

SUSTAINABILITY REPORTING

RESOLVED

Shareholders request that C.R. Bard (Bard) issue a sustainability report describing the company's environmental, social and governance (ESG) performance and goals, including greenhouse gas (GHG) reduction goals. The report should be available on the company website by September 1, 2015, prepared at reasonable cost, omitting proprietary information.

SUPPORTING STATEMENT

We believe tracking and reporting ESG practices makes a company more responsive to a global business environment characterized by finite natural resources, changing legislation, and heightened public expectations for corporate accountability. Reporting also helps companies better integrate and gain strategic value from existing sustainability efforts, identify gaps and opportunities, develop company-wide communications, recruit and retain employees, and receive feedback.

Support for and the practice of sustainability reporting continues to gain momentum:

- In 2013, KPMG found that of 4,100 global companies 71% had ESG reports.
- The United Nations Principles for Responsible Investment has more than 1,200 signatories with over \$45 trillion of assets under management. These members seek ESG information from companies to be able to analyze fully the risks and opportunities associated with existing and potential investments.
- CDP (formerly Carbon Disclosure Project), representing 767 institutional investors globally with approximately \$92 trillion in assets, calls for company disclosure on GHG emissions and climate change management programs. Over two thirds of the S&P 500 now report to CDP.

Data on occupational safety and health, vendor and labor standards, waste and water reduction targets and product-related environmental impacts are important business considerations. Not managing these properly could pose significant regulatory, legal, reputational and financial risks.

Bard notes that one of its policies is to "ensure continuous improvement in its environmental, health and safety management systems, pollution prevention practices, and safety programs." The company has a "Social Responsibility" website that includes some short descriptions of programs, guiding principles, and anecdotes of select subsidiary achievements. However, Bard does not provide many evaluative corporate-wide metrics or publicly set goals by which to measure their performance. Bard also does not respond to CDP.

In contrast, competitors like Johnson & Johnson, Boston Scientific, Baxter International, and Medtronic offer shareholders more comprehensive information through their sustainability reports and respond to CDP. For example, Johnson & Johnson reports more than 20 ESG goals (several of which are quantitative and time bound) and publishes multiyear data on the company's progress. We are concerned that Bard may be missing opportunities that its peers are actively recognizing and lagging its peer group in terms of risk management.

Last year 38% of shares (excluding abstentions) voted in favor of this resolution, a substantial level of support that management should not ignore.

We recommend that the report include a company-wide review of policies, practices, metrics, and goals related to ESG performance. A Global Reporting Initiative (GRI) index could be a helpful checklist for guidance. The GRI Guidelines are the most widely used reporting framework, enabling companies to focus on their most important ESG issues.