaller peripherally inserted central catheters where possible, as studies have shown that each French size reduction may reduce post insertion symptomatic DVT complications by as much as 58% with similar performance.1, 2

Other examples include our SHERLOCK 3CG® tip confirmation system and Progel Pleural Air Leak Sealant, discussed in detail later in this section.

INNOVATION AND DESIGN

Our operating divisions are responsible for product innovation, with multiple corporate-level reviews each year to provide guidance, help set priorities and monitor progress. This decentralized approach to R&D keeps the process close to our customers. Bard launches 30 to 50 new products each year and our development teams create several hundred patent disclosures each year. We proactively and rigorously review each disclosure, allowing Bard to file important patents around the world to both protect and expand our base of products and platform technologies.

We invest in R&D as a critical aspect of our sustainability as a business. We make these investments via two mechanisms: the first is through each operating division’s budget and the second is through corporate funds, which are strategically deployed by senior management to fund the most promising projects. These funds are primarily derived from cost improvements. For more detail, see our 2015 Form 10-K, filed with the U.S. Securities and Exchange Commission and available on our website (www.crbard.com).

To support international growth, every division has a leader in health care, we have the network and know-how to help propel ideas from third parties into mainstream use. To address this, we have a formal Idea Generation Process available through our website (www.crbard.com), allowing a partnership with these individuals and organizations that can turn a great idea into reality, even if it was not originated through Bard R&D.

EXTERNAL IDEA GENERATION PROCESS

At Bard, we enhance our success by partnering with inspired individuals and organizations to bring innovative new products to fruition. As a world leader in health care, we have the network and criteria, including safety and efficacy as well as certain environmental considerations.

Rather than customize products to the regulatory requirements in each market, we design and manufacture products with the goal of meeting rigorous quality and safety standards across the globe. Standards are always subject to change and when they do, Bard’s processes are designed to keep our products in compliance.

We perform clinical evaluations of our products as a key component of the R&D process. The Clinical Affairs function at Bard is responsible for managing pre-market clinical validation of a product’s design and intended use. Bard currently has over 95 ongoing clinical trials around the world.

The following recent examples illustrate how we are expanding our ability to serve patients through innovation:

• LUTONIX® 035 Drug Coated Balloon – This product is the first FDA-approved angioplasty catheter with a drug-coated balloon indicated for the treatment of peripheral artery disease (PAD) in patients’ thighs and knees. The American Heart Association (AHA) estimates that PAD, a life-threatening condition, affects at least eight million Americans by narrowing arteries and reducing blood flow to the limbs. The LUTONIX® balloon is coated with a therapeutic dose of the drug paclitaxel, and also utilizes standard mechanical dilatation of the vessel designed to sustainably restore blood flow. Patients, particularly those over the age of 50 with PAD in the femoropopliteal arteries, are at risk for lower extremity amputation and thus may benefit the most from this innovative product.

2Evans et al. (2013) Reduction of Peripherally Inserted Central Catheter-Associated DVT. CHEST. 143/3: 627-633
• **Phasix® ST Mesh** is a biologically derived scaffold implant with a hydrogel barrier designed to provide the hernia repair strength of a synthetic mesh and the remodeling characteristics of a biologic mesh for intraabdominal placement. While the mesh supports functional healing and a strong repair, the hydrogel barrier is designed to minimize tissue attachment to the visceral side of the mesh.

• **Progel® Pleural Air Leak Sealant** is the only FDA-approved sealant clinically proven to seal air leaks in both open and minimally invasive thoracic surgery. Designed with a unique combination of strength, flexibility and adherence characteristics that allow it to expand and contract with the lung during respiration. **Progel®** Pleural Air Leak Sealant has been shown to effectively seal air leaks during lung surgery, reducing length of hospitalization by 1.9 days on average — potentially minimizing associated costs and complications.

• **Sherlock 3CG® Tip Confirmation System** – This innovative product combines ultrasound for the placement of venous access devices with a patented magnetic catheter tip tracking technology and catheter tip location using the patient’s own naturally occurring electrocardiogram. The **Sherlock 3CG®** system supports the bedside placement of peripherally inserted central catheters (PICCs) and has decreased the need for a chest X-ray or other complex imaging technologies to verify proper placement. It is estimated that the **Sherlock 3CG®** system has eliminated hundreds of thousands of chest X-rays since introduction. Not only does the device reduce radiation exposure, but it has also demonstrated a significant reduction in time to commence infusion therapy after catheter placement which benefits clinicians and their patients.

• **Arctic Sun® Targeted Temperature Management System** – This non-invasive system is designed to rapidly cool the human body, precisely maintain a target temperature and provide controlled rewarming of the body. The **Arctic Sun®** system is used to cool patients who are at risk for dangerous fever or have suffered disease or injury where achieving and maintaining reduced metabolism is important. This system achieves rapid cooling through circulation of cold water through a patented hydrogel pad system in close contact with skin.

Bard’s **Arctic Sun® 5000 Temperature Management System** is designed to monitor and control a patient’s temperature within a range of 32°C to 38.5°C (89.6°F to 101.3°F). Recently, Bard announced a 1,200-patient randomized clinical study designed to demonstrate the **Arctic Sun®** device’s superiority to standard measures in preventing the sustained, high-grade fevers associated with poor outcomes following a stroke.
PRODUCT PACKAGING, MATERIALS AND ENVIRONMENTAL ATTRIBUTES

Clinician and patient needs drive our initial design of new products. As we go through the development process, we take into consideration any regulations that govern the use of certain materials and chemicals and assess the impact of the product and its packaging on the patient, the health care provider, and the environment.

A significant portion of our products’ environmental impacts occur later in their lifecycle after they have been sold to the customer. However, we can make a difference in the amount of product packaging that ends up in waste streams. Bard endeavors to use the smallest viable package size to minimize material usage. We continue to perform periodic reviews of product packaging to look for ways to reduce package size, weight and complexity and increase recyclability. For example, we have:

- Focused on reducing board thickness and the amount of corrugated cardboard and paperboard;
- Eliminated a “box within a box” where possible;
- Migrated to uncoated Tyvek pouches, where possible, to eliminate the chemicals required for heat seal coating and reduce processing costs;
- Replaced large, multiple-page user manuals with digital versions for some U.S. product releases;
- Applied packaging techniques to use folded paperboard or corrugated cardboard instead of foam protective packaging; and
- Adopted the use of recyclable packaging materials where practical.

SUPPLY CHAIN MANAGEMENT

Raw material and component suppliers are critical to the quality and performance of products in the medical device industry. Over the past several years, we have increasingly centralized our supply chain management and strategic sourcing functions to better manage costs and risks. As a result of this strategy, we have reduced the number of direct suppliers we use from 13,000 to 3,000 while substantially increasing the percentage of suppliers on contract. We have analyzed the value chain for several complex product lines with the intention of optimizing Bard’s supply base. Even with the consolidation, we continue to work with small businesses owned by women, minorities, veterans and service-disabled veterans. We encourage their inclusion in our initial supplier searches and include qualified businesses on our requests for proposals.

We also hold quarterly meetings with key suppliers to update them on our needs, review our relationships, and share new trends and innovations. In addition to these regular meetings, we routinely audit suppliers in accordance with FDA regulations and our internal quality standards based on the category of products they supply. We conduct multi-day, on-site audits of about 200 key suppliers each year, primarily focusing on those associated with our highest-risk products, such as indwelling and implantable devices.

Our supply chain function works with each of our facilities to assess their products and components and identify those containing conflict minerals. We are continuing to refine our strategy for how we report on conflict minerals and engage our suppliers on this topic. More information can be found in our current Form SD and Conflict Minerals Report prepared in accordance with the Dodd-Frank Act, which is posted in the “Social Responsibility” section of our website (www.crbard.com).

MEDICAL DEVICE RISK FACTORS

Risks are inherent in many of the procedures requiring the use of medical devices. While known risks are spelled out in the labeling that accompanies every device, all medical institutions, practitioners and manufacturers may still be subject to product liability risk. From time to time throughout our history, we have been named, as likely have all medical device manufacturers, in significant product liability cases. Our 2015 Form 10-K and our Form 10-Qs filed with the U.S. Securities and Exchange Commission, available on our website (www.crbard.com), discusses the product liability cases in which Bard is currently involved. This type of litigation is increasingly part of our industry. We continually seek to improve the safety and performance of our products through the efforts described in this report.
Bard endeavors to use the smallest viable package size to minimize material usage. For example, we redesigned our SureStep® Foley Tray System to eliminate the paperboard carton completely. The new single-level tray also reduced the footprint of each unit and resulted in a case size reduction in the corrugated shipper, enabling us to fit more cases on a sterilization pallet — reducing sterilization and corrugated costs.
ENVIRONMENT, HEALTH AND SAFETY (EHS)

At Bard, we strive to advance the quality of human health and to reduce impacts on the environment, consistent with our mission as a health care company focused on improving lives around the world. Our commitment goes beyond simply complying with regulations. We integrate sound environmental and safety practices across our operations, which we believe drives efficiencies and creates business value.

Employees at Bard’s manufacturing facility in Humacao, PR, embrace continuous improvement by conducting a kaizen event. The plant received Bard’s 2015 Quality Recognition Award and was named a winner of the 2015 IndustryWeek Best Plants Award.
EHS MANAGEMENT SYSTEM

Bard’s overall EHS program is guided by a set of policies that articulate our commitment to continuously improve our EHS management systems, pollution prevention practices and safety programs. We also have a series of corporate standards that spell out global expectations for management of specific EHS topics, establishing a common approach to risk management while striving to meet or exceed varying local regulations. We track key performance indicators (KPIs) such as safety incident rates and energy use. To complement corporate KPIs, individual operating facilities are required to develop relevant EHS leading indicators that are tracked locally.

A Corporate EHS Director oversees our EHS management program and is responsible for providing technical guidance to our facilities and managing an audit program. This individual works closely with the Global Facilities Director to coordinate programs and track performance regarding our environmental footprint (e.g., energy, water, waste and emissions). We have also created an EHS Council with members from across the company to drive programmatic improvement. Additionally, each of our major operating facilities has an on-site EHS lead who coordinates implementation of corporate policies and regulatory compliance programs, with support and guidance available from Corporate EHS.

To help ensure that we are meeting EHS regulations and corporate standards, we have an internal audit program. The Corporate EHS Director and staff from other sites jointly audit each operating facility on a risk-weighted basis, with over 20 facilities audited this year. This approach maintains independence and serves as a means for sharing best practices and lessons learned. Our auditors generate formal audit reports and distribute them to relevant management, and we execute and track the resulting corrective and preventive actions plans through closure.

REPORTED DATA

The 2015 data includes two additional manufacturing facilities that were recently acquired and thus not included in the 2014 data. As a result, the 2015 environmental footprint metrics in this report cover our corporate headquarters and 34 manufacturing-related facilities.

In our approach of continuous improvement, the systems and processes developed last year in support of our initial sustainability data collection have been enhanced for this year’s report. In doing this, several data points from prior years were revised resulting in minor restatements to the prior year energy and GHG emissions, waste and water data of this year’s report. The causes of these restatements included adjusting for more accurate measurement and applying more consistent methodologies across sites.

The environmental data reported below does not include administrative or regional sales office locations, which total approximately 333,633 square feet of office space, because they often occupy a small portion of facilities owned by third parties. However, our safety statistics cover all Bard employees regardless of where they are based. While we provide environmental data both in total volumes and normalized to sales, company-to-company comparisons are difficult to make given differences in product mix, supply chain strategy and other factors.

HEALTH AND SAFETY

Worker health and safety is paramount to what we do at Bard, and we have built a strong “safety first” culture. In addition to the previously described systems and programs, we have a Corporate Safety Team that oversees and drives our safety program. The team, which includes senior staff from Global Facilities, EHS and Risk Management, meets monthly to review progress on company safety initiatives and safety goals. Typically, the team reviews safety incidents reported during the previous month, root cause analyses of previously reported incidents and safety-related performance trends. We have maintained a consistently high level of safety performance as measured by the OSHA recordable incident rate, in line with other top performing medical device companies.

### ANNUAL RATES

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Recordable</td>
<td>0.60</td>
<td>0.61</td>
<td>0.60</td>
</tr>
<tr>
<td>Incident Rate (TRIR)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lost Work Cases (LWC) Rate</td>
<td>0.32</td>
<td>0.22</td>
<td>0.25</td>
</tr>
</tbody>
</table>

* TRIR and LWC are used as per the OSHA definitions, i.e., number of respective incidents per 200,000 hours worked

Our TRIR held constant with our recent past performance but the LWC rate increased in 2015 due to incidents that have been addressed through machine guarding and lock out tag out implementations. These became focus areas even before the end of 2015 as we strove to drive improvement going forward. At our Global EHS Conference, members of the EHS Council delivered train-the-trainer workshops specifically on electrical safety, machine guarding and ergonomics. The Global EHS Conference also included trainings and presentations on a range of other EHS programs including hazardous material shipping, behavioral...
safety, and development of site-specific EHS training matrices. In 2015, we also developed standards for key processes including management of change and the handling of EHS agency inspections.

Globally, we recognize facilities with excellent performance through our Global Operations Plant of the Year Award for Safety. In 2015, we presented this award to our manufacturing facility in Juarez, Mexico for the best employee safety performance of a large plant or distribution center. This is especially noteworthy given construction and startup of an expanded facility there.

**ENERGY AND GREENHOUSE GAS EMISSIONS**

We manage energy use to reduce our greenhouse gas (GHG) footprint and drive down costs through continuous improvement projects. In 2011 Bard entered into an agreement with a specialist contractor to assess each of our large facilities and recommend site-specific energy-savings projects. The energy assessments at 11 of our facilities reviewed our manufacturing operations and identified potential changes to various systems including heating, ventilation and air conditioning (HVAC); manufacturing process controls; and lighting. This energy efficiency initiative is one of the factors impacting our year-on-year indirect energy usage, while the other factors include varying annual weather conditions, changes in production levels and acquisition of additional facilities.

We measure both direct and indirect energy use at our manufacturing and distribution facilities. Direct energy use is a measure of all primary fuel sources consumed at facilities, including diesel, liquefied petroleum gas and natural gas. Natural gas is a significant portion of our direct energy consumption and, in addition to being used for building heating, is used at some of our facilities as part of the product sterilization process. Indirect energy use represents electricity used by our facilities.

Direct energy consumption was lower in 2015 in part because the southeastern U.S. experienced a milder winter compared to the winter of 2013-2014, which decreased heating needs at our local facilities. Our direct energy intensity consumption has also improved as we continued our migration to more efficient fuels and combustion processes. The increase in indirect energy is primarily driven by production volume growth, in particular in Mexico. While our indirect energy consumption has increased the last few years at a rate in the very low single digits, we have achieved an improvement in our energy intensity on a normalized basis from 2013 to 2015, in large part due to the energy-efficiency measures implemented at the 11 large facilities described above.

Energy efficiency and reduction of GHG emissions go hand in hand. In 2015, our operations produced 19,831 metric tons of carbon dioxide equivalents (CO₂e) from direct energy use (referred to as Scope 1 emissions). We generated 77,831 metrics tons CO₂e in indirect energy use (Scope 2 emissions) from electricity used in our operations.

<table>
<thead>
<tr>
<th>GHG EMISSIONS (CO₂e Metric Tons)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CATEGORIES</strong></td>
</tr>
<tr>
<td>Scope 1</td>
</tr>
<tr>
<td>Scope 2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>GHG EMISSIONS (CO₂e Metric Tons / $M Sales)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CATEGORIES</strong></td>
</tr>
<tr>
<td>Scope 1</td>
</tr>
<tr>
<td>Scope 2</td>
</tr>
</tbody>
</table>

Our GHG footprint is smaller than many of our peers because of our relative size. When normalized to sales, our GHG intensity is in the middle of the range of publicly reported data of peer medical device companies over the last few years, though company-to-company comparisons are difficult to make given differences in product mix, supply chain strategy and other factors.

**WASTE**

Over the last several years, we have implemented programs to reduce waste generation and divert thousands of pounds of waste electronics, paper, cardboard, metal, plastic, batteries and glass from landfills to recycling centers.

As our global data shows, the majority of our solid waste is reused or recycled as of 2015. The remaining waste streams, both hazardous and nonhazardous, are appropriately...
disposed of by licensed entities. We do not dispose of any waste on site. Most of the year-over-year increase in non-hazardous waste came from expansion of production, including through acquisition, and from construction and related site cleanup at one site in particular. Hazardous waste disposal decreased in 2015 as a result of efficiencies at various facilities.

Our facility in Moncks Corner, South Carolina had a significant amount of construction and related site cleanup activities this year which impacted our overall waste numbers. It also changed its waste contractor to a certified recycler in 2015 which resulted in the waste it recycled increasing by more than 50% by weight.

WATER
At Bard, each facility is responsible for managing its own water supply and consumption. We have recently begun tracking and evaluating water consumption at the corporate level, allowing us to benchmark water use across locations, identify new opportunities to reduce water use and better understand water-related risks. In an effort to reduce our footprint, individual facilities are implementing improvement programs. For example, at our Humacao, Puerto Rico facility we have implemented a number of programs to reclaim water from our reverse-osmosis plant and air-handling units for reuse in our cooling towers. In addition, this facility has planned a new project to reclaim and treat process water, which will allow the cooling system to run entirely on recycled water.

While our water consumption footprint is smaller than many of our peers in the medical device industry, when normalized to sales, our water footprint is in the middle of the range of publicly reported data of peer medical device companies, though as noted earlier company-to-company comparisons are difficult to make given differences in product mix, supply chain strategy and other factors.

Within our product mix, the production of latex catheters is relatively water-intensive. About 65 percent of our water use in 2015 came from our two facilities responsible for latex catheter production. These sites are located in coastal South Carolina and Malaysia, locations that are not particularly water-vulnerable. Water consumption per million catheters has been reduced by about 20 percent from 2012 to 2015 at these two sites, despite continued growth in our catheter business. This is a key driver to our overall company improvement in water efficiency.

---

**WASTE DISPOSED OFF-SITE** (Thousand Pounds)

<table>
<thead>
<tr>
<th>CATEGORIES</th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-hazardous waste reused or recycled</td>
<td>10,169</td>
<td>8,677</td>
<td>7,989</td>
</tr>
<tr>
<td>Non-hazardous waste disposed</td>
<td>6,722</td>
<td>6,436</td>
<td>5,203</td>
</tr>
<tr>
<td>Hazardous waste disposed of off site</td>
<td>2,333</td>
<td>2,393</td>
<td>1,540</td>
</tr>
</tbody>
</table>

**WASTE DISPOSED OFF-SITE** (Thousand Pounds / $M Sales)

<table>
<thead>
<tr>
<th>CATEGORIES</th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-hazardous waste reused or recycled</td>
<td>3.0</td>
<td>2.6</td>
<td>2.6</td>
</tr>
<tr>
<td>Non-hazardous waste disposed</td>
<td>2.0</td>
<td>1.9</td>
<td>1.7</td>
</tr>
<tr>
<td>Hazardous waste disposed of off site</td>
<td>0.7</td>
<td>0.7</td>
<td>0.5</td>
</tr>
</tbody>
</table>

**WATER CONSUMPTION** (Thousand Gallons)

<table>
<thead>
<tr>
<th>CATEGORIES</th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct</td>
<td>233,918</td>
<td>241,739</td>
<td>237,959</td>
</tr>
</tbody>
</table>

**WATER CONSUMPTION** (Thousand Gallons / $M Sales)

<table>
<thead>
<tr>
<th>CATEGORIES</th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct</td>
<td>68.5</td>
<td>72.7</td>
<td>78.0</td>
</tr>
</tbody>
</table>
OUR WORKPLACE

Bard is a medical device company with a strong technological heritage. We recognize that we need a talented workforce across all of our functions to maintain a competitive edge. Bard offers a broad range of career opportunities given the growth and breadth of our product lines and global footprint. Because of this, many employees remain with Bard for the long term.

Employees take ownership for the success of Bard and embody our corporate values: quality, integrity, service and innovation. We foster this sense of identity and connection in part through our communication channels, including newsletters, town hall meetings and our internal social network.

DIVERSITY AND INCLUSION

As we recruit and develop employees, Bard does not discriminate on the basis of race, color, religion, sex, national origin, age, disability, sexual orientation, genetic information, or status as a recently separated veteran, armed forces service medal veteran, disabled veteran or active duty wartime or campaign badge veteran. We expect compliance with local laws wherever we operate around the world.

As of year-end 2015, our nearly 15,000 employees:

- Reside in 37 countries
- Are approximately 46% male / 54% female
- Are increasingly located outside the United States, with 66% international in 2015 versus 59% in 2010.

We are not just diverse, but inclusive. We believe inclusion is a catalyst for product leadership, global growth and talent development. We are committed to fostering an inclusive culture where all talent can work together across functional and geographic boundaries, share diverse perspectives and capabilities, and deliver superior outcomes for our business, our shareholders, our customers and the patients we serve.

In 2015, Bard launched a Global Inclusion Leadership Council comprised of diverse, respected and influential leaders representing each of Bard’s major functions, geographies and businesses. The Council has been raising awareness of inclusion across Bard, and its members have been responsible for reviewing and sharing great ideas while partnering with their organization’s local and functional leadership teams to build, execute and measure inclusion plans. There are already a number of active programs and initiatives across Bard that advance inclusion. For example, we have updated the Core Competencies in our Performance Management and Coaching Process to incorporate the changes and growth in our global culture and business strategy, enhancing our focus on strategic thinking, global perspective, and inclusion and diversity. We have also updated our Guiding Principles to include “Be Open and Inclusive.”

Bard’s Global Market Access Program is fostering international collaboration as cross-functional teams are dispatched to various countries to assess the opportunities and barriers in local markets. Following the assessment, the country teams come to the U.S. division to analyze what was discovered, learn about best practices and develop an actionable product strategy tailored to the realities of their own market.

Bard Medical Division in Covington, Georgia, is developing the division’s next generation of technical leaders while developing diverse talent for future leadership roles through the Climbers Program. This two-year multidisciplinary rotational program gives recent graduates full-time experience in the functional areas of Quality Assurance, R&D, Operations and either Regulatory Affairs or Marketing. When the rotations are complete, the program slots graduates—the majority of whom have been women—into areas that balance their interests and Bard’s business needs.

ATTRACTING, DEVELOPING AND RETAINING TALENT

Bard offers employees a competitive total compensation package that, depending upon the country, may include health benefits, educational assistance, employee assistance programs, retirement benefits and stock ownership.
programs in addition to salary. In the United States, we provide a comprehensive wellness program as an important and complementary component of our total compensation and benefits.

Through the Performance Management and Coaching Process, individuals set personal goals based on the company’s “driver goals.” These personal goals then provide employees and their managers with a foundation for year-round discussions and coaching opportunities, as well as annual performance evaluations. We offer a number of programs, such as tuition reimbursement, to support employees in meeting their goals and developing their careers.

Recognizing that our own employees are often our best recruiters, we offer bonuses for employee referrals at many locations. In Europe, these referral bonuses are also accompanied by a donation to Médecins Sans Frontières/Doctors Without Borders to help deliver emergency medical aid to people affected by conflict, epidemics, disasters or exclusion from health care.

Many employees have worked at Bard for years and hold deep institutional knowledge. Through a series of annual management meetings, we review critical roles to ensure employees are placed appropriately for their development, to gain insight into the bench strength of critical roles and to identify future leaders. All functions and geographies complete this annual talent management and succession-planning process.

We do not have any unions currently active in our U.S. or Puerto Rico facilities, which represent 48 percent of our manufacturing volume. In Mexico, where nearly 38 percent of our manufacturing volume is produced, our two largest plants are unionized. In parts of Europe, our facilities have work councils or comparable management-labor committees to help coordinate and oversee health and safety and other workplace issues.
SOCIAL RESPONSIBILITY

Our impact on people’s lives goes beyond the health benefits provided by the medical devices we design and produce. In conjunction with the C. R. Bard Foundation and through employee volunteerism and donations of time, money and products, we support education, health care, social welfare, arts and cultural initiatives in the communities in which we live and work.

C. R. BARD FOUNDATION
AND CORPORATE GIVING

Bard works to strengthen the health and well-being of our communities by improving the quality of life for people around the world. To support that goal, we have developed a comprehensive corporate giving program that includes cash grants, product donations, an employee matching gifts program, federated campaigns and employee volunteerism.

In addition to financial giving, Bard contributes our products to and partners with nonprofit humanitarian and disaster relief organizations worldwide. These groups can identify needs, ensure delivery and provide appropriate treatment to address global medical emergencies. For example, Direct Relief’s Fistula Repair Program uses donated Bard products to support health facilities around the world that perform life-transforming fistula repair surgeries for the underserved.

Through the various programs and approaches referred to above, Bard supports a wide range of partners and causes, and we have reported on this internally to our employees over the last several years. In 2015, Bard donated over $4 million in cash and products as outlined in the accompanying chart.

Beginning in July 2015, the C. R. Bard Foundation worked with long-time partner Project HOPE to support the provision of safe and efficient vascular access for patients in Qingdao and YiBing, China. By establishing standard vascular access protocol and clinical guidelines and implementing a train-the-trainer methodology for hospital staff in the region, the program seeks to decrease vascular access complications among patients in participating hospitals.
EMPLOYEE VOLUNTEERISM
The strength and commitment of our employees embody the social conscience of Bard. Employees are encouraged to make a difference in their local communities by volunteering their time and energy either individually or through company-organized projects. Many employees have done their part by participating in activities ranging from toy and food collection drives, to walks raising money for heart and cancer research, to painting a school or serving on a nonprofit board. In 2015 alone, employees volunteered approximately 15,000 hours in their communities.

Each year, we honor a handful of our nearly 15,000 global employees with the prestigious Charles Russell Bard Award for their outstanding commitment to our core values as demonstrated by excellence on the job and in the community. The honorees enjoy a trip to New York City and are celebrated during an employee meeting at the corporate headquarters in New Jersey.

SCHOLARSHIP PROGRAMS
The Willits Foundation is a private family foundation founded by Harris L. Willits, former Chairman of the Board of C. R. Bard, Inc. Because of Mr. Willits’ appreciation for the relationship that has existed between Bard and its employees, the Foundation established the Willits Foundation Scholarship Program in 1968.

Since then, hundreds of students from the U.S., Canada and Puerto Rico have been awarded scholarships totaling over $5 million. In 2015, the Willits Foundation launched a successful effort to increase applications to the program, which enabled the foundation to award a record 35 new scholarships for the 2016-2017 academic year, up from 20 the prior year.

Bard funds a similar college scholarship program for international students. This program also saw a significant increase in applications in 2015-2016, resulting in a 40% increase in scholarships awarded for the upcoming academic year.

Bard also fosters cross-cultural understanding by sponsoring international exchange travel scholarships for children of employees in conjunction with Youth For Understanding International Exchange.

GLOBAL C. R. BARD VOLUNTEER ACTIVITIES

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projects supported</td>
<td>281</td>
<td>74</td>
<td>240</td>
</tr>
<tr>
<td>Hours volunteered</td>
<td>11,003</td>
<td>3,981</td>
<td>12,629</td>
</tr>
<tr>
<td>Dollars raised</td>
<td>$638,309</td>
<td>$59,566</td>
<td>$665,846</td>
</tr>
</tbody>
</table>
GOVERNANCE AND ETHICS

Bard has a robust Ethics and Compliance function that reports directly to the Board of Directors’ Regulatory Compliance Committee. In keeping with our core value of Integrity, we seek to ensure that our relationships and business practices, and those of our representatives and agents, are ethical, transparent and fully compliant with regulations and internal policies.

Our Business Ethics Policy captures our commitment to compliance with laws and regulations related to, among other things, medical devices and ethical business practices. The policy also highlights our respect for the human rights of individuals and communities. The policy provides specific guidance to meet our obligations under the U.S. Foreign Corrupt Practices Act and other applicable laws and regulations wherever we do business. We translate the policy into eight languages and make it available as a PDF download on our website (www.crbard.com). We reinforce the policy concepts through monthly compliance newsletters circulated to employees. In addition, we provide updates to division managers with timely reminders, such as reinforcement of the restrictions on gift-giving during the holiday season.

Bard has an ongoing ethics training program for all employees that is delivered through an online platform. This program includes both general ethics training and modules on specific topics, such as protection of confidential information and prohibition of insider trading. Additionally, in 2015 we provided over 150 live compliance training sessions, about half of which are for our salesforce and primarily focused on detecting and avoiding health care fraud. In addition to the training, the Ethics and Compliance team provides on-the-job monitoring and coaching for our employees to help them identify potential ethical challenges in their business interactions. Bard also engages an outside law firm from time to time to evaluate the sales and marketing practices of each business unit.

To ensure clear and confidential communication regarding ethics concerns across the organization, we provide our global employees with around-the-clock access channels to report concerns related to ethics and business practices. These access channels include a 24-hour anonymous hotline service and an email account on our website that allows direct access to our compliance team. All issues that come through these channels are recorded in a disclosure log, which tracks how they are handled through resolution.

Confidential communication and protection from retaliation are foundational pieces of our compliance program. We believe there are no significant compliance issues or fines outstanding that have not been addressed in our Form 10-K and other public statements available on our website (www.crbard.com).
The concept of sustainability is inherent to the success of our business, touching on our people, our products and the environment. We encourage you to visit our website for additional information, and we welcome your comments on this sustainability report.

www.crbard.com

Bard, Arctic Sun, Crosser, GeoAlign, Lutonix, Phasix, Progel, Sherlock 3CG, SureStep, Ultraverse and Ventralex are trademarks and/or registered trademarks of C. R. Bard, Inc.