

## SUSTAINABILITY REPORTING – C.R. BARD

### RESOLVED

Shareholders request that C.R. Bard (Bard) issue a sustainability report describing the company's environmental, social and governance (ESG) performance including greenhouse gas (GHG) reduction targets and goals, available on the company website by September 2, 2014 prepared at reasonable cost, omitting proprietary information.

### SUPPORTING STATEMENT

We believe tracking and reporting on ESG business practices makes a company more responsive to a global business environment which is 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 in products and processes, develop company-wide communications, publicize innovative practices and receive feedback.

Signatories to the Principles for Responsible Investment (PRI) represent over 1100 investors and asset owners who collectively hold over \$34 trillion of assets under management. They seek the integration of ESG factors in investment decision making and require information on ESG policies and performance to analyze fully the risks and opportunities associated with existing and potential investments. Major firms such as BlackRock, State Street, Goldman Sachs and T. Rowe Price are PRI signatories.

Carbon Disclosure Project (CDP), representing 722 institutional investors globally with \$87 trillion in assets, has for years requested greater disclosure from companies on their climate change management programs. Over two thirds of the S&P 500 now report to CDP including direct competitors Johnson & Johnson and Boston Scientific. Climate change is one of the most financially significant environmental issues, however, Bard does not report on GHG management plans which we believe reflects Bard's lack of emissions abatement targets and goals.

Corporate reporting on sustainability is on the rise globally. In 2011, there was a 46% increase in the number of organizations worldwide using the Global Reporting Initiative's (GRI) Guidelines (G3) for their ESG reporting. (<http://www.ga-institute.com/>) Over 80% of Global Fortune 250 companies produce sustainability reports. (<http://www.kpmg.com>) In contrast Bard does not publish any sustainability metrics while peers such as Baxter International and Medtronic already publish sustainability reports.

Tracking and reporting on occupational safety and health performance, vendor and labor standards, waste and water reduction targets and product-related environmental impacts, among other factors 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.” However, investors do not have access to evaluative data on how the company is meeting these goals or managing these business factors.

Last year 35% of shares (excluding abstentions) voted For this resolution, a substantial level of support that management should not ignore.

We recommend the report include a company-wide review of policies, practices and metrics related to ESG performance using the GRI guidelines as a checklist. The GRI Guidelines are a globally accepted “gold standard” reporting framework enabling companies to expand reporting over time.