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A MESSAGE FROM THE CEO

Bard’s mission is clear: “To advance lives and the delivery of health care by profitably developing, manufacturing and marketing value-driven products which meet the quality, integrity, service, and innovation expectations of our customers while providing opportunities for our employees. As a result, we will optimize shareholder value and be a respected worldwide health care company.”

Our commitment to sustainability has been a critical factor in fulfilling our mission and achieving our strategic objectives. To us, it is not only about responsibly sourcing and handling the natural resources we use to develop our diverse product portfolio; it is also about our responsibility to our people and our communities. For well over 100 years, this is a commitment that we have taken very seriously. In conjunction with the C. R. Bard Foundation and through an impressive commitment by our employees to volunteerism and donations of time, money and products, we have long supported the education, health care, social welfare, arts and culture initiatives that our employees care most about. We value our inclusive workforce, which spans a variety of cultures around the world, and employ talented individuals of diverse backgrounds and perspectives. We provide them with a safe working environment, competitive compensation and opportunities to develop their careers beyond their initial set of responsibilities. Ethical, responsible corporate citizenship is embedded in our culture, and is integral to our interactions with customers, suppliers, governments and colleagues.

In April 2017, Becton, Dickinson and Company (BD) announced its intention to acquire Bard, creating a medical technology company that is uniquely positioned to improve both the process of care and the treatment of disease for patients and health care providers. Our two venerable organizations share a similar business philosophy which extends to our views on sustainability and corporate citizenship. Upon closing, we look forward to working together with BD to sustainably address the challenges facing our industry, our society, and our planet.

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.

SELECTED HIGHLIGHTS

- Headquarters in Murray Hill, New Jersey
- 37 manufacturing-related facilities in 10 countries and 54 administrative and regional sales offices in more than 30 countries
- More than 16,000 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 75% 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 $44 million to nonprofit organizations since 1987

2016 TOTAL SALES BY PRODUCT GROUP

<table>
<thead>
<tr>
<th>Product Group</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surgical Specialties</td>
<td>17%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vascular</td>
<td>27%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Urology</td>
<td>27%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oncology</td>
<td>26%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>3%</td>
<td></td>
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</tbody>
</table>

FINANCIAL OVERVIEW

(dollars in millions except per share data)*

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>$3,714.0</td>
<td>$3,416.0</td>
<td>$3,323.6</td>
</tr>
<tr>
<td>Net income</td>
<td>$531.4</td>
<td>$135.4</td>
<td>$294.5</td>
</tr>
<tr>
<td>R&amp;D expense</td>
<td>$292.8</td>
<td>$259.2</td>
<td>$302.0</td>
</tr>
<tr>
<td>Cash dividend paid per share</td>
<td>$1.00</td>
<td>$0.92</td>
<td>$0.86</td>
</tr>
<tr>
<td>Return on average shareholder investment</td>
<td>34.0%</td>
<td>8.3%</td>
<td>15.1%</td>
</tr>
</tbody>
</table>

* The financial information (other than dividends per share and return on shareholder investment) has been extracted from our 2016 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 — efforts to reform health care and hospital consolidation have reshaped, and will 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 third 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 review of peer companies and industry guidance from GRI and the Sustainability Accounting Standards Board (SASB) was used 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.
When Bard’s Lutonix team developed and launched the first FDA-approved Drug Coated Angioplasty Balloon (DCB) family in the US in 2014, the team already had its sights on expanding the technology beyond treating peripheral artery disease in the thigh and knee. The core technology is now being leveraged to help treat the arterio-venous access circuit for hemodialysis patients. These highly vulnerable patients’ very lives depend upon access to a multi-hour hemodialysis treatment three times each week. In a recent multicenter randomized trial, the Lutonix® DCB catheter technology demonstrated a more than 25% reduction in reintervention through nine months after a single treatment. “The balloon is an important part of the equation, but the coating technology is the game-changer,” says Tracy Estrada, Associate Director, R&D.
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.

Early in 2013, Evangelos “Angel” Levas had open surgery on his intestine, and he spent two weeks recovering in the hospital. Less than a year later, he developed an incisional hernia when part of his intestine began to push through his abdominal wall where it had been weakened by the surgery. Frustrated, he sought the advice of J. Scott Roth, MD, a surgeon at the University of Kentucky, who recommended using Bard’s PHASIX® mesh to repair the hernia. Dr. Roth explained that the PHASIX® mesh is a fully resorbable synthetic hernia patch that provides a strong, durable repair without leaving foreign material permanently in the body.

“The idea that in a couple of years, no synthetic material would be left in my body really appealed to me,” says Angel. “I don’t have time to put life on hold for another surgery.”
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;

• Considering safety, efficacy and value at all stages of product development, manufacturing, distribution and use; and

• Implementing a program mandated by the FDA to include a unique device identifier (UDI) on the labels of all medical devices marketed in the U.S. and submitting information about these devices to the FDA’s Global Unique Device Identification Database, which will be accessible by the public.

**BARD PRODUCT GROUPS**

<table>
<thead>
<tr>
<th>VASCULAR</th>
<th>ONCOLOGY</th>
<th>UROLOGY</th>
<th>SURGICAL SPECIALTIES</th>
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<tbody>
<tr>
<td>• Endovascular</td>
<td>• Implantable Ports</td>
<td>• Basic Drainage</td>
<td>• Soft Tissue Repair</td>
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<tr>
<td>• Biopsy</td>
<td>• Peripherally Inserted Central Catheters (PICCs) and Midlines</td>
<td>• Continence</td>
<td>• Biosurgical Products</td>
</tr>
<tr>
<td>• Peripheral Vascular</td>
<td>• Dialysis</td>
<td>• Urological Specialties</td>
<td></td>
</tr>
<tr>
<td>• Grafts</td>
<td>• Vascular Access Ultrasound</td>
<td>• Catheter Stabilization</td>
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INNOVATING TO ADD VALUE

Along with product safety and clinical performance, we focus on adding value by solving clinical problems while reducing costs across the spectrum of care. Our ability to support these solutions with sound economic and clinical data plays a critical role in partnering with our customers to meet their needs.

As recently as 2014, we had one staff member who was focused on the science of health care economics and outcomes research. At the end of 2016, there were 37 professionals at Bard dedicated to this field full-time, working in each of our divisions and major regions. This team provides us with the research data and analysis that helps us calculate—and communicate—the value of our products in terms of patient outcomes and overall costs to the broader health care system.

We also partner with customers to help improve the safety of both the patient and the clinician. For example:

- Our AccuCath® intravascular catheter was engineered to minimize the need for unnecessary needle advancement that may lead to vessel damage and complications. The device’s patented guidewire technology was created to help navigate vessel anatomy for atraumatic delivery. When compared to conventional intravenous catheters, the AccuCath® intravascular catheter system is designed to increase first-attempt success, reduce complication rates, extend dwell times, increase patient satisfaction and lower overall costs to the provider.

- The technology in our Sherlock 3CG® tip confirmation system, which is also integrated into our Site-Rite® 8 ultrasound system, is used in approximately two-thirds of our PICCs placed bedside in the U.S. This allows those customers to move away from confirmatory X-rays, which protects patients and health care workers from unnecessary radiation. We estimate that this effort has already eliminated 960,000 X-rays in the U.S. annually, saving the health care system at least $48 million per year.

- Similarly, the GeoAlign® marker bands recently introduced on several peripheral vascular catheters 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.

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 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.

Due to the passage of the Affordable Care Act (ACA), U.S. hospitals have begun to receive penalties for high central-line-associated bloodstream infection rates and catheter-associated urinary tract infection rates. As a result, hospital administrators have been reviewing their protocols. Our AllPoints™ Training Program teaches the safe and effective use of our PICCs, central venous catheters, dialysis catheters and port access needles in a manner consistent with their respective instructions for use, and uses Lean Six Sigma principles to help hospitals eliminate variance in the care and maintenance of central lines. To help reduce variance in Foley catheter management practices, we designed the SureStep® Foley tray to intuitively guide users through the proper aseptic insertion technique as they work through the components of the tray.

We don’t know how the ACA and similar regulations may evolve in the years ahead, but we believe we are well-positioned to help our customers navigate the changing landscape with a focus on improved clinical outcomes and value that benefit the broader health care system.

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 2016 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 design center with a fully integrated and cross-functional global team to support product development and clinical testing. These teams guide each new product as it proceeds from idea, to concept, to feasibility, to development, to qualification, and through to post-market. Each team evaluates the product’s design and performance at each stage to determine whether to carry on to the next stage. Product design teams take into account many performance 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 85 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 (DCB)** – Since it was introduced in 2014, Bard has been working diligently to register the Lutonix® DCB catheter in additional countries and to seek approval for additional indications including long lesion, in-stent restenosis, below-the-knee, and AV Access. Recent 24-month results from our studies have confirmed the Lutonix® DCB catheter is an important therapeutic option for additional patient populations with complex superficial femoral artery and popliteal disease.
• **Venovo® Venous Stent** – In recent years, physicians have begun placing stents designed for arteries to maintain blood flow in the iliac and femoral veins after treatment for deep vein thrombosis. Veins are larger than arteries, so venous stents should be larger in diameter. In addition, veins have lower pressure than arteries, and the lesions that form within them may have a fibrotic consistency that requires more radial force and compression resistance than is found in an arterial stent. The venous stent must also maintain the flexibility to withstand the movement and flexing of the natural vessel. Commercially available in Europe since 2015, the Venovo® Venous Stent meets these criteria, and is the subject of an investigational study that is actively recruiting patients in the United States.

• **Arctic Sun® 5000 Temperature Management System** – 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), Bard has announced a 1,200-patient randomized clinical study designed to demonstrate the Arctic Sun® temperature management system’s superiority to standard measures in preventing the sustained, high-grade fevers associated with poor outcomes following a stroke.

• **PowerPICC® Provena™ Catheters** – Bard developed this new family of catheters based on nursing guidelines and clinical literature that supports the use of smaller diameter catheters to reduce the risk of thrombosis and other complications. PowerPICC® Provena™ Catheters provide the same flow rates and performance of our standard PowerPICC® catheters, but are a full French size smaller.

• **PowerGlide Pro™ Midline Catheter** – Designed to help increase both patient and clinician satisfaction, the PowerGlide Pro™ Midline Catheter allows a dwell time of up to 29 days, potentially reducing the need for multiple peripheral IVs. The longer, body-softening polyurethane catheter helps minimize vessel wall trauma.

• **Phasix® ST Mesh** – 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. In 2016, we launched an additional 20 sizes and configurations of our Phasix® ST Mesh, making this unique mesh available in the broadest range of sizes and configurations in the industry.

**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.

Bard has recently also launched a supplier innovation program which encourages suppliers to identify and/or design innovative materials that can be used to reduce our environmental impact. The first event resulted in dozens of ideas that are under consideration.

**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. 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. Also, we have analyzed the value chain for several complex product lines with the intention of optimizing Bard’s supply base. For example, we currently have two key product lines undergoing optimization that will eliminate multiple shipping containers and boxes, and reduce the number of trucks entering Bard plants.

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, onsite 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 “Sustainability” 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 2016 Form 10-K and our Form 10-Qs filed with the U.S. Securities and Exchange Commission, available on our website (www.crbard.com), discuss 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.

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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 to improve lives around the world. Our commitment goes beyond simply complying with regulations. We integrate sound environmental and safety practices across our operations, which drives efficiencies and creates business value.
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.

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 engagement and program improvement. Additionally, each of our major operating facilities has an onsite 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 every 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 2016 data includes three additional facilities of which one was constructed and two were acquired and thus not included in the prior data. As a result, the 2016 environmental footprint metrics in this report now cover 37 manufacturing-related facilities in addition to our corporate headquarters.

As part of the continuous improvement approach, we continue to enhance the systems and processes that support sustainability data collection. In doing this, several data points from prior years were revised resulting in minor restatements to the prior year energy consumption and GHG emissions. The causes of these restatements included adjusting for more accurate measurements and applying more consistent methodologies across sites.

The environmental data reported below does not include administrative or regional sales office locations, which total approximately 350,860 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.

<table>
<thead>
<tr>
<th>ANNUAL RATES</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
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<tbody>
<tr>
<td>Total Recordable Incident Rate (TRIR)</td>
<td>0.57</td>
<td>0.60</td>
<td>0.61</td>
</tr>
<tr>
<td>Lost Work Cases (LWC) Rate</td>
<td>0.30</td>
<td>0.32</td>
<td>0.22</td>
</tr>
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* TRIR and LWC are used as per the OSHA definitions, i.e., number of respective incidents per 200,000 hours worked

Our TRIR and LWC rate decreased in 2016 in part due to an increased focus on the separation of people and equipment by improving machinery protections. In addition to improving the effectiveness of equipment barriers, we conducted training on machinery risk and control of hazardous energies during machine service and maintenance as well as to documenting risk assessments.

In 2016, the Bard Global EHS Conference was paired with the American Society of Safety Engineers national conference which afforded each Bard participant, with the help of the Corporate EHS Director, to focus on their own training tracks while also participating in dedicated Bard-focused workshops on lock out / tag out, machine safeguarding, and regulatory changes.

In 2016, the Global Operations Safety Recognition Plant of the Year award went to Bard Puerto Rico. They achieved zero recordable injuries, zero lost time injuries, and obtained one of the highest improved Corporate EHS audit scores for a large plant in 2016.
ENERGY AND GREENHOUSE GAS EMISSIONS
We manage energy use to reduce our greenhouse gas (GHG) footprint and drive down costs through continuous improvement projects.

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 and increasing 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.

<table>
<thead>
<tr>
<th>ENERGY CONSUMPTION (Gigajoule)</th>
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<tbody>
<tr>
<td>CATEGORIES</td>
</tr>
<tr>
<td>Direct</td>
</tr>
<tr>
<td>Indirect</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ENERGY CONSUMPTION (Gigajoule / $M Sales)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CATEGORIES</td>
</tr>
<tr>
<td>Direct</td>
</tr>
<tr>
<td>Indirect</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 2016. The remaining waste streams, both hazardous and non-hazardous, are appropriately disposed of by licensed entities. We do not dispose of any waste onsite. Most of the year-over-year increase in hazardous and non-hazardous waste came from expansion of production, in particular from the facility in Mexico which was new in 2016 and ramped up production over the year. The recycling increase came from changes in the profile of waste streams at several sites that resulted in more recyclable material.
At Bard, each facility is responsible for managing its own water supply and consumption. We have begun tracking and evaluating enterprise-wide water consumption, 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 by the end of 2017.

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 64 percent of our water use in 2016 came from 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 over 20 percent from 2012 to 2016 at these two sites, with continued improvement at both this past year, despite continued growth in our catheter business. Their success is a key driver to our overall company improvement in water efficiency.
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.

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 2016, our approximately 16,000 employees:

- Reside in 38 countries
- Are approximately 45% male / 55% female
- Are increasingly located outside the United States, with 67% international in 2016 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.

Bard has 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 recently launched Business Resource Groups (BRGs) for veterans and for women, and chapters are forming in many Bard locations around the world. BRGs are groups of employees who come together for a common business mission and who reflect a particular dimension of diversity—but membership in Bard’s groups is not limited to women or veterans exclusively. Anyone who shares a common interest in professional development, enhancing an inclusive culture, strengthening our community relationships and impact and improving business results is welcomed.

Bard’s Global Market Access Program continues to foster 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 multi-disciplinary rotational program gives recent graduates full-time experience in the functional areas of Quality Assurance, R&D, Operations, Regulatory Affairs and 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.

Our Performance Management and Coaching Process helps employees and their managers align on career development goals and identify opportunities for continued growth and development—it’s part of a continuous exchange of feedback and coaching that takes place year-round. Our development approach focuses on meaningful on-the-job training through challenging assignments, and the relationships our team builds with their supervisors and colleagues provide opportunities for coaching, mentoring and feedback. Formal training—via coursework and educational programs—is a smaller but important component that contributes to ongoing development.

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 45 percent of our manufacturing volume. In Mexico, where nearly 41 percent of our manufacturing volume is produced, our three 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.

*as of December 31, 2016
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, in 2016 we supported organizations including the American Red Cross, Amcares, Direct Relief, MAP International, Project HOPE, CANNUS, and Peace Boat Volunteers who were on the ground aiding recovery efforts in the wake of extreme flooding in Louisiana, the damage caused by Hurricane Matthew in the southeastern U.S., and the powerful earthquakes in Kumamoto Prefecture, Japan.

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 2016, Bard donated over $4.6 million in cash and products as outlined in the accompanying chart.

In 2016, the C. R. Bard Foundation launched a multi-year commitment to support Stanford Biodesign, the leading medical technology teaching program in the world. Stanford Biodesign leads the way in delivering technology-based solutions that specifically address economic and global needs in the changing health care environment.

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 2016 alone, employees volunteered over 11,000 hours in their communities.
Each year, we honor a handful of our approximately 16,000 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. Recently, 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 and 36 for the 2017-2018 academic year, up from 20 the year before the effort began.

Bard funds a similar college scholarship program for international students. With Bard’s international growth, this program also saw a significant increase in applications, with a 40% increase in scholarships awarded for the 2016-2017 academic year and an additional 9% increase 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.

<table>
<thead>
<tr>
<th>2016</th>
<th>2015</th>
<th>2014</th>
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<tbody>
<tr>
<td>Projects supported</td>
<td>209</td>
<td>63</td>
</tr>
<tr>
<td>Hours volunteered</td>
<td>8,045</td>
<td>3,083</td>
</tr>
<tr>
<td>Dollars raised</td>
<td>$678,947</td>
<td>$48,353</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 2016 we provided over 216 live compliance training sessions, about 70 percent 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 in 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

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