

BD AUS Modern Slavery and Human Trafficking Statement for the financial year ending 30 September 2022.

**Advancing the world of health™** is BD's corporate purpose and the inspiration behind our global enterprise. It is a call to action that resounds with BD associates around the world. BD's corporate culture is guided by our Core Values:

- We do what is right;
- We are all accountable
- We thrive on innovation and demand quality
- We learn and improve every day
- We help each other be great

BD associates are expected to follow these values in all aspects of business, including dealings with suppliers, customers and other stakeholders. We see the modern social and environmental challenges our world faces as opportunities to make a difference while strengthening our company. Our approach is centered upon shared value creation meaning how we address unmet societal needs through business models and initiatives that also contribute to the commercial success of BD.

The AUS Modern Slavery Act of 2018 requires certain organizations carrying out business in Australia to publish a statement regarding modern slavery. The following describes BD's efforts in this regard.

### **Organization, Business Structure, and Supply Chains**

BD is a global medical technology company that is advancing the world of health by improving medical discovery, diagnostics and the delivery of care. This statement covers BD's programs and activities for our fiscal year ending on September 30, 2022. In FY'2022, BD operated three worldwide segments: BD Medical, which included Medication Management Solutions, Medication Delivery Solutions, and Pharmaceutical Systems; BD Life Sciences, which included Biosciences and Integrated Diagnostic Solutions; and BD Interventional, which included Surgery, Peripheral Interventional, and Urology and Critical Care. The Diabetes Care business unit was spun off mid FY2022.

In FY'2022 our operations spanned over 325 locations worldwide, including over 125 directly-owned manufacturing and supply chain operations. We were comprised of over 75,000 associates serving over 62 countries, making BD a truly global organization. In FY'2022, BD worked with approximately 30,000 suppliers globally that provide goods and services. BD has over 900 core suppliers that provide key materials, including plastics, glass, metals, textiles, electronic and mechanical subassemblies, and various paper, agricultural, biological, chemical and petrochemical products.

BD is headquartered in Franklin Lakes, NJ (USA) and is publicly listed. BD's Australia sites include Sydney, Melbourne, Brisbane, Adelaide, and Perth, with Sydney representing our country specific headquarters.

BD's main operations include the provision and delivery of medical technology. Globally, this includes the direct employment of workers to manufacture products, research and development of products and services, global sales and marketing programs, and distribution of goods and services. In Australia, BD's operations include marketing, sales, and distribution of goods and services.

## Risks

The area of highest risk where BD may contribute to modern slavery activities exists within our supply chain. With a global supply chain of over 30,000 tier 1 suppliers, the size of our supply chain presents a risk that we may not be able to discover high risk suppliers for further evaluation through existing due diligence processes. This is because of the vast number of suppliers to assess. We also recognize that a supply chain of this size increases the number of sub-tier suppliers in our network, thus increasing the chance of instances of modern slavery in our supply base. We mitigate these risks through due diligence processes that focus on high-risk geographies, both for existing suppliers and, as we update our pre-screening process, for new suppliers.

BD suppliers are analyzed, via a third party, against geographic or location risk<sup>1</sup> and geopolitical risk as it relates to modern slavery and other human rights risks. We also evaluate suppliers for risk based on industry and have news monitoring systems in place to flag any behavior indicative of risk, including human rights risk. BD recognizes that our highest risk suppliers are likely to be found in countries cited for having the highest prevalence of modern slavery and human rights violations. Those suppliers with the highest risk profile are prioritized for further evaluation (see more information in the due diligence section, below).

BD also has processes and policies in place to reduce the risk of modern slavery instances in our own operations. We continue to review our own processes in an effort to further prevent this risk.

## Assessing and Managing Risk

### *Policies*

BD is committed to acting in compliance with all applicable laws and BD's ethical standards, and ensuring that no instances of modern slavery or human trafficking occur in any part of our own businesses or our supply chain. To that end, BD maintains several policies that reflect our Core Values, which BD associates are expected to follow in all aspects of business, including dealings with suppliers, customers and other stakeholders. These include:

- The [BD Code of Conduct](#) - including our policies on human rights and prohibits the use of forced, prison, indentured, bonded or involuntary labor in all of BD's operations. BD is committed to conducting business in a manner that is compliant with all applicable laws, including employment and human rights laws and regulations wherever we have operations.
- The [BD Global Human Rights Policy](#) - which outlines our policy on human rights in more detail.
- [BD Expectations for Suppliers \(updated in FY'2021\)](#) - which prohibit the use of involuntary labor of any kind, including slave labor, indentured/debt labor, forced labor, or prison labor by BD suppliers.
- The BD Global Speaking Up Policy - BD encourages and expects all associates and agents to speak up about any actual or suspected violations of laws, regulations, the BD Code of Conduct, BD Policies, or relevant industry codes, except as prohibited by law, as per its

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<sup>1</sup> Risk, in this case, is specific to modern slavery and human rights risk.

Global Speaking Up Policy. Those that speak up in good faith are protected against any form of retaliation or discipline.

### *Implementation*

The human rights commitments in the BD Human Rights Policy and the BD Code of Conduct are integrated across our operations through a number of oversight systems and processes. Our Integrated Supply Chain (including Operations, Supply Chain, Procurement and Sustainability/EHS) and Human Resources functions ensure compliance with our policies prohibiting forced labor, human trafficking and modern slavery across all of our operations.

At the manufacturing and distribution level, our Global Operations teams ensure continued compliance through several layers of risk management, such as regular internal audits that include desk-based and on-the-ground Environment Health and Safety compliance audits.

Additionally, BD employees are trained to report concerns around Code of Conduct violations to the BD Ethics Hotline (see page 9 of the Code of Conduct). BD suppliers are also encouraged to report concerns through the same process (see BD's Expectations for Suppliers). Such reports may trigger additional risk assessments involving the Ethics Office, Global Operations, Responsible Sourcing Operating Committee, and any other relevant departments, until identified risks are adequately managed, by appropriate follow-up actions where necessary.

BD's Expectations for Suppliers (EFS) was first published in 2009 and since that time BD has worked to communicate the EFS to suppliers and confirm their compliance. This document details the minimum standards that all our suppliers must meet with regards to human rights, among other topics. Compliance has been evaluated primarily through written acknowledgements and through periodic audits based on the level of risk. BD includes language that requires its suppliers represent, warrant, and/or certify to comply with the EFS and all relevant laws (including labor laws) in our contracts, purchase orders and supplier terms and conditions, among others, where failure to comply could be a breach of contract and result in contract termination, payment of damages and other consequences and/or remedies depending on the terms of the agreement.

### *Training and Capacity Building*

BD takes steps to educate associates and third parties so they can identify modern slavery and other human rights abuses and take steps to eliminate them – both in our own operations and within our supply chain. These steps include:

- For our own operations, including our manufacturing sites, BD maintains robust Environmental, Health, and Safety, Ethics and Compliance, and Labor Standards programs that foster a culture of compliance within both the BD Code of Conduct and local laws, whichever are more robust. These programs include relevant trainings and guidance as appropriate. Additionally, all BD associates are trained annually on our BD Code of Conduct, which includes a section on Human Rights and links to relevant policies such as BD Human Rights Policy.
- BD provides a Modern Slavery and Human Trafficking training developed by a third party and administered online, annually. This course explains that forced labor, also known as modern slavery, still exists in the world and prompts the learner to consider ways of identifying, preventing and stopping it in the supply chain. It also trains BD associates on how to report known or suspected human rights abuses via our Ethics Helpline. This course is delivered to BD associates that interact directly and indirectly in sourcing, managing, advising on, or are otherwise involved with our suppliers, including but not limited to our leaders and our

associates in the following departments: Environment, Health and Safety, Procurement, Supply Chain, Quality, R&D, Operations, Human Resources, and our Law Group.

- BD provides both internal and external trainings on the Expectations for Suppliers document
  - Internally, all procurement functions attended a required training around the Expectations for Suppliers. This training detailed updated made to the document, implementation of the document, how BD implements the expectations laid out in the document, and how to report suspected non-compliance. This training was administered to Procurement associates as part of a larger Responsible Sourcing Training effort around topics like human rights.
  - For Suppliers, BD administers an online training on our Expectations for Suppliers to all suppliers. These trainings include definitions of forced labor, modern slavery, and human trafficking, tools on identifying red flags and high-risk areas, and guidance on best practices. Our latest training also included an overview of updates made to the Expectations for Suppliers in the latest version.

### *Due Diligence*

Within our supply chain, where our highest risk of slavery and human trafficking exists, suppliers are evaluated by a third party to understand Human Rights risk, which includes Modern Slavery risk factors. BD recognizes that our highest risk suppliers are likely to be found in countries and industries cited for having the highest prevalence of modern slavery and human trafficking rights violations.

Those suppliers that are highest risk and/or key BD suppliers are prioritized for more detailed assessment via a third-party administered desktop audit, review by Responsible Sourcing Operating Committee, and/or full in-person audits, depending on the level of risk identified.

These desktop audits specifically address key Labor and Human Rights practices and ask suppliers to show documentation that these practices are put in place effectively. A third-party expert reviews this documentation to ensure a non-biased evaluation. As suppliers are identified as high risk our Responsible Sourcing Operating Committee, consisting of multifunctional representatives tasked with oversight of the BD Human Rights Due Diligence efforts, works to engage across the company to support the review and remediation of risks or known issues identified within the supplier. If a supplier receives an unacceptable score on their desktop audit BD will evaluate results through this Responsible Sourcing Operating committee to determine the best path for further engagement; this may include the assignment and review of corrective actions, in-person human rights focused audits, or remediation as necessary.

BD started our initial desktop audits in FY'2020 and has continued to roll these audits to key and/or high-risk suppliers. As part of our continuous improvement plan for our human rights efforts, we aim for all BD suppliers to complete a desktop audit over the long term.

In addition to our human rights due diligence activities, BD performs announced on-site audits of our suppliers which focus on supplier quality. These are performed by both BD associates and third parties. All BD associates performing these audits are trained in identifying human rights violations and are expected to report any instances, if found (details in the Reporting/Grievance Mechanism section, below).

BD is also engaged in a long-term mapping of our supply chain. The first priority in this mapping is on our critical Tier 1 suppliers. This helps us to better understand the risks across our wider supply chain and appropriately respond to these risks in order to remediate them. Additionally, BD has invested in technology that will map multiple tiers of the supply chain and will seek to gain visibility back to material source where possible.

### *Reporting/Grievance Mechanism*

BD maintains the BD Ethics Hotline, a third party led monitoring and oversight mechanism that is available both internally for BD associates and externally for all stakeholders. This system allows for anonymous (where permitted by law) and/or confidential reporting of all matter of ethics concerns, including known or suspected human rights abuses, both within BD and in our wider supply chain. It is available online or via telephone in a number of languages.

### **Measurement and Effectiveness**

Across all of our programs that address Human Rights and Modern Slavery, we assess management effectiveness through periodic program reviews and have started to implement KPIs to track this work.

In FY'2021 we established KPIs that include:

1. We will strengthen engagement with supply chain partners on their labor and environmental practices and performance by completing desktop environmental/social audits for strategic, preferred and critical suppliers by 2023.
2. We will partner with strategic/preferred/critical suppliers to evaluate risk in Tier-2 by 2030.
3. We will seek to have 90% of total spend reflected in completed supplier ESG focused desktop audit by 2025.

As of the end of FY'2022 we have completed 600 supplier audits. To date, this represents 48 percent of our total spend having completed a supplier scorecard.

We report progress against these goals in our annual Sustainability Report, available at [bd.com](http://bd.com).

We also participate in industry working groups where we learn best practices that have been implemented by companies across sectors, and we seek to apply those where they add value to our programs.

BD strives to continuously improve its programs to ensure compliance with applicable laws and BD's ethical standards and to meet the expectations of our customers, our shareholders, our associates, our communities and other stakeholders.

This statement was approved and adopted by the BD Board of Directors on 8 February 2023.



Tom Polen  
*Chairman, Chief Executive Officer, and President*

*This Modern Slavery and Human Trafficking Statement applies enterprise-wide to all BD entities. For the purposes of the Modern Slavery Act 2018 in Australia, this statement applies to the following entities: Becton Dickinson Pty Ltd, Becton Dickinson Ltd & Bard Australia Pty Ltd.*