

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-K

(Mark One)

- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended September 30, 2023
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

COMMISSION FILE NUMBER: 001-4802

BECTON, DICKINSON AND COMPANY

(Exact name of registrant as specified in its charter)

New Jersey
(State or other jurisdiction of incorporation or organization)
1 Becton Drive, Franklin Lakes, New Jersey
(Address of principal executive offices)

22-0760120
(I.R.S. Employer Identification No.)
07417-1880
(Zip code)

Registrant's telephone number, including area code (201) 847-6800

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol</u>	<u>Name of Each Exchange on Which Registered</u>
Common stock, par value \$1.00	BDX	New York Stock Exchange
1.900% Notes due December 15, 2026	BDX26	New York Stock Exchange
3.020% Notes due May 24, 2025	BDX25	New York Stock Exchange
1.208% Notes due June 4, 2026	BDX/26A	New York Stock Exchange
1.213% Notes due February 12, 2036	BDX/36	New York Stock Exchange
0.034% Notes due August 13, 2025	BDX25A	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a "large accelerated filer," an "accelerated filer," a "non-accelerated filer," a "smaller reporting company," or an "emerging growth company."

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>	Non-accelerated filer	<input type="checkbox"/>
Smaller reporting company	<input type="checkbox"/>	Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

As of March 31, 2023, the aggregate market value of the registrant's outstanding common stock held by non-affiliates of the registrant was approximately \$ 70,252,717,647.

As of October 31, 2023, 290,405,122 shares of the registrant's common stock were outstanding.

Documents Incorporated by Reference. Portions of the registrant's Proxy Statement for the Annual Meeting of Shareholders to be held January 23, 2024 are incorporated by reference into Part III hereof.

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PART I

Item 1. Business.

General

Becton, Dickinson and Company (also referred to herein as "BD") was incorporated under the laws of the State of New Jersey in November 1906, as successor to a New York business started in 1897. BD's executive offices are located at 1 Becton Drive, Franklin Lakes, New Jersey 07417-1880, and its telephone number is (201) 847-6800. All references in this Form 10-K to "BD", "the Company", "we", "our" or "us" refer to Becton, Dickinson and Company and its domestic and foreign subsidiaries, unless otherwise indicated by the context.

BD is a global medical technology company engaged in the development, manufacture and sale of a broad range of medical supplies, devices, laboratory equipment and diagnostic products used by healthcare institutions, physicians, life science researchers, clinical laboratories, the pharmaceutical industry and the general public. We provide customer solutions that are focused on improving medication management and patient safety; supporting infection prevention practices; equipping surgical and interventional procedures; improving drug delivery; aiding anesthesiology care; enhancing the diagnosis of infectious diseases and cancers; and advancing cellular research and applications.

Business Segments

BD's operations consist of three worldwide business segments: BD Medical, BD Life Sciences and BD Interventional. Information with respect to BD's business segments is included in Note 8 to the consolidated financial statements contained in Item 8. Financial Statements and Supplementary Data, and is incorporated herein by reference.

BD Medical

BD Medical produces a broad array of medical technologies and devices that are used to help improve healthcare delivery in a wide range of settings. The primary customers served by BD Medical are hospitals and clinics; physicians' office practices; consumers and retail pharmacies; governmental and nonprofit public health agencies; pharmaceutical companies; and healthcare workers. BD Medical consists of the following organizational units:

Organizational Unit

Principal Product Lines

Medication Delivery Solutions

Peripheral intravenous ("IV") catheters (conventional, safety); advanced peripheral catheters (guidewire assisted peripherally inserted venous catheters, midline catheters, port access); central lines (peripherally inserted central catheters); acute dialysis catheters; vascular access technology (ultrasonic imaging); vascular care (lock solutions, prefilled flush syringes, disinfecting caps); vascular preparation (skin antiseptics, dressings, securement); needle-free IV connectors and extensions sets; closed-system drug transfer devices; hazardous drug detection; conventional and safety hypodermic syringes and needles, anesthesia needles (spinal, epidural) and trays; enteral syringes; and sharps disposal systems.

Medication Management Solutions

IV medication safety and infusion therapy delivery systems, including infusion pumps, dedicated disposables, and IV fluids; medication compounding workflow systems; automated medication dispensing; automated supply management systems; medication inventory optimization and tracking systems; informatics and analytics solutions for enterprise medication management; and pharmacy automation systems.

Pharmaceutical Systems

Prefillable drug delivery systems - prefillable syringes, safety, shielding and self-injection systems and support services (combination product testing, technical and regulatory) - provided to pharmaceutical companies for use as containers for injectable pharmaceutical products, which are then placed on the market as drug/device combinations.

BD Life Sciences

BD Life Sciences provides products for the safe collection and transport of diagnostics specimens, and instruments and reagent systems to detect a broad range of infectious diseases, healthcare-associated infections and cancers. In addition, BD Life Sciences produces research and clinical tools that facilitate the study of cells, and the components of cells, to gain a better understanding of normal and disease processes. That information is used to aid the discovery and development of new drugs and vaccines, and to improve the diagnosis and management of diseases. The primary customers served by BD Life Sciences are hospitals, laboratories and clinics; blood banks; healthcare workers; physicians' office practices; retail pharmacies; academic and government institutions; and pharmaceutical and biotechnology companies. BD Life Sciences consists of the following organizational units:

<u>Organizational Unit</u>	<u>Principal Product Lines</u>
Integrated Diagnostic Solutions	Integrated systems for specimen collection; safety-engineered blood collection products and systems; automated blood culturing and tuberculosis culturing systems; molecular testing systems for infectious diseases and women's health; microorganism identification and drug susceptibility systems; liquid-based cytology systems and HPV tests for cervical cancer screening and genotyping; rapid diagnostic assays for testing of respiratory infections at the point of care; microbiology laboratory automation; and plated media for clinical and industrial applications.
Biosciences	Fluorescence-activated cell sorters and analyzers; antibodies and kits for performing cell analysis; reagents for life science research; solutions for high-throughput single-cell gene and protein expression analysis; and clinical oncology, immunological (HIV) and transplantation diagnostic/monitoring reagents, analyzers and informatics.

BD Interventional

BD Interventional provides vascular, urology, oncology and surgical specialty products that are intended to be used once and then discarded or are either temporarily or permanently implanted. The primary customers served by BD Interventional are hospitals, ambulatory surgery centers, individual healthcare professionals, extended care facilities, alternate site facilities, and patients via our Homecare business. BD Interventional consists of the following organizational units:

<u>Organizational Unit</u>	<u>Principal Product Lines</u>
Surgery	Hernia and soft tissue repair, biological grafts, bioresorbable grafts, biosurgery, and other surgical products, and BD ChlorPrep™ surgical infection prevention products.
Peripheral Intervention	Percutaneous transluminal angioplasty ("PTA") balloon catheters, radio frequency ablation catheters, peripheral vascular stents, self-expanding and balloon-expandable stent grafts, vascular grafts, drug coated balloons, ports, biopsy, chronic dialysis, inferior vena catheter filters, endovascular fistula creation devices and drainage products, and atherectomy and thrombectomy systems.
Urology and Critical Care	Urine management and measurement devices, indwelling, intermittent and external urine catheters, kidney stone management devices, Targeted Temperature Management, and fecal management devices.

Acquisitions

On July 18, 2022, BD completed the acquisition of Parata Systems (“Parata”), an innovative provider of pharmacy automation solutions, for total cash consideration of \$1.548 billion. Since the acquisition date, financial results for Parata’s product offerings are being reported within results for the Medical segment’s Medication Management Solutions unit. Additional information regarding this acquisition is contained in Note 11 to the consolidated financial statements contained in Item 8. Financial Statements and Supplementary Data, which is incorporated herein by reference.

Divestitures

Surgical Instrumentation Platform

In August 2023, BD completed the sale of the Interventional segment’s Surgical Instrumentation platform pursuant to a definitive agreement that was signed in June 2023. BD recognized a pre-tax gain on the sale of approximately \$268 million, which was recorded as a component of *Other operating (income) expense, net* in fiscal year 2023. The historical financial results for the Surgical Instrumentation platform have not been classified as a discontinued operation. Additional information regarding this divestiture is contained in Note 2 to the consolidated financial statements contained in Item 8. Financial Statements and Supplementary Data, which is incorporated herein by reference.

Spin-Off of Diabetes Care

On April 1, 2022, BD completed the separation and distribution of Embecta Corp. (“Embecta”), formerly BD’s Diabetes Care business, into a separate, publicly-traded company. The historical results of the Diabetes Care business (previously included in BD’s Medical segment), as well as interest expense related to indebtedness incurred by Embecta prior to the spin-off date, have been reflected as discontinued operations in our consolidated financial statements for all periods prior to the spin-off date of April 1, 2022. Additional disclosures regarding our spin-off of the Diabetes Care business are provided in Note 2 to the consolidated financial statements contained in Item 8. Financial Statements and Supplementary Data, which is incorporated herein by reference.

International Operations

BD’s products are manufactured and sold worldwide. For reporting purposes, we organize our operations outside the United States as follows: EMEA (which includes Europe, the Middle East and Africa); Greater Asia (which includes countries in Greater China, Japan, South Asia, Southeast Asia, Korea, and Australia and New Zealand); Latin America (which includes Mexico, Central America, the Caribbean and South America); and Canada. BD has manufacturing operations outside the United States in Bosnia and Herzegovina, Brazil, Canada, China, Dominican Republic, France, Germany, Hungary, India, Ireland, Israel, Italy, Japan, Malaysia, Mexico, the Netherlands, Singapore, Spain, and the United Kingdom. Geographic information with respect to BD’s operations is included under the heading “Geographic Information” in Note 8 to the consolidated financial statements included in Item 8. Financial Statements and Supplementary Data.

Foreign economic conditions and exchange rate fluctuations have caused the profitability related to foreign revenues to fluctuate more than the profitability related to domestic revenues. BD believes its activities in some countries outside the United States involve greater risk than its domestic business due to the factors cited herein. See further discussion of these risks in Item 1A. Risk Factors.

Distribution

BD’s products are marketed and distributed in the United States and internationally through independent distribution channels, as well as directly to hospitals and other healthcare related institutions by BD and independent sales representatives. BD uses acute care, non-acute care, laboratory and drug wholesaler distributors to broadly support our overall disposable product demand from our end user customers in the United States, while our capital equipment is mostly sold direct to our end user customers. In international markets, products are distributed either directly or through distributors, with the practice varying by country.

Order backlog is not usually material to BD's business inasmuch as orders for BD products generally are received and filled on a current basis. BD's worldwide sales are not generally seasonal, with the exception of certain medical devices in the Medication Delivery Solutions business unit, and flu diagnostic products in the Integrated Diagnostic Systems business unit, both of which relate to seasonal diseases such as influenza. BD operates consolidated distribution facilities globally in order to better service its customers, optimize logistics, lower facilities costs and reduce finished goods inventory levels.

Raw Materials and Components

BD purchases many different types of raw materials and components, including plastics, glass, metals, textiles, paper products, agricultural products, electronic and mechanical sub-assemblies and various biological, chemical and petrochemical products. BD seeks to ensure continuity of supply by securing multiple options for sourcing. However, there are situations where raw materials and components are only available from one supplier, which are referred to as sole sourced. The use of sole sourced materials and components may be due to sourcing of proprietary and/or patented technology and processes that are intended to provide a unique market differentiation to our product. In other cases, while a raw material or component can be sourced from multiple manufacturers, only one supplier is qualified due to quality assurance, cost or other considerations. In order to provide alternate sources, BD must complete a rigorous qualification process, which most often includes completion of regulatory registration and approval. If clinical trials are not required, this qualification process can take 3-18 months depending on the criticality of the change. When clinical trials are required, this process may lengthen the qualification phase from one to three years. BD continuously assesses its sole sourced raw materials and components, and maintains business continuity plans with its suppliers. BD's continuity plans may include securing secondary supply with alternate suppliers, qualification of alternate manufacturing facilities, maintaining contingency stock, internal development of supply and establishment of technology escrow accounts. While BD works closely with its suppliers, no assurance can be given that these efforts will be successful, and there may be events that cause supply interruption, reduction or termination that adversely impact BD's ability to manufacture and sell certain products. See further discussion of the risks related to the supply chain and raw materials in Item 1A. Risk Factors.

Research and Development

BD conducts its research and development ("R&D") activities at its operating units and across global enterprise centers of excellence located in the United States, India, China, Singapore and Ireland. The majority of BD's R&D activities are conducted in North America. Outside North America, BD has a significant R&D presence in Greater Asia and Europe. BD also collaborates with certain universities, medical centers and other entities on R&D programs and retains individual consultants and partners to support its efforts in specialized fields.

Intellectual Property and Licenses

BD owns significant intellectual property, including patents, patent applications, technology, trade secrets, know-how, copyrights and trademarks in the United States and other countries. BD is also licensed under domestic and foreign patents, patent applications, technology, trade secrets, know-how, copyrights and trademarks owned by others. In the aggregate, these intellectual property assets and licenses are of material importance to BD's business. BD believes, however, that no single patent, technology, trademark, intellectual property asset or license is material in relation to BD's business as a whole, or to any business segment.

Competition

BD operates in the increasingly complex and challenging medical technology marketplace. Technological advances and scientific discoveries have accelerated the pace of change in medical technology, the regulatory environment of medical products is becoming more complex and vigorous, and economic conditions have resulted in a challenging market. Companies of varying sizes compete in the global medical technology field. Some are more specialized than BD with respect to particular markets, and some have greater financial resources than BD. New companies have entered the field, particularly in the areas of molecular diagnostics, non-traditional point of care and at-home testing, safety-engineered devices and in the life sciences.

Additionally, established companies have diversified their business activities into the medical technology area. Other firms engaged in the distribution of medical technology products have become manufacturers of medical devices and instruments as well. Acquisitions and collaborations by and among companies seeking a competitive advantage also affect the competitive environment. In addition, the entry into the market of low-cost manufacturers has created increased pricing pressures. BD competes in this evolving marketplace on the basis of many factors, including price, quality, innovation, service, reputation, distribution and promotion. The impact of these factors on BD's competitive position varies among BD's various product offerings. In order to remain competitive in the industries in which it operates and to boost supply reliability and productivity, BD continues to make investments in R&D, quality management, quality improvement, product innovation, manufacturing and supply chain. See further discussion of the risks relating to competition in the medical technology industry in Item 1A. Risk Factors.

Market Access and Third-Party Reimbursement

BD's customers and the patients our customers serve rely on public and private payers to reimburse and/or cover some or all the cost of procedures, products and services. BD actively engages with the payer community, medical societies and other stakeholders in order to navigate market access trends and appropriately communicate value propositions for a broad range of BD medical technologies. However, BD has no direct control over payer decision-making with respect to coverage and payment levels for BD products.

The manner and level of reimbursement is determined at the payer's discretion and may depend on a variety of factors, including but not limited to site of care, procedure(s) performed, patient diagnosis, the device(s) and/or drug(s) utilized, available budget, health equity, beneficiary access or a combination of these factors. The providers that we serve are also evaluating changes in the healthcare reimbursement landscape and coverage elements leading to their own decision-making on what they will ultimately pay for various medical technologies or procedures, which could positively or negatively impact sales of BD products in any given country for any given product at any given time.

Vertical integration of health systems has created a concentrated market among commercial payers in the U.S. and there is an increased focus globally on payment policies that serve to control healthcare spending while also rewarding quality and patient outcomes. Governments around the world continue to consider and transition to value-based payment reforms similar to the U.S. Patient Protection and Affordable Care Act (PPACA) that would drive improved value and quality- and resource-based reimbursement. For example, the Centers for Medicare & Medicaid Services' (CMS) established a 2030 goal of transitioning all Medicare fee-for-service beneficiaries to a "care relationship" to ensure the agency's accountability of quality and cost of care. Whether these changes are driven by legislative efforts, strategic alliances or market conditions, the global landscape continues to enhance cost control efforts through "pay for performance" mechanisms and bidding and tender policies that focus on quality and performance.

Examining reimbursement and continually assessing the broader healthcare funding landscape is a strategic consideration in the development and marketing of medical technology. Advancing coding, coverage and payment strategies reduce barriers to adoption, improve affordability and are critical to ensuring patient and provider access to medical technologies. Market access strategies are also critical in ensuring commercial priorities are meeting the demand for critical healthcare needs globally and locally.

Regulation

General

BD's operations are global and are affected by complex state, federal and international laws relating to healthcare, environmental protection, occupational health and safety, antitrust, anti-corruption, marketing, fraud and abuse (including anti-kickback and false claims laws), export control, product safety and efficacy, employment, privacy and other areas.

BD's medical technology products and operations are subject to regulation by the U.S. Food and Drug Administration ("FDA") and various other federal and state agencies, as well as by foreign governmental agencies. These agencies enforce laws and regulations that govern the development, testing, manufacturing,

labeling, advertising, marketing and distribution, and market surveillance of BD's medical products. The scope of the activities of these agencies, particularly in the Europe, Japan, Latin America, and Asia Pacific regions in which BD operates, has been increasing.

BD actively maintains Quality Systems that establish standards for its product design, manufacturing, and distribution processes, in accordance with ISO standards and FDA regulation. Prior to marketing or selling most of its products, BD must secure authorization from the FDA and counterpart foreign regulatory agencies. Following the introduction of a product, these agencies engage in periodic reviews and inspections of BD's quality systems, as well as product performance and advertising and promotional materials. These regulatory controls, as well as any changes in agency policies, can affect the time and cost associated with the development, introduction and continued availability of new and existing products. Where possible, BD anticipates these factors in its product development and planning processes. These agencies have the authority to take various administrative and legal actions against BD, such as product recalls, product seizures and other civil and criminal sanctions, for violations of applicable requirements. BD also undertakes voluntary compliance actions, such as voluntary recalls.

BD also is subject to various federal and state laws, and laws outside the United States, concerning healthcare fraud and abuse (including false claims laws and anti-kickback laws), global anti-corruption, transportation, safety and health, and customs and exports. Many of the agencies enforcing these laws have increased their enforcement activities with respect to medical device manufacturers in recent years. This is part of a general trend toward increased regulation and enforcement activity within and outside the United States.

In addition, the federal government has enacted the Sunshine Act provisions requiring BD to publicly report gifts and payments made to physicians and teaching hospitals. Countries outside the United States have enacted similar local laws requiring medical device companies to report transfers of value to healthcare providers licensed in those countries. Failure to comply with these laws could result in a range of fines, penalties and/or other sanctions.

Consent Decree with FDA

Our infusion pump organizational unit is operating under an amended consent decree entered into by CareFusion with the FDA in 2007. CareFusion's consent decree with the FDA is related to its Alaris™ SE infusion pumps. In February 2009, CareFusion and the FDA amended the consent decree (the "Consent Decree") to include all infusion pumps manufactured by or for CareFusion 303, Inc., the organizational unit that manufactures and sells BD Alaris™ infusion pumps in the United States. The Consent Decree does not apply to intravenous administration sets and accessories.

Following an inspection that began in March 2020 of our Medication Management Systems facility (CareFusion 303, Inc.) in San Diego, California, the FDA issued to BD a Form 483 Notice (the "Form 483 Notice") that contains a number of observations of non-conformance with the FDA's quality system regulations. In December 2021, the FDA issued to CareFusion 303, Inc. a letter of non-compliance with respect to the Consent Decree (the "Non-Compliance Letter") stating that, among other things, it had determined that certain of BD's corrective actions with respect to the Form 483 Notice appeared to be adequate, some were still in progress such that adequacy could not be determined yet, and certain others were not adequate (e.g., complaint handling and corrective and preventive actions ("CAPA"), design verification and medical device reporting). Per the terms of the Non-Compliance Letter, CareFusion 303, Inc. provided the FDA with a proposed comprehensive corrective action plan and has retained an independent expert to conduct periodic audits of the CareFusion 303, Inc. infusion pump facilities through 2025. CareFusion 303, Inc. will update its corrective action plan to address any observations that may arise during the course of these audits. The FDA's review of the items raised in the Form 483 Notice and Non-Compliance Letter remains ongoing, and no assurances can be given regarding further action by the FDA as a result of the observations, including but not limited to action pursuant to the Consent Decree, or that corrective actions proposed by CareFusion 303, Inc. will be adequate to address these observations. Additionally, we cannot currently predict the amount of additional monetary investment that will be incurred to resolve this matter or the matter's ultimate impact on our business.

The Consent Decree authorizes the FDA, in the event of any violations in the future, to order us to cease manufacturing and distributing infusion pumps, recall products and take other actions. We may be required to pay damages of \$15,000 per day per violation if we fail to comply with any provision of the Consent Decree, up to \$15 million per year.

We may be obligated to pay more costs in the future because, among other things, the FDA may determine that we are not fully compliant with the Consent Decree and Non-Compliance Letter and therefore impose penalties under the Consent Decree, and/or we may also be subject to future proceedings and litigation relating to the matters addressed in the Consent Decree, including, but not limited to, additional fines, penalties, other monetary remedies, and expansion of the terms of the Consent Decree. As of September 30, 2023, we do not believe that a loss is probable in connection with the Consent Decree, and accordingly, we have no accruals associated with compliance with the Consent Decree.

As previously disclosed, on July 21, 2023, BD received 510(k) clearance from the FDA for its updated BD Alaris™ Infusion System, which enables both remediation and a return to market for the BD Alaris™ Infusion System. This clearance covers updated hardware features for Point-of-Care Unit (PCU), large volume pumps, syringe pumps, patient-controlled analgesia (PCA) pumps, respiratory monitoring and auto-identification modules. It also covers a new BD Alaris™ Infusion System software version with enhanced cybersecurity, along with interoperability features that enable smart, connected care with electronic medical record systems. To address all open recalls and ensure all devices at customer sites are running the most recent version of the BD Alaris™ Infusion System Software, all of the current BD Alaris™ Infusion System devices in the U.S. market will be remediated or replaced with the updated 510(k) cleared version over the next several years.

FDA Warning Letter

On January 11, 2018, BD received a Warning Letter from the FDA with respect to our former BD Preanalytical Systems ("PAS") unit, citing certain alleged violations of quality system regulations and of law. The Warning Letter states that, until BD resolves the outstanding issues covered by the Warning Letter, the FDA will not approve any premarket submissions for Class III devices to which the non-conformances are reasonably related or grant requests for certificates to foreign governments. BD has worked closely with the FDA and implemented corrective actions to address the quality management system concerns identified in the Warning Letter. In March 2020, the FDA conducted a subsequent inspection of PAS, which it classified as Voluntary Action Indicated, which means the FDA will not take or recommend any administrative or regulatory action as a result of the unit's response to the observations associated with the quality management concerns in the inspection. BD continues to work with the FDA to generate additional clinical evidence and file 510(k)s as remaining commitments associated with the Warning Letter. In January 2022, BD received FDA clearance for its BD Vacutainer® ACD Blood Collection Tubes used in immunohematology. In July 2023, BD received FDA clearance for its BD Vacutainer® Trace Element K2EDTA and Serum Blood Collection Tubes. The FDA review of these remaining commitments is ongoing, and no assurances can be given regarding further action by the FDA as a result of these commitments, including but not limited to action pursuant to the Warning Letter.

Ethylene Oxide/Consent Order - Covington, Georgia, USA

On October 28, 2019, BD entered into a consent order with the Environmental Protection Division of the Georgia Department of Natural Resources (the "EPD"), following the filing of a complaint and motion for temporary restraining order by the EPD seeking to enjoin BD from continuing sterilization operations at its Covington, Georgia facility. Under the terms of the consent order, which has been amended two times upon mutual agreement of BD and EPD, BD voluntarily agreed to a number of operational changes at its Covington and Madison, Georgia facilities, as well as at its distribution center in Covington, designed to further reduce ethylene oxide emissions, including but not limited to operating at a reduced capacity until successful implementation of fugitive emission control technology, ongoing ambient air monitoring and operational controls at such facilities. Following submission of data relating to the implementation of these operational changes, BD was permitted to return to normal operations in December 2021 at its facilities in Georgia in accordance with the operating conditions set forth in its permit applications, including a condition to continue

ambient air monitoring. The final air permits for the Covington and Madison facilities were issued by the EPD on May 5, 2023.

At a broader level, there is increased focus on the use and emission of ethylene oxide by the U.S. Environmental Protection Agency and state environmental regulatory agencies. Additional regulatory requirements associated with the use and emission of ethylene oxide may be imposed in the future, either domestically or outside the U.S. Ethylene oxide is the most frequently used sterilant for medical devices and healthcare products in the U.S., and in certain cases is the only option to sterilize critical medical device products for the safe administration to patients. This increased regulation could require BD or sterilization service providers, including providers used by BD, to temporarily suspend operations to install additional emissions control technology, limit the use of ethylene oxide or take other actions, which would impact BD's operations and further reduce the available capacity to sterilize medical devices and healthcare products, and could also result in additional costs. To this end, BD has proactively installed fugitive emissions controls at our facilities in East Columbus, NE and Sandy, UT, though such controls are not currently required by law. A few states have filed lawsuits to require additional air quality controls and expand limitations on the use of ethylene oxide at sterilization facilities. For example, in December 2020, the State of New Mexico filed a lawsuit seeking a temporary restraining order and a preliminary and permanent injunction against a major medical device sterilizer, which sterilizes certain of our surgery products, to reduce ethylene oxide emissions associated with their sterilization process. On April 13, 2023, the U.S. Environmental Protection Agency ("EPA") published a proposed revision to the National Emission Standards for Hazardous Air Pollutants: Ethylene Oxide Emissions Standards for Sterilization Facilities and a Pesticide Registration Review; Proposed Interim Decision and Draft Risk Assessment Addendum for Ethylene Oxide. BD submitted comments on these proposed regulations. We cannot predict what any final regulations adopted by the EPA may require and therefore we are not able to assess the impact they may have on our sterilization facilities, on the third-party sterilization facilities that BD utilizes and our operations more generally. It is possible that there may also be increased regulation outside the U.S. If any existing regulatory requirements or any such proceedings or rulemaking result in the suspension, curtailment or interruption of sterilization operations at BD or at medical device sterilizers used by BD, or otherwise limit the availability of third-party sterilization capacity, this could interrupt or otherwise adversely impact production of certain of our products or lead to civil litigation or other claims against BD. BD has business continuity plans in place to mitigate the impact of any such disruptions, although these plans may not be able to fully offset such impact, for the reasons noted above.

For further discussion of risks relating to the regulations to which we are subject, see Item 1A. Risk Factors.

Human Capital Management

At BD, our associates are guided by our Purpose *of advancing the world of health*TM and The BD WAY, our cultural foundation that encompasses our core values, servant leadership expectations and the mindset we bring to our work. Our associates are empowered to contribute their unique ideas and experiences to fuel innovation and improve patient outcomes. As of September 30, 2023, BD is comprised of approximately 73,000 associates located in over 62 countries. Attracting, developing and retaining talented people in all different functions is crucial to executing our strategy and our ability to compete effectively in a highly competitive medical technology industry. Our ability to recruit and retain such talent depends on several factors, including compensation and benefits, talent development and career opportunities, and our unique culture. To that end, we continually invest in our associates to be an employer of choice.

Inclusion, Diversity & Equity

For BD, diversity refers to the practice of including the many communities and backgrounds that make up our Company and the world we serve. Diversity reflects our culture of inclusion, welcoming people of all different ethnicities, abilities, cultures, genders, religions, ages, sexual orientation, identity, experiences and tenure, as well as people with diverse opinions, perspectives, lifestyles, and ideas. Our associates possess a broad range of beliefs and experiences which have helped BD achieve our leadership position in the medical technology industry and the global marketplace. A key component of our journey to continually build a better BD is our commitment to global inclusion, diversity and equity ("ID&E"). We believe this commitment,

coupled with our purpose and culture, allows us to better understand patient and customer needs and develop innovative technologies to meet those needs.

Each year, we establish annual corporate ID&E goals focused on equity and inclusion. In addition, our executive leaders serve as sponsors to our nine global Associate Resource Groups (“ARGs”) that enable all associates to contribute their talents and skills to help advance opportunity for everyone. Our ARGs are empowered to set strategic goals aligned with their mission and centered around efforts to advance our company, local communities and each BD associates’ career, while fostering a sense of belonging, allyship, and professional development opportunities.

Externally, we are building on our existing momentum and remain involved in industry ID&E efforts with the Advanced Medical Technology Association (“AdvaMed”) to improve diversity in the medical technology industry. We remain committed to sustaining meaningful, long-term strategic partnerships and programs to help address equitable access to care and advance the health of our communities around the world. This work impacts under-resourced communities, both in developed and underdeveloped countries. Through the BD Helping Build Healthy Communities™ initiative, which is funded by BD and the BD Foundation, and implemented jointly by Direct Relief and the National Association of Community Health Centers, we have provided 52 awards to community health centers in 20 states since 2013, with a total commitment of \$21.7 million in cash and product donations to advance health equity in the U.S.

BD also has a longstanding history of associate volunteerism that is enabled through our public-private partnerships and collaborations with non-government organizations. We sponsor volunteer service trips and other meaningful volunteer opportunities to help strengthen health systems and enable an environment that can maintain critical competences and resources needed to improve delivery of care. Associates are empowered to serve organizations and causes that are important to them in their local communities. This includes a matching gift program, paid time off to volunteer, and an award program to give grants to non-profit organizations in honor of associates who engage in exceptional volunteer efforts.

These collective efforts have garnered recognition from respected organizations across the country, including Disability:IN’s Best Places to Work for Disability Inclusion, Bloomberg’s Gender Equality Index, and Diversity Inc.’s Noteworthy Companies award, as well as awards for LGBTQ and women inclusion. In addition, we were awarded Best Code of Conduct and ranked a top ten company in the U.S. Transparency Awards by Labrador and named to the 100 Best Corporate Citizens list by 3BL, placing in the top two in the healthcare equipment and services industry. While we celebrate the recognition we have received, we remain committed and accountable to the work required within our company and beyond our corporate walls to build and maintain equity, acceptance, and accessibility for everyone.

BD 2023 Workforce Diverse Representation

	Gender (Global)	Year-Over-Year Change	Race (U.S. Only)	Year-Over-Year Change
Executive	30%	(1.3)%	23%	0
Management	41%	+0.4%	30%	+0.2%
All associates	49%	—	41%	(0.8)%

For the above table, we define “executives” as associates in positions of vice president and above. “Management” positions are defined as those in manager, director or equivalent roles. Ratios are determined by dividing the number of diverse associates by the total number of associates including associates who have not disclosed race and/or gender. Year-over-year change is a percentage point.

Associate Growth and Development

At BD we hold ourselves and each other accountable for learning and growing every day, which underscores our growth mindset culture. Our commitment to continuous improvement helps us become the best version of ourselves and we invest significant resources to develop talent with the right capabilities to deliver the growth and innovation needed to support our strategy and customers, both for today and for the future. Our enhanced Strategic Organizational Planning process is focused on building the organizational capabilities required in the years to come, and we offer associates and managers a robust offering of tools to help in their personal and professional development, including career development plans, mentoring programs, and in-house learning opportunities, including BD University, our in-house continuing education curriculum delivered through a "leaders-as-teachers" approach. With a deeply-rooted practice of investing in our next generation of leaders, BD offers associates a number of leadership development programs, designed to enable our BD culture, cultivate leadership, and develop key organizational skills, and are delivered through an omnichannel approach that includes digital, virtual, and in person learning opportunities to help our associates learn when and how they like. Our robust manager curriculum is designed to help our more than 8,000 people managers become more effective servant leaders that create work environments that facilitate growth and success. We have also applied our growth mindset philosophy to our performance management approach with an increased focus on continuous learning and development to help us all achieve our best.

Associate Engagement

As we strive to be an employer of choice, we believe it is critical that our associates are informed, engaged, and can provide feedback. We communicate frequently and transparently with our associates through a variety of communication methods, including video and written communications, town hall meetings, associate surveys, and our company intranet, and acknowledge individual contributions to BD through a number of rewards and recognition award programs.

Our efforts to seek ongoing feedback help us better understand what we are doing well and how we can improve the associate experience. In addition to encouraging a speak-up culture between associates, their managers, and cross-functional teams, we conduct employee engagement surveys to provide all associates with an opportunity to share their perspective and we take appropriate action in response.

In addition to helping associates stay engaged, we also work to foster and reinforce an inclusive culture where diverse perspectives are valued. This year, our ARGs continued to host company-wide dialogues and panel sessions to advance our business and cultural priorities and engage and foster conversations and awareness among associates on timely topics of racial injustice, career progression, social constructs, LGBTQIA+ education and equity, eliminating bias, healthcare inequity and access, and mental/emotional well-being during turbulent times. We continue to engage in discussions as a company on intersectionality, inclusion and belonging.

Compensation, Benefits and Well-being

Our total rewards program is designed to attract and retain top talent and to incentivize performance aligned with our business strategy and values. We offer a comprehensive total rewards program aimed at promoting overall well-being in support of the varying health, home-life, and financial needs of our diverse and global associates. Through our integrated global approach to well-being, we provide support, education, and resources to empower associates across all geographies to prioritize their well-being and build resilience in the physical, emotional, financial, and social areas of life. To enable associates to take action in support of their overall well-being, our total rewards packages (which vary by location) include market-competitive pay, broad-based stock grants and bonuses, healthcare benefits and retirement savings plans, paid time off and family leave, flexible work schedules, on-site health and fitness centers, free physicals and flu vaccinations, well-being education and resources, employee assistance programs and other mental health support and resources. Each year we review and implement program enhancements and investments to ensure our benefits are inclusive and representative of the needs of BD associates and their families. Additionally, over the last several years in the

U.S., we have increased efforts to mitigate the impact of rising healthcare costs and to offer more cost effective benefit options, with a specific focus on affordability for BD associates earning \$50,000 per year or less.

BD is also committed to compensating all associates fairly and equitably for their contributions to company performance. Aligned with our priority focus on pay equity, we regularly conduct comprehensive audits, internal and external analyses, salary benchmarking and bias assessments to identify and remedy unexplained disparities.

Available Information

BD maintains a website at www.bd.com. BD makes available its Annual Reports on Form 10-K, its Quarterly Reports on Form 10-Q, and its Current Reports on Form 8-K (and amendments to those reports) as soon as reasonably practicable after those reports are electronically filed with, or furnished to, the Securities and Exchange Commission (“SEC”). These filings may be obtained and printed free of charge at www.bd.com/investors.

In addition, the written charters of the Audit Committee, the Compensation and Human Capital Committee, the Corporate Governance and Nominating Committee, the Executive Committee and the Quality and Regulatory Committee of the Board of Directors, BD’s Corporate Governance Principles and its Code of Conduct, are available and may be printed free of charge at BD’s website at www.investors.bd.com/corporate-governance. Printed copies of these materials, this 2023 Annual Report on Form 10-K, and BD’s reports and statements filed with, or furnished to, the SEC, may also be obtained, without charge, by contacting the Corporate Secretary, BD, 1 Becton Drive, Franklin Lakes, New Jersey 07417-1880, telephone 201-847-6800. In addition, the SEC maintains an internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at www.sec.gov.

BD also routinely posts important information for investors on its website at www.bd.com/investors. BD may use this website as a means of disclosing material, non-public information and for complying with its disclosure obligations under Regulation FD adopted by the SEC. Accordingly, investors should monitor the Investor Relations portion of BD’s website noted above, in addition to following BD’s press releases, SEC filings, and public conference calls and webcasts. Our website and the information contained therein or connected thereto shall not be deemed to be incorporated into this Annual Report.

Forward-Looking Statements

BD and its representatives may from time-to-time make certain forward-looking statements in publicly-released materials, both written and oral, including statements contained in filings with the SEC and in its reports to shareholders. Additional information regarding BD’s forward-looking statements is contained in Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

Item 1A. Risk Factors.

An investment in BD involves a variety of risks and uncertainties. The following describes some of the material risks that could adversely affect BD’s business, financial condition, operating results or cash flows. We may also be adversely impacted by other risks not presently known to us or that we currently consider immaterial.

Business, Economic and Industry Risks

Global economic conditions, including inflation and supply chain disruptions, could continue to adversely affect our operations.

General global economic downturns and macroeconomic trends, including heightened inflation, capital market volatility, interest rate and currency rate fluctuations, and economic slowdown or recession, may result in unfavorable conditions that could negatively affect demand for our products and services, or the prices we can charge for our products, disrupt our supply chain, impair our ability to produce our products, increase borrowing costs and exacerbate some of the other risks that affect our business, financial condition and results of operations. In addition, general economic conditions may impact the healthcare industry, including

reductions in capital spending, changes in the delivery of healthcare services and increasing labor disputes, which could in turn affect demand for our products and services. Both domestic and international markets experienced inflationary pressures in fiscal year 2023 and we expect inflation to persist in the future but at lower levels than in fiscal year 2023. In addition, the Federal Reserve in the U.S. and other central banks in various countries have raised, and may again raise, interest rates in response to concerns about inflation, which, coupled with reduced government spending and volatility in financial markets, may have the effect of further increasing economic uncertainty and heightening these risks. Interest rate increases or other government actions taken to reduce inflation could also result in recessionary pressures in many parts of the world. Furthermore, currency exchange rates have been especially volatile in the recent past, and these currency fluctuations have affected, and may continue to affect, the reported value of our assets and liabilities, as well as our cash flows. In addition, we have previously experienced delays in collecting government receivables in certain countries due to economic conditions, and we may experience similar delays in the future in these and other countries or regions experiencing financial problems.

We have also experienced, and may continue to experience, significant challenges in our global supply chain, including shortages in supply, or disruptions or delays in shipments, of certain materials or components used in our products, and related price increases. While to date, we have been able to manage the challenges associated with these delays and shortages without significant disruption to our business, no assurance can be given that these efforts will continue to be successful.

Our international operations subject us to certain business risks.

A substantial amount of our sales come from our operations outside the U.S., and we intend to continue to pursue growth opportunities in foreign markets, especially in emerging markets. Our foreign operations subject us to certain commercial, political and financial risks. In addition to fluctuations in foreign currency exchange (discussed above), our business in these foreign markets is subject to changing political, social, and geopolitical conditions, such as the evolving situations in Ukraine, the Middle East and Asia, including any political instability resulting from war, terrorism, insurrections and civil unrest, and changing economic conditions in these markets, such as inflation, deflation, interest rate volatility and credit availability. Additionally, a number of factors, including U.S. relations with the governments of the foreign countries in which we operate, changes to international trade agreements and treaties, changes in tax laws and regulations, economic sanctions, export controls, restrictions on the ability to transfer capital across borders, tariffs and other increases in trade protectionism and barriers to market participation, or the weakening or loss of certain intellectual property protection rights in some countries, may affect our business, financial condition and results of operations. Foreign regulatory requirements, including those related to the testing, authorization, and labeling of products and import or export licensing requirements, could affect the availability of our products in these markets. In addition to these broader market conditions, our operations may also be impacted by a variety of local factors, such as competition from local companies, local product preferences and requirements, and changes in local healthcare payment systems and healthcare delivery systems. We also experience longer payment terms for account receivables in foreign jurisdictions than we experience in the U.S., and we face increased difficulty in establishing, staffing and managing our foreign operations.

The success of our operations outside the U.S. also depends, in part, on our ability to make necessary infrastructure enhancements to, among other things, our production facilities and sales and distribution networks. These and other factors may adversely impact our ability to pursue our growth strategy in these markets.

In addition, our international operations are governed by the U.S. Foreign Corrupt Practices Act and similar foreign anti-corruption laws. Global enforcement of anti-corruption laws has increased substantially in recent years, with more enforcement proceedings by U.S. and foreign governmental agencies and the imposition of significant fines and penalties. While we have implemented policies and procedures relating to compliance with these laws, our international operations, which often involve customer relationships with foreign governments, create the risk that there may be unauthorized payments or offers of payments made by employees, consultants, sales agents or distributors. We are also subject to certain U.S. and foreign laws and regulations that restrict BD from transacting business with, or making investments in, certain countries, governments, entities and individuals subject to U.S. or foreign economic sanctions or export restrictions. Any alleged or actual violations of these laws may subject us to government investigations and significant criminal

or civil sanctions and other liabilities, and negatively affect our reputation and could result in a material adverse effect on our business, results of operations, financial condition and cash flows.

The medical technology industry is very competitive.

We are a global company that faces significant competition from a wide range of existing competitors and new market entrants. These include large medical device companies with multiple product lines, some of which may have greater financial and other resources than we do, as well as firms which are more specialized than we are with respect to particular markets or product lines. Non-traditional entrants, such as technology companies, are also entering into the healthcare industry and some may have greater financial and other resources than we do. We face competition across all our product lines and in each market in which our products are sold on the basis of product features, clinical or economic outcomes, product quality, availability, price, services and other factors. Our ability to compete is also impacted by changing customer preferences and requirements, including increased focus on products using materials of concern and demand for more environmentally friendly products, and for products incorporating digital capabilities, as well as changes in the ways healthcare services are delivered (including the transition of more care from acute to non-acute settings and increased focus on chronic disease management). The shift of care from acute to non-acute settings may also place financial pressure on hospitals and broader healthcare systems that could result in less demand for our products and services. Cost containment efforts by governments and the private sector are also resulting in increased emphasis on products that reduce costs, improve clinical results and expand patient access. Changes in regulatory or market standards, including without limitation cybersecurity requirements, often require significant investment to maintain compliance to relevant standards. Our ability to remain competitive will depend on how well we meet these changing market and regulatory demands in terms of our product offerings and go-to-market approaches.

The medical technology industry is also subject to rapid technological change, discovery and frequent product introductions. The development of new or improved products, processes or technologies by other companies (such as needle-free injection technology or novel medical therapies) that provide better features, pricing, clinical outcomes or economic value may render our current products or subsequently developed products obsolete or less competitive. In some instances, competitors, including pharmaceutical companies, also offer (or are attempting to develop) alternative therapies for disease states that may be delivered without a medical device. Lower cost producers have also created pricing pressure, particularly in developing markets.

The medical technology industry has also experienced a significant amount of consolidation, resulting in companies with greater scale and market presence than BD. Traditional distributors are also manufacturers of medical devices, providing another source of competition. In addition, healthcare systems and other providers are consolidating, resulting in greater purchasing power for these companies. As a result, competition among medical device suppliers to provide goods and services has increased. Group purchasing organizations and integrated health delivery networks have also served to concentrate purchasing decisions for some customers, which has led to downward pricing pressure for medical device suppliers. Further consolidation in the industry could intensify competition among medical device suppliers and exert additional pressure on the demand for and prices of our products.

We are subject to foreign currency exchange risk.

A substantial amount of our revenue is derived from international operations, and we anticipate that a significant portion of our future sales will continue to come from outside the U.S. The revenues we report with respect to our operations outside the U.S. have been and may continue to be adversely affected by fluctuations in foreign currency exchange rates, which are caused by a number of factors, including changes in a country's political and economic policies and inflationary conditions. Furthermore, currency exchange rates have been especially volatile in the recent past, and these currency fluctuations have affected, and may continue to affect, the reported value of our assets and liabilities, as well as our cash flows. A discussion of the financial impact of exchange rate fluctuations and the ways and extent to which we may attempt to address any impact is contained in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations. Any exchange rate hedging activities we engage in may only offset a portion of the adverse financial impact resulting from unfavorable changes in foreign currency exchange rates. We cannot predict with any certainty changes in foreign currency exchange rates or the degree to which we can effectively mitigate these risks.

Market dynamics, changes in reimbursement practices and coverage policies and third-party payer cost containment measures could affect the demand for our products and the prices at which they are sold.

The sale of our products and market access to BD products and services depends, in part, on the healthcare funding landscape as well as how healthcare providers and facilities are reimbursed by public and private payers. Coverage policies and reimbursement levels can vary across the payer community globally, regionally, and locally, and may affect which products customers purchase, the market acceptance rate for new technologies and the prices customers are willing to pay for those products in a particular jurisdiction. Furthermore, any changes to the coverage or reimbursement landscape, or adverse decisions relating to our products by administrators of these systems could significantly reduce reimbursement for procedures using our products or result in denial of reimbursement for those products, which could adversely affect customer demand, or the price customers are willing to pay for such products. See “Third-Party Reimbursement” under Item 1. Business.

A global trend towards limiting growth of healthcare costs may also put industry-wide pressure on medical device or clinical diagnostic pricing. In the U.S., these include value-based purchasing and managed care arrangements. Governments in China and other countries are also using various mechanisms to control healthcare expenditures, including increased use of competitive bidding and tenders as well as price regulation, such as volume-based procurement programs (“VoBP”), which have unfavorably impacted our revenues and may continue to impact our results of operations in certain countries.

Our future growth is dependent in part upon the development of new products, and there can be no assurance that such products will be developed.

A significant element of our strategy is to increase revenue growth by focusing on innovation and new product development. New product development requires significant investment in R&D, clinical trials and regulatory approvals. The results of our product development efforts may be affected by a number of factors, including our ability to anticipate customer needs, innovate and develop new products and technologies, successfully complete clinical trials, obtain regulatory approvals and reimbursement in the U.S. and abroad, manufacture products in a cost-effective manner, obtain appropriate intellectual property protections, and gain and maintain market acceptance of our products. In addition, patents attained by others can preclude or delay our commercialization of a product. There can be no assurance that any products now in development, or that we may seek to develop in the future, will achieve technological feasibility, obtain regulatory approval or gain market acceptance. If we are unable to develop and launch new products, our ability to maintain or expand our market position in the markets in which we participate may be negatively impacted. Even if we successfully develop new products or enhancements or new generations of existing products, they may be quickly rendered obsolete by changing customer preferences, changing industry or regulatory standards, or competitors’ innovations.

We are subject to risks associated with public health crises, such as pandemics and epidemics, including COVID-19, which could have a material adverse effect on our business. The nature and extent of future impacts are highly uncertain and unpredictable.

We are subject to risks associated with public health crises, such as pandemics and epidemics, including COVID-19, which could result in reductions in the demand for certain of our products. While the direct impact of COVID-19 and many of the preventive measures moderated in FY2023, any resurgence of COVID-19, or the outbreak of any other epidemic or pandemic, or the reinstatement of similar preventive measures in the future could negatively impact the global economy and our business, financial condition and results of operations.

In addition, public health crises and the resulting volatility in supply and demand may impact our global supply chain network, including shortages in supply or disruptions or delays in shipments, as well as price increases, of certain materials or components used in our products and increases in transportation costs. The COVID-19 pandemic changed the ways healthcare services are delivered due to budget constraints and staffing shortages, particularly shortages of nursing staff, which could impact the future demand for our products and services.

The scope and duration of any future public health crisis, including the potential emergence of new variants of the SARS-CoV-2 virus, the pace at which government restrictions are imposed and lifted, the scope of additional actions taken to mitigate the spread of disease, global vaccination and booster rates, the speed and extent to which global markets and utilization rates for our products fully recover from the disruptions caused by such a public health crisis, and the impact of these factors on our business, financial condition and results of operations, will depend on future developments that are highly uncertain and cannot be predicted with confidence.

To the extent COVID-19 or other public health crises adversely affect our operations and global economic conditions more generally, it may also have the effect of heightening many of the other risks described herein.

Reductions in customers' research budgets or government funding may adversely affect our business.

We sell products to researchers at pharmaceutical and biotechnology companies, academic institutions, government laboratories and private foundations. Research and development spending of our customers can fluctuate based on spending priorities and general economic conditions. A number of these customers are also dependent for their funding upon grants from U.S. government agencies, such as the U.S. National Institutes of Health and similar agencies in other countries. The level of government funding of research and development is unpredictable. The availability of governmental research funding may be adversely affected by economic conditions and governmental spending reductions, particularly during periods of economic uncertainty. Any reduction or delay in governmental funding could cause our customers to delay or forego purchases of our products.

We need to attract and retain key employees to be competitive.

Our ability to compete effectively depends upon our ability to attract and retain executives, key employees and other associates. Competition for experienced employees, particularly for persons with certain technical competencies in some geographies, can be a challenge. Additionally, we need qualified managers and skilled employees with technical, manufacturing and distribution experience to operate our business successfully. Our ability to recruit and retain such talent will depend on a number of factors, including how BD's compensation, benefits, work location, corporate culture and work environment compares with those offered by our competitors and other local employers. While there has been a slight improvement in what had been an intensely competitive labor market, there continues to be pressure on skilled labor in certain markets. A sustained labor shortage or increased turnover rates within our employee base has led to, and may continue to lead to, increased costs, such as an increase in overtime necessary to meet demand and increased wages and benefit costs to attract and retain skilled employees, and could negatively affect our ability to efficiently operate our manufacturing and distribution facilities and overall business. If we cannot effectively recruit and retain qualified executives and skilled employees, we could encounter operational disruptions or other negative consequences to our business, financial condition or results of operations.

The military conflict between Russia and Ukraine may adversely affect our business, financial condition and results of operations.

The military conflict in Ukraine has increased global economic and political uncertainty. Furthermore, governments in the U.S., United Kingdom, and European Union have each imposed export controls on certain products and financial and economic sanctions on certain industry sectors and parties in Russia, and additional controls and sanctions could be enacted in the future. We continue to actively monitor the situation in Russia and Ukraine and assess its impact on our business, including our suppliers and customers. We have no manufacturing facilities or significant operations in Russia or Ukraine and as such, to date, the conflict has not had a material impact on our business, financial condition or results of operations. However, it is possible that the conflict in Ukraine may escalate or expand, and the scope, extent and duration of the military action, current or future sanctions and resulting market and geopolitical disruptions could be significant. We cannot predict the impact the conflict may have on the global economy or our business, financial condition and operations in the future. The Russia and Ukraine conflict may also heighten the impact of other risks factors described herein. These potential effects could include but are not limited to increased inflation, volatility in prices for transportation, energy, commodities and other raw materials, constraints on the availability for us and our

suppliers of commodities and other raw materials, including cobalt and energy sources, disruptions in the global supply chain, decreased demand for certain of our products, disruptions to our global technology infrastructure, including through cyberattacks, ransom attacks or cyber-intrusion, adverse changes in international trade policies and relations, increased exposure to foreign currency fluctuations, and constraints, volatility or disruptions in the credit and capital markets.

Operational Risks

Breaches or breakdowns of our information and technology systems could have a material adverse effect on our operations.

We use a large number of information and technology systems to operate our business. We process, transmit, and store electronic information in our day-to-day operations, including sensitive personal or proprietary information. In addition, we rely on networks and services, including internet sites, cloud and software-as-a-service (“SaaS”) solutions, platform-as-a-service (“PaaS”) solutions, data hosting and processing facilities, tools and other hardware, software (including open-source software) and technical applications and platforms, including some that are managed, hosted, provided and/or used by third-party providers, to assist in conducting our business. Some of our products include information systems that collect data regarding patients and patient therapy on behalf of our customers and some connect to our systems for maintenance purposes.

Cyberattacks continue to increase in frequency, sophistication and intensity, and are becoming increasingly difficult to detect for periods of time, especially as they relate to attacks on third-party providers or their vendors. Such attacks are often carried out by motivated and highly skilled actors, who are increasingly well-resourced. Our information systems, as well as those of various third parties on which we rely, have experienced, and are likely to continue to experience, a variety of cybersecurity attacks including, but not limited to, unauthorized access, malicious code execution and/or phishing- attacks. Geopolitical events have also increased cybersecurity risks on a global basis. In this increasingly hostile environment, we, or our third-party providers, could suffer a loss or disclosure of certain business information (or information regarding third parties stored in our systems) due to any number of causes ranging from catastrophic events or power outages to improper data handling or security breaches. These breaches and cyberattacks could result in our intellectual property and other confidential or proprietary information being accessed, destroyed or stolen, which could adversely affect our competitive position in the market. Likewise, we or our third-party providers could suffer disruption of our operations and other significant negative consequences, including increased costs for security measures or remediation, lost revenue, manufacturing challenges or disruption, diversion of management attention, reputational damage, litigation and damage to our relationships with vendors, business partners and customers.

Unauthorized tampering, adulteration or interference with our products may also create issues with product functionality that could result in a loss of data, risk to patient safety and product recalls or field actions. Cyberattacks could also result in unauthorized access to our systems and products, which could impact our compliance with privacy and other laws and regulations and could result in actions by regulatory bodies or civil litigation.

Cyberattacks are becoming more sophisticated, frequent and adaptive. While we have made investments to address these threats and continue to dedicate significant resources to protect against unauthorized access of our systems and products, and we continue to work with government authorities and third-party providers to detect and reduce the risk of future cyber incidents, there can be no assurances that these protective measures will prevent future attacks that could have a material adverse impact on our business.

Cost volatility could adversely affect our operations.

Our results of operations could be negatively impacted by volatility in the cost of raw materials, components, labor, freight and energy that, in turn, increases the costs of producing and distributing our products. New laws or regulations adopted in response to climate change could also increase energy and transportation costs, as well as the costs of certain raw materials and components. In particular, we purchase supplies of resins, which are oil-based components used in the manufacture of certain products, and any significant increases in resin costs, whether due to inflationary pressure, supply constraints, regulatory changes

or otherwise, could adversely impact future operating results. Increases in oil prices can also increase our packaging and transportation costs. The costs of raw materials, transportation, construction, services, and energy necessary for the production and distribution of our products continues to increase and be volatile. These prices may continue to fluctuate based on many factors beyond our control, including but not limited to, changes in general economic conditions, labor costs, transportation costs, competition and currency exchange rates. While we have implemented cost containment measures, selective price increases and taken other actions to mitigate these inflationary pressures in our supply chain, we may not be able to completely offset all the increases in our operational costs.

A reduction or interruption in the supply of certain raw materials and components could adversely affect our operating results.

We purchase many different types of raw materials and components used in our products, some of which are not available from multiple sources. In addition, for quality assurance, cost-effectiveness and other reasons, certain raw materials and components are purchased from sole suppliers. The price and supply of these materials and components may be impacted or disrupted for reasons beyond our control, including supplier shutdowns, supplier capacity constraints, supplier insolvencies, labor disruptions, transportation delays, inflationary pricing pressures, work stoppages, labor shortages, extreme weather events, geopolitical developments, global economic uncertainty or downturns, sanctions and trade restrictions, and other governmental regulatory actions (such as in the area of materials of concern). We have experienced, and may continue to experience, significant challenges to our global transportation channels and other aspects of our global supply chain network, including to the cost and availability of energy, raw materials and components due to shortages and cost inflation.

While we work with suppliers to ensure continuity of supply and service, no assurance can be given that these efforts will be successful. In addition, due to regulatory requirements relating to the qualification of suppliers, we may not be able to establish additional or replacement sources on a timely basis or without excessive cost. The termination, reduction or interruption in supply of these raw materials and components could adversely impact our ability to manufacture and sell certain of our products, which could have an adverse impact on our business, financial condition and results of operations.

Interruption of our manufacturing or sterilization operations could adversely affect our business.

We have manufacturing sites all over the world. In some instances, however, the manufacturing of certain of our product lines is concentrated in one or more of our plants. Interruption to our manufacturing operations resulting from weather or natural disasters, regulatory requirements, equipment failure or other issues in our manufacturing process, could adversely affect our ability to manufacture our products. In some instances, we may not be able to transition manufacturing to other BD sites or a third party to replace the lost production. A significant interruption of our manufacturing operations could result in lost revenues and damage to our relationships with customers.

In addition, many of our products require sterilization prior to sale, and we utilize both BD facilities and third parties for this process. In some instances, only a few facilities are qualified under applicable regulations to conduct this sterilization. To the extent we or our third-party providers are unable to sterilize our products, whether due to lack of capacity, availability of materials for sterilization (including cobalt), regulatory requirements or otherwise, we may be unable to transition sterilization to other sites or modalities in a timely or cost-effective manner, or at all, which could have an adverse impact on our operating results and financial condition.

At a broader level, there is increased focus on the use and emission of ethylene oxide by the EPA and state environmental regulatory agencies. Additional regulatory requirements associated with the use and emission of ethylene oxide for sterilization may be imposed in the future, both domestically and outside the U.S. In April 2023, the EPA published proposed regulations relating to commercial sterilizers. We cannot predict what any final regulations adopted by the EPA may require and therefore we are not able to assess the impact they may have on our sterilization facilities, on the third-party sterilization facilities that BD utilizes or on our operations more generally. This increased regulation could require BD or sterilization service providers, including providers used by BD, to temporarily suspend operations to install additional emissions control

technology, limit the use of ethylene oxide or take other actions, which would impact BD's operations and further reduce the available capacity to sterilize medical devices and healthcare products, and could also result in additional costs. If any existing regulatory requirements or any such regulatory actions or rulemaking result in the suspension or interruption of sterilization operations at BD or at medical device sterilizers used by BD, or otherwise limit the availability of third-party sterilization capacity, this could interrupt or otherwise adversely impact production of certain of our products or lead to civil litigation or other claims against BD. BD has business continuity plans in place to mitigate the impact of any such disruption, although these plans may not be able to fully offset such impact, for the reasons noted above. See "Item 1. Business - Regulation" for a discussion of the consent order BD entered into with the Environmental Protection Division of the Georgia Department of Natural Resources and the risk related to sterilization operations generally.

Climate change, or legal, regulatory or market measures to address climate change, could adversely affect our business, financial condition or results of operations.

Climate change resulting from increased concentrations of carbon dioxide and other greenhouse gases ("GHG") in the atmosphere may present risks to our business and operations. Extreme weather or other conditions, such as hurricanes, tornadoes, windstorms, wildfires or flooding, which may result from climate change could adversely impact our operations and supply chain, including the availability and cost of raw materials and components required for the operation of our business, and human capital issues for BD and companies within our supply chain. In addition, access to and pricing of certain natural resources, such as water, could impact our manufacturing operations. Such conditions could also result in physical damage to our products, plants and distribution centers, as well as the infrastructure and facilities of our suppliers and of hospitals, medical care facilities and other customers.

There has been increased focus by federal, international, state and local regulatory and legislative bodies to combat and/or limit the effects of climate change through a variety of means, including regulating greenhouse gas emissions (and requirements to disclose climate-related risks and metrics, including greenhouse gas emissions), policies mandating or promoting the use of renewable or zero-carbon energy and sustainability initiatives, and additional taxes on fuel and energy. If legislation or regulations are enacted or promulgated in the United States or in any other jurisdiction in which we do business that impose more stringent restrictions and requirements than our current legal or regulatory obligations, we and companies in our supply chain may experience increased compliance burdens and costs to meet the regulatory obligations, which could cause disruption in the sourcing, manufacturing and distribution of our products and adversely affect our business, financial condition or results of operations.

Additionally, the impacts of climate change may further influence customer preferences and requirements, such as increased demand for products with lower environmental footprints, and for companies to produce and demonstrate progress against GHG reduction plans and targets. Failure to provide climate-friendly products or demonstrate GHG reductions could potentially result in loss of market share.

Legal, Quality and Regulatory Risks

We are subject to lawsuits.

We are or have been a defendant in a number of lawsuits, including, among others, purported class action lawsuits for alleged antitrust violations and violations of federal securities laws, product liability claims (which may involve lawsuits seeking class action status or seeking to establish multi-district litigation proceedings, including pending claims relating to our hernia repair implant products, surgical continence and pelvic organ prolapse products for women, vena cava filter products and implantable ports), and suits alleging patent infringement. We also are or have been subject to government subpoenas and civil investigative demands seeking information with respect to alleged violations of law, including in connection with federal and/or state healthcare programs (such as Medicare or Medicaid), federal contracting requirements and/or sales and marketing practices. A more detailed description of certain litigation to which we are a party is contained in Note 6 to the consolidated financial statements included in Item 8. Financial Statements and Supplementary Data. We could be subject to additional lawsuits, governmental investigations, subpoenas and civil investigative demands in the future. Any such lawsuits, governmental investigations, subpoenas and civil investigative demands could ultimately have a material adverse effect on our results of operations, financial condition and liquidity, and could distract management from the operations of the business.

Reserves established for estimated losses with respect to legal proceedings do not represent an exact calculation of our actual liability, but instead represent our estimate of the probable loss at the time the reserve is established. Due to the inherent uncertainty of litigation and our underlying loss reserve estimates, additional reserves may be established or current reserves may be significantly increased from time-to-time. Also, in some instances, we are not able to estimate the amount or range of loss that could result from an unfavorable outcome of the litigation to which we are a party. In view of these uncertainties, we could incur charges materially in excess of any currently established accruals and, to the extent available, excess liability insurance. Any such future charges, individually or in the aggregate, could have a material adverse effect on our results of operations, financial condition and/or liquidity.

With respect to certain litigation, we believe that some settlements and judgments, as well as legal defense costs, may be covered in whole or in part under applicable insurance policies with a limited number of insurance companies, or, in some circumstances, indemnification obligations owed to us by other parties. However, amounts recovered under these arrangements may be less than the stated coverage limits or less than otherwise expected and may not be adequate to cover damages and/or costs. In addition, there is no guarantee that insurers or other parties will pay claims or that coverage or indemnity will be otherwise available. Also, for certain product liability claims or lawsuits, BD does not maintain or has limited remaining insurance coverage, and we may not be able to obtain additional insurance on acceptable terms or at all that will provide adequate protection against potential liabilities.

We are subject to extensive regulation.

Our operations are global and are affected by complex state, federal and international laws relating to healthcare, environmental protection, occupational health and safety, antitrust, anti-corruption, marketing, fraud and abuse (including anti-kickback and false claims laws), export control, product safety and efficacy, employment, privacy and other areas. Violations of these laws can result in criminal or civil sanctions, including substantial fines and, in some cases, exclusion from participation in healthcare programs such as Medicare and Medicaid. Environmental laws, particularly with respect to climate change and the emission of greenhouse gases, are also becoming more stringent throughout the world, which may increase our costs of operations or necessitate closures of, or changes to, our manufacturing plants or processes or those of our suppliers, or result in liability to BD. The enactment of additional laws and reporting requirements in the future or changes in the interpretation of existing laws or regulations may increase our compliance costs or otherwise adversely impact our operations and financial performance.

We are subject to extensive regulation by the FDA pursuant to the Federal Food, Drug and Cosmetic Act, by comparable agencies in foreign countries, and by other regulatory agencies and governing bodies. Most of our products must receive clearance or approval from the FDA or counterpart regulatory agencies in other countries before they can be marketed or sold. The process for obtaining marketing approval or clearance may require us to incur significant costs in terms of time and resources, and these costs have been increasing due to increased requirements from the FDA and comparable governing bodies for supporting data for submissions. The regulatory process may also require changes to our products or result in limitations on the indicated uses of our products. Governmental agencies may also impose new requirements regarding registration, including, but not limited to, labeling updates or changes to prohibited materials that require us to modify or re-register products already on the market or otherwise impact our ability to market our products in those countries.

Following the introduction of a product, these agencies also periodically review our manufacturing processes and product performance. Our failure to comply with the applicable good manufacturing practices, adverse event reporting and other post market requirements of these agencies could delay or prevent the production, marketing or sale of our products and result in delays or suspensions of regulatory clearances, warning letters or consent decrees, closure of manufacturing sites, import bans, seizures or recalls of products, civil or criminal sanctions and damage to our reputation. More stringent oversight by the FDA and other agencies in recent years has resulted in increased enforcement activity, which increases our compliance risk.

We are operating under an amended consent decree with the FDA, entered into by CareFusion in 2007 and amended in 2009, that affects our BD Alaris™ infusion pump business in the U.S. We are also currently

operating under a warning letter issued by the FDA. For more information regarding the consent decree and warning letter, see “Regulation” under Item 1. Business.

As previously disclosed, on July 21, 2023, BD received 510(k) clearance from the FDA for its updated BD Alaris™ Infusion System, which enables both remediation and a return to market for the BD Alaris™ Infusion System. In accordance with our commitments to the FDA, all of the current BD Alaris™ Infusion System devices in the U.S. market will be remediated or replaced with the updated 510(k) cleared version over the next several years. The overall timing and cost of replacement or remediation of the BD Alaris™ Infusion Systems and return to market in the U.S. may be impacted by, among other things, customer readiness, supply continuity, and our continued engagement with the FDA.

In addition, the European Union (“EU”) has adopted the EU Medical Device Regulation (the “EU MDR”) and the In Vitro Diagnostic Regulation (the “EU IVDR”), each of which impose stricter requirements for the marketing and sale of medical devices, including in the area of clinical evidence requirements, quality systems and post-market surveillance. The EU MDR has been fully operational for previously approved self-certified medical devices since May 2021. In February 2023, the EU Parliament voted to extend the EU MDR transition timeline, which postpones application until 2027 for higher-risk Class III and implantable IIb devices (excluding WET devices) and 2028 for Class IIa, Class IIb (excluding Class IIb implantable non-WET devices), and Class I sterile devices or Class I devices with measuring function. This longer transition timeline applies only to devices that are transitioning to MDR and meet other specific conditions set out in the EU IVDR. The EU IVDR has been fully applicable for manufacturers of in vitro diagnostic medical devices since May 2022. Complying with and maintaining devices under these regulations requires us to incur significant expenditures. Additionally, the availability of EU notified body services certified to the new requirements is limited, which may delay the marketing approval for some of our products under the EU MDR. Any such delays, or any failure to meet these requirements could adversely impact our business in the EU and other regions that tie their product registrations to EU conformity requirements.

We are also subject to complex and frequently changing privacy and data protection laws, rules and regulations in the U.S. as well as in all other regions where BD operates, regarding the collection, use, storage, transfer and other processing of personal information. These privacy, security and data protection laws and regulations could impose significant limitations, require changes to our policies, practices, and processes and in some cases impose restrictions on our use or storage of personal information. These limitations and restrictions could require us to modify current or future products or services, which may harm our future financial results. Any actual or perceived noncompliance with these laws, rules and regulations, our internal policies and procedures or our contracts governing the processing of personal information could result in significant consequences for BD, including, among other things, business interruption, sanctions and significant pecuniary fines, regulatory inquiries and investigations, adverse publicity, loss of competitive advantage and customer trust, as well as privacy litigation and civil lawsuits with damages.

The importance of privacy laws, rules and regulations for the healthcare and med-tech industry specifically is constantly growing, as personal data has become an integral part of doing business in our sector, and the legal standards are evolving and becoming more complex worldwide. For instance, the European General Data Protection Regulation (the “GDPR”), applicable as of 2018 and still one of the strictest and most comprehensive privacy laws in the world, is being continuously enforced, and increasingly heavy fines for GDPR violations are now being levied on businesses. Fines for noncompliance with the GDPR can amount to up to €20 million or 4% of the total worldwide annual turnover from the preceding financial year (whichever is higher) and may be imposed in conjunction with the exercise of the authority’s investigatory and corrective powers. The GDPR’s extraterritorial scope makes it applicable to our U.S.-based legal entities whenever our business activities, systems and products process the personal data of EU residents. Additionally, privacy laws, rules and regulations are also rapidly developing in other countries and at the state level in the U.S. in parallel with federal privacy laws protecting sensitive health information. These varying laws, rules, regulations and industry standards impact BD businesses to the extent they rely on the use of personal data and create significant compliance challenges while maintaining our global reach. In addition, certain privacy and data protection laws may apply to us indirectly through our customers, manufacturers, suppliers or other third-party

partners. For example, non-compliance with applicable laws or regulations by a third-party partner that is processing personal data on our behalf may be deemed non-compliance by us or a failure by us to conduct proper due diligence on the third party, which could result in material fines or litigation. We also could be subject to additional expenses and liabilities in the event of an information security incident, including a cybersecurity breach, or the failure of an information technology system owned or operated by us or a third party with which we partner or its vendor.

Defects or quality issues associated with our products could adversely affect the results of our operations.

The design, manufacture and marketing of medical devices involve certain inherent risks. Manufacturing or design defects, component failures, unapproved or improper use of our products, or inadequate disclosure of risks or other information relating to the use of our products can lead to injury or other serious adverse events. Such events have in the past and could in the future lead to recalls or safety alerts relating to our products (either voluntary or as required by the FDA or similar governmental authorities in other countries), and could result, in certain cases, in the removal of a product from the market. A recall could result in significant costs and lost sales and customers, enforcement actions and/or investigations by state and federal governments or other enforcement bodies, as well as negative publicity and damage to our reputation that could reduce future demand for our products. Personal injuries relating to the use of our products can also result in significant product liability claims being brought against us. In some circumstances, such adverse events could also cause delays in regulatory approval of new products or the imposition of post-market approval requirements.

Our operations are dependent in part on patents and other intellectual property assets.

Many of our businesses rely on patent, trademark and other intellectual property assets. These intellectual property assets, in the aggregate, are of material importance to our business. We can lose the protection afforded by these intellectual property assets through patent expirations, legal challenges or governmental action. Any patent applications we own or license may not result in patents being issued and any issued patents we obtain may not provide us with any competitive advantage. Furthermore, we may fail to accurately predict all of the countries where patent protection will ultimately be desirable, and if we fail to timely file a patent application in any such country, we may be precluded from doing so at a later date. Patents attained by competitors, particularly as patents on our products expire, may also adversely affect our competitive position. Competitors may design around our intellectual property to develop competing technologies and products without infringing our intellectual property rights. In addition, competitors may seek to invalidate patents on our products or claim that our products infringe upon, misappropriate or otherwise violate their intellectual property, which could result in a loss of competitive advantage or the payment of significant legal fees, damage awards and past or future royalties, as well as injunctions against future sales of our products. We also operate in countries that do not protect intellectual property rights to the same extent as in the U.S., which could make it easier for competitors to compete with us in those countries.

We also rely on trade secrets and proprietary know-how with which we seek to protect our products, in part, by confidentiality agreements with certain employees, consultants and other parties. These agreements may not adequately protect our trade secrets and other proprietary rights. These agreements may be breached and we may not have adequate remedies for any breach. In addition, our trade secrets may otherwise become known or be independently developed by our competitors.

The loss of a significant portion of our portfolio of intellectual property assets may have an adverse effect on our earnings, financial condition or cash flows.

Risks Relating to Our Indebtedness

We may not be able to service all of our indebtedness.

We depend on cash on hand and cash flows from operations to make scheduled debt payments. However, our ability to generate sufficient cash flow from operations of the combined Company and to utilize other methods to make scheduled payments will depend on a range of economic, competitive and business factors, many of which are outside of our control. There can be no assurance that these sources will be adequate. If we are unable to service our indebtedness and fund our operations, we will be forced to reduce or delay capital expenditures, seek additional capital, sell assets or refinance our indebtedness. Any such action may not

be successful and we may be unable to service our indebtedness and fund our operations, which could have a material adverse effect on our business, financial condition or results of operations. Additionally, we may not be able to refinance existing debt on favorable or comparable terms.

The agreements that govern our indebtedness impose restrictions that may affect our ability to operate our businesses.

The agreements that govern our indebtedness contain various affirmative and negative covenants that may, subject to certain significant exceptions, restrict the ability of certain of our subsidiaries to incur debt and the ability of us and certain of our subsidiaries to, among other things, have liens on our property, and/or merge or consolidate with any other person or sell or convey certain of our assets to any one person, engage in certain transactions with affiliates and change the nature of our business. In addition, the agreements also require us to comply with certain financial covenants, including financial ratios. Our ability and the ability of our subsidiaries to comply with these provisions may be affected by events beyond our control. Failure to comply with these covenants could result in an event of default, which, if not cured or waived, could accelerate our repayment obligations and could result in a default and acceleration under other agreements containing cross-default provisions. Under these circumstances, we might not have sufficient funds or other resources to satisfy all of our obligations.

Risks Relating to the Spin-off of Embecta Corp.

Risks relating to spin-off of Embecta Corp.

On April 1, 2022, we completed the spin-off of Embecta Corp. (Embecta) (NASDAQ: EMBC), which holds our former Diabetes Care business and is now one of the world's largest pure-play diabetes management companies in the world. The spin-off is intended to be a tax-free transaction for U.S. federal income tax purposes. If any facts, assumptions, representations, and undertakings from BD and Embecta regarding the past and future conduct of their respective businesses and other matters are incorrect or not otherwise satisfied, the spin-off may not qualify for tax-free treatment, which could result in significant U.S. federal income tax liabilities for BD and its shareholders. Additionally, there can be no assurances that BD will be able to achieve the full strategic and financial benefits that are expected to result from the spin-off.

General Business Risks

We cannot guarantee that any of our strategic acquisitions, investments or alliances will be successful.

We seek to supplement our internal growth through strategic acquisitions, investments and alliances. Such transactions are inherently risky, and the integration of any newly-acquired business requires significant effort and management attention. The success of any acquisition, investment or alliance may be affected by a number of factors, including our ability to properly assess and value the potential business opportunity or to successfully integrate any business we may acquire into our existing business. There can be no assurance that any past or future transaction will be successful.

Natural disasters, war and other events beyond our control could disrupt our business and adversely affect our future revenues and operating income.

Natural disasters, such as hurricanes, tornadoes, windstorms, earthquakes, wildfires and floods and other extreme weather events (including those caused by climate change), war, global health crises, terrorism, social or political unrest, labor disruptions and international conflicts and other events beyond our control, and actions taken by the U.S. and other governments or by our customers or suppliers in response to such events, could cause significant economic disruption and political and social instability in the U.S. and areas outside of the U.S. in which we operate. These events could result in decreased demand for our products, adversely affect our manufacturing and distribution capabilities, or increase the costs for or cause interruptions in the supply of materials from our suppliers.

Information About our Executive Officers

The following is a list of the executive officers of BD, their ages and all positions and offices held by each of them during the past five years. There is no family relationship between any executive officer or director of BD.

Name	Age	Position
Thomas E. Polen	50	Chairman since April 2021; Chief Executive Officer since January 2020; President since April 2017; Chief Operating Officer from October 2018 to January 2020; and Executive Vice President and President - Medical Segment from October 2014 to April 2017.
Richard Byrd	56	Executive Vice President and President, Interventional Segment since September 2022; Worldwide President, BD Medication Delivery Solutions from March 2019 to September 2022; Worldwide President, Preanalytical Systems from December 2016 to February 2019.
Christopher J. DelOrefice	52	Executive Vice President and Chief Financial Officer since September 2021; Vice President, Investor Relations, Johnson & Johnson from August 2018 to September 2021; Chief Financial Officer, North America Hospital Medical Devices, Johnson & Johnson from June 2017 to August 2018; and Vice President, Finance, North America, Johnson & Johnson Consumer, March 2014 to June 2017.
Antoine C. Ezell	54	Executive Vice President, President, North America and Chief Marketing Officer since October 2020; Executive Vice President and Chief Marketing Officer from January 2020 to October 2020; Vice President, Connected Care and Insulins, Eli Lilly and Company from January 2019 to January 2020; and prior thereto, Vice President, Enterprise Capabilities and Solutions, Eli Lilly; Chief Marketing Officer, Elanco Animal Health; and Chief Customer Officer, Eli Lilly.
Michael Garrison	55	Executive Vice President and President, Medical Segment since September 2022; Worldwide President, BD Medication Management Solutions from March 2020 to September 2022; Worldwide President, BD Surgery from December 2018 to March 2020; Vice President and General Manager Worldwide Infusion Systems from July 2016 to December 2018.
Roland Goette	61	Executive Vice President and President, EMEA since May 2017; and President, Europe from October 2014 to May 2017.
David B. Hickey	61	Executive Vice President and President, Life Sciences Segment since January 2021; President, Integrated Diagnostics Solutions from October 2019 to January 2021; and President, Diagnostic Systems from July 2016 to September 2019.
Pavan Mocherla	54	Executive Vice President and President, Greater Asia since July 2022; Country General Manager, South Asia/Managing Director from December 2017 to June 2022; Vice President of Strategic Innovation for Greater Asia from August 2017 to December 2017.
Shana Neal	58	Executive Vice President and Chief People Officer since April 2022; Chief Human Resources Officer of Owens & Minor from April 2018 to March 2022; Senior Vice President, Human Resources of BD from January 2017 to March 2018.
Michelle Quinn	55	Executive Vice President and General Counsel since April 2023; Senior Vice President, Deputy General Counsel and Chief Ethics and Compliance Officer from February 2022 to April 2023; Senior Vice President, Chief Ethics & Compliance Officer, Chief Regulatory Counsel from May 2019 to January 2023; Senior Vice President, Chief Compliance Officer from February 2019 to May 2019; Vice President, General Counsel of North America of Sandoz Inc. from January 2017 to January 2019.
David Shan	53	Executive Vice President and Chief Integrated Supply Chain Officer since January 2023; Executive Vice President and Chief Quality Officer from March 2020 to August 2023; Senior Vice President, Global Supply Chain from May 2018 to August 2020; Senior Vice President, Worldwide Operations Devices from December 2017 to May 2018.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

BD's executive offices are located in Franklin Lakes, New Jersey. As of September 30, 2023, BD owned or leased 297 facilities throughout the world, comprising approximately 26,079,062 square feet of manufacturing, warehousing, administrative, and research facilities. The U.S. facilities, including those in Puerto Rico, comprise approximately 7,862,022 square feet of owned and 4,803,322 square feet of leased space. The international facilities comprise approximately 10,226,005 square feet of owned and 3,187,713 square feet of leased space. Sales offices and distribution centers included in the total square footage are also located throughout the world.

Operations in each of BD's business segments are conducted at both U.S. and international locations. Particularly in the international marketplace, facilities often serve more than one business segment and are used for multiple purposes, such as administrative/sales, manufacturing and/or warehousing/distribution. BD generally seeks to own its manufacturing facilities, although some are leased.

BD believes that its facilities are of good construction and in good physical condition, are suitable and adequate for the operations conducted at those facilities, and are, with minor exceptions, fully utilized and operating at normal capacity.

The U.S. facilities are located in Alabama, Arizona, California, Colorado, Connecticut, Florida, Georgia, Illinois, Indiana, Maryland, Massachusetts, Nebraska, New Jersey, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Utah, Virginia, Washington D.C., Washington, Wisconsin, and Puerto Rico.

The international facilities are as follows:

- *Europe, Middle East, Africa*, which includes facilities in Austria, Belgium, Bosnia, the Czech Republic, Denmark, Egypt, England, Finland, France, Germany, Ghana, Greece, Hungary, Ireland, Israel, Italy, Kenya, Luxembourg, Netherlands, Norway, Poland, Portugal, Russia, Saudi Arabia, South Africa, Spain, Sweden, Switzerland, Turkey, the United Arab Emirates and Zambia.
- *Greater Asia*, which includes facilities in Australia, Bangladesh, China, India, Indonesia, Japan, Malaysia, New Zealand, Pakistan, the Philippines, Singapore, South Korea, Taiwan, Thailand and Vietnam.
- *Latin America & Caribbean*, which includes facilities in Argentina, Barbados, Brazil, Chile, Colombia, the Dominican Republic, Mexico, Peru and Uruguay.
- *Canada*.

Item 3. Legal Proceedings.

Information with respect to certain legal proceedings is included in Note 6 to the consolidated financial statements contained in Item 8. Financial Statements and Supplementary Data, and is incorporated herein by reference.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II**Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.**

BD's common stock is listed on the New York Stock Exchange under the symbol "BDX". As of October 31, 2023, there were approximately 10,775 shareholders of record.

The table below sets forth certain information regarding BD's purchases of its common stock during the fiscal quarter ended September 30, 2023.

<u>Period</u>	<u>Total Number of Shares Purchased(1)</u>	<u>Average Price Paid per Share</u>	<u>Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (2)</u>	<u>Maximum Number of Shares that May Yet be Purchased Under the Plans or Programs (2)</u>
July 1-31, 2023	1,084	\$ 258.15	—	8,799,998
August 1-31, 2023	1,211	279.56	—	8,799,998
September 1-30, 2023	—	—	—	8,799,998
Total	2,295	\$ 269.44	—	8,799,998

- (1) Includes 2,295 shares purchased during the quarter in open market transactions by the trust relating to BD's Deferred Compensation and Retirement Benefit Restoration Plan and 1996 Directors' Deferral Plan.
- (2) Represents shares available under a repurchase program authorized by the Board of Directors on November 3, 2021 for 10 million shares, for which there is no expiration date. In November 2023, the Company executed accelerated share repurchase agreements to repurchase \$500 million of its common stock.

Item 6. (Reserved)

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following commentary should be read in conjunction with the consolidated financial statements and accompanying notes presented in this report. Within the tables presented throughout this discussion, certain columns may not add due to the use of rounded numbers for disclosure purposes. Percentages and earnings per share amounts presented are calculated from the underlying amounts. References to years throughout this discussion relate to our fiscal years, which end on September 30.

Company Overview

Description of the Company and Business Segments

Becton, Dickinson and Company ("BD") is a global medical technology company engaged in the development, manufacture and sale of a broad range of medical supplies, devices, laboratory equipment and diagnostic products used by healthcare institutions, physicians, life science researchers, clinical laboratories, the pharmaceutical industry and the general public. The Company's organizational structure is based upon three principal business segments, BD Medical ("Medical"), BD Life Sciences ("Life Sciences") and BD Interventional ("Interventional").

BD's products are manufactured and sold worldwide. Our products are marketed in the United States and internationally through independent distribution channels and directly to end-users by BD and independent sales representatives. We organize our operations outside the United States as follows: EMEA (which includes Europe, the Middle East and Africa); Greater Asia (which includes countries in Greater China, Japan, South Asia, Southeast Asia, Korea, Australia and New Zealand); Latin America (which includes Mexico, Central America, the Caribbean and South America); and Canada. We continue to pursue growth opportunities in emerging markets, which include the following geographic regions: Eastern Europe, the Middle East, Africa, Latin America and certain countries within Greater Asia. We are primarily focused on certain countries whose healthcare systems are expanding.

Strategic Objectives

BD remains focused on delivering durable growth, creating shareholder value and making appropriate investments for the future. BD 2025, our vehicle for value creation, is anchored in three key pillars: grow, simplify and empower. BD's management team aligns our operating model and investments with these key strategic pillars through continuous focus on the following underlying objectives:

Grow

- Developing and maintaining a strong portfolio of leading products and solutions that address significant unmet clinical needs, improve outcomes, and reduce costs;
- Focusing on our core products, services and solutions that deliver greater benefits to patients, healthcare workers and researchers;
- Investing in research and development that leads to and expands category leadership, as well as results in a robust product pipeline;
- Accelerating innovation in smart devices, robotics, analytics, and artificial intelligence in order to enable new care settings, streamline care workflows and remove administrative burdens for healthcare providers;
- Leveraging our global scale in order to provide equitable access to affordable medical technologies around the world, including in under-resourced markets;
- Supplementing our internal growth through strategic acquisitions in faster growing market segments; and
- Focusing on cash management and an efficient capital structure in order to drive balance sheet productivity and strong shareholder returns.

Simplify

- Driving operating effectiveness and margin expansion by increasing factory productivity and asset efficiencies;
- Reducing complexity, increasing agility and improving customer experience by rationalizing our product portfolio, as well as by simplifying and optimizing our architecture and operating model;
- Making strategic investments which prioritize a culture of quality and our quality management system to ensure we are a best-in-class, proactive quality-driven organization;
- Enhancing customer experiences through the digitalization of internal processes and go-to-market approaches;
- Working across our supply chain to responsibly source materials and goods, as well as to reduce environmental impacts; and
- Creating more resilient operations through investments in an enterprise-wide renewable energy strategy.

Empower

- Fostering a purpose-driven culture with a focus on positive impact to all stakeholders—customers, patients, employees, shareholders and communities;
- Cultivating an inclusive work environment that welcomes and celebrates diverse backgrounds and perspectives;
- Growing and enabling talent through training, development and reskilling strategies; and
- Driving sustainability initiatives within our organizational units to support enterprise-wide collaboration towards our sustainability strategy.

In assessing the outcomes of these strategies as well as BD's financial condition and operating performance, management generally reviews forecast data, monthly actual results, including segment sales, and other similar information. We also consider trends related to certain key financial data, including gross profit margin, selling and administrative expense, investment in research and development, return on invested capital, and cash flows.

BD's Spin-Off of Diabetes Care and Sale of Surgical Instrumentation Platform

On April 1, 2022, we completed the spin-off of our former Diabetes Care business as a separate publicly traded company. The historical results of the Diabetes Care business that was contributed in the spin-off were reflected as discontinued operations in our consolidated financial statements.

In August 2023, we completed the sale of the Interventional segment's Surgical Instrumentation platform. The historical financial results for this platform have not been classified as a discontinued operation. Additional disclosures regarding the spin-off and sale are provided in Note 2 to the consolidated financial statements contained in Item 8. Financial Statements and Supplementary Data.

Key Trends Affecting Results of Operations

Our operations, supply chain, suppliers and customers are exposed to various global macroeconomic factors. The factors which were most impactful to our fiscal year 2023 results included the following:

- Inflation continued to drive higher costs of raw materials, electronic components, labor, energy, and logistical services. We expect inflation to persist into our fiscal year 2024, but at levels lower than our fiscal year 2023.
- A limited supply of skilled labor in certain markets drove higher overall labor costs, as noted above, and we expect labor availability will continue to be a macroeconomic challenge for our operations.
- The availability of energy sources in certain markets, as well as the availability of certain raw materials and electronic components on a global basis.

- Logistics capacity constraints eased in our fiscal year 2023 compared to 2022 and lead times improved in most key routes. However, adequate supply of transportation capacity is critical to our operations and constrained capacity may unfavorably impact our results of operations.

Current healthcare delivery has transitioned more care from acute to non-acute settings and has increased focus on chronic disease management; this transition has placed additional financial pressure on hospitals and the broader healthcare system. Healthcare institutions may take actions to mitigate any persistent pressures on their budgets and such actions could impact the future demand for our products and services. Additionally, a worsening of staffing shortages within healthcare systems may affect the prioritization of healthcare services, which could also impact the demand for certain of our products.

Certain geopolitical conditions, including the evolving situations in Ukraine, the Middle East and Asia, may contribute to the macroeconomic conditions discussed above. While these geopolitical conditions have not materially impacted our results of operations to date, the continuation and/or an escalation of these evolving situations may further weaken the global economy and could result in additional inflationary pressures and supply chain constraints, including the unavailability and cost of energy.

Additionally, governments in China and other countries use various mechanisms to control healthcare expenditures, including increased use of competitive bidding and tenders as well as price regulation. During our fiscal year 2023, regional and national volume-based procurement programs (“VoBP”) established by the government in China unfavorably impacted our revenues and we anticipate that these programs may continue to impact our results of operations.

We continue to invest in research and development, strategic tuck-in acquisitions, geographic expansion, and new product programs to drive further revenue and profit growth. Our ability to sustain our long-term growth will depend on a number of factors, including our ability to expand our core business (including geographical expansion), develop innovative new products, and continue to improve operating efficiency and organizational effectiveness.

We have been mitigating the impacts of the macroeconomic and other factors discussed above through various strategies which leverage our procurement, logistics and manufacturing capabilities. However, there can be no assurance that we will be able to effectively mitigate these pressures in future periods and an inability to offset these pressures through our strategies, at least in part, could adversely impact our results of operations. Due to the significant uncertainty that exists relative to the duration and overall impact of the macroeconomic and other factors discussed above, our future operating performance, particularly in the short-term, may be subject to volatility. The impacts of macroeconomic and other conditions on our business, results of operations, financial condition and cash flows are dependent on certain factors, including those discussed in Part I, Item 1A. Risk Factors.

Summary of Financial Results

Worldwide revenues in 2023 of \$19.372 billion increased 2.7% from the prior-year period. This increase reflected the following impacts:

	Increase (decrease) in current-period revenues	
Volume/other	3.0	%
Period-over-period decline in revenues related to COVID-19-only testing	(2.3)	%
Pricing	3.8	%
Foreign currency translation	(1.8)	%
Increase in revenues from the prior-year period	2.7	%

Our fiscal year 2023 revenues reflected sales in our Life Sciences segment related to COVID-19-only diagnostic testing on the BD Veritd™ Plus and BD Max™ Systems of \$73 million, compared with revenues from such testing products in 2022 of \$511 million.

Our financial position remains strong, with cash flows from continuing operating activities totaling \$2.990 billion in 2023. At September 30, 2023, we had \$1.489 billion in cash and equivalents and short-term investments, including restricted cash. We continued to return value to our shareholders in the form of dividends. During fiscal year 2023, we paid cash dividends of \$1.114 billion, including \$1.046 billion paid to common shareholders and \$68 million paid to preferred shareholders.

Each reporting period, we face currency exposure that arises from translating the results of our worldwide operations to the U.S. dollar at exchange rates that fluctuate from the beginning of such period. A stronger U.S. dollar, compared to the prior-year period, resulted in an unfavorable foreign currency translation impact to our revenues and earnings during our fiscal year 2023. We evaluate our results of operations on both a reported and a foreign currency-neutral basis, which excludes the impact of fluctuations in foreign currency exchange rates. As exchange rates are an important factor in understanding period-to-period comparisons, we believe the presentation of results on a foreign currency-neutral basis in addition to reported results helps improve investors' ability to understand our operating results and evaluate our performance in comparison to prior periods. Foreign currency-neutral ("FXN") information compares results between periods as if exchange rates had remained constant period-over-period. We use results on a foreign currency-neutral basis as one measure to evaluate our performance. We calculate foreign currency-neutral percentages by converting our current-period local currency financial results using the prior-period foreign currency exchange rates and comparing these adjusted amounts to our current-period results. These results should be considered in addition to, not as a substitute for, results reported in accordance with U.S. generally accepted accounting principles ("GAAP"). Results on a foreign currency-neutral basis, as we present them, may not be comparable to similarly titled measures used by other companies and are not measures of performance presented in accordance with U.S. GAAP.

Results of Operations

Medical Segment

The following summarizes Medical revenues by organizational unit:

(Millions of dollars)				2023 vs. 2022			2022 vs. 2021		
	2023	2022	2021	Total Change	Estimated FX Impact	FXN Change	Total Change	Estimated FX Impact	FXN Change
Medication Delivery Solutions	\$ 4,293	\$ 4,308	\$ 4,101	(0.3)%	(1.9)%	1.6 %	5.0 %	(1.8)%	6.8 %
Medication Management Solutions	2,980	2,533	2,432	17.6 %	(1.0)%	18.6 %	4.1 %	(1.5)%	5.6 %
Pharmaceutical Systems	2,229	2,001	1,828	11.4 %	(1.7)%	13.1 %	9.5 %	(5.0)%	14.5 %
Total Medical revenues	\$ 9,502	\$ 8,841	\$ 8,361	7.5 %	(1.6)%	9.1 %	5.7 %	(2.4)%	8.1 %

The Medical segment's revenue growth in 2023 reflected the following.

- Strong global sales of catheters and other vascular care products in the Medication Delivery Solutions unit were partially offset by the impact of VoBP in China and lower COVID vaccination-related revenues in 2023 compared with these revenues in 2022.
- Strong performance of the Medication Management Solutions unit's pharmacy automation portfolio, including Parata Systems, which we acquired in fiscal year 2022, and our BD Rowa™ technologies, as well as strong growth in sales of dispensing systems. Revenue growth attributable to the unit's recent acquisitions was approximately 9.3% in 2023.
- Continued strong demand for the Pharmaceutical Systems unit's prefillable solutions in high-growth markets such as the biologic drug category.

The Medical segment's revenue growth in 2022 reflected the following.

- Strong global sales of the Medication Delivery Solutions unit's catheters and other vascular care products, which were particularly driven by competitive gains for peripherally inserted intravenous catheter and flush products.
- Strong growth in global placements of the Medication Management Solutions unit's dispensing systems, partially offset by an unfavorable comparison to revenues in 2021, which benefited from pandemic-related demand for infusion pumps and sets. Our acquisition of Parata Systems in 2022 also contributed to 2022 revenue growth in the Medication Management Solutions unit.
- Continued high demand for Pharmaceutical Systems unit's prefillable solutions in the high-growth markets for biologic drugs and vaccines.

Medical segment operating income was as follows:

(Millions of dollars)	2023	2022	2021
Medical segment operating income	\$ 1,967	\$ 2,215	\$ 1,985
<i>Segment operating income as % of Medical revenues</i>	<i>20.7 %</i>	<i>25.1 %</i>	<i>23.7 %</i>

The Medical segment's operating income in 2023 and 2022, compared with the prior-year periods, reflected the following:

- The Medical segment's lower gross profit margin in 2023 compared with 2022 primarily reflected the following:
 - Charges of \$653 million, which unfavorably impacted gross profit margin in 2023 by approximately 6.9%, related to estimated future costs associated with the Medication Management Solutions unit's remediation efforts related to Alaris™ infusion pumps, compared with charges in 2022 of \$72 million.
 - Higher raw material, labor and freight costs, as well as unfavorable foreign currency translation; partially offset by
 - Lower manufacturing costs resulting from continuous improvement projects, which enhanced the efficiency of our operations, and pricing.
- The Medical segment's higher gross profit margin in 2022 compared with 2021 primarily reflected the following:
 - Favorable product mix with higher sales of high value-added products in the Medication Delivery Systems and Medication Management Solutions units.
 - Continuous improvement projects which enhanced the efficiency of our operations, as well as favorable impacts from price and foreign currency translation; partially offset by
 - Higher raw material and freight costs, a noncash asset impairment charge of \$54 million recorded to write down the carrying value of certain fixed assets, as well as charges of \$72 million recorded in 2022 for estimated future remediation costs, as noted above, compared with charges of \$56 million in 2021.
- Selling and administrative expense as a percentage of revenues in 2023 was lower compared with 2022 due to lower selling and shipping costs. Selling and administrative expense as a percentage of revenues in 2022 was lower compared with 2021, which reflected efforts to contain certain selling, travel and other administrative activities, partially offset by higher shipping costs.

- Research and development expense as a percentage of revenues was lower in 2023 compared with 2022, and in 2022 compared with 2021, which reflected revenue growth that outpaced the timing of project spending.

Life Sciences Segment

The following summarizes Life Sciences revenues by organizational unit:

(Millions of dollars)				2023 vs. 2022			2022 vs. 2021		
	2023	2022	2021	Total Change	Estimated FX Impact	FXN Change	Total Change	Estimated FX Impact	FXN Change
Integrated Diagnostic Solutions	\$ 3,624	\$ 4,185	\$ 5,225	(13.4)%	(2.0)%	(11.4)%	(19.9)%	(2.2)%	(17.7)%
Biosciences	1,509	1,379	1,305	9.4 %	(2.2)%	11.6 %	5.7 %	(3.3)%	9.0 %
Total Life Sciences revenues	\$ 5,133	\$ 5,564	\$ 6,530	(7.8)%	(2.1)%	(5.7)%	(14.8)%	(2.4)%	(12.4)%

As previously discussed above, the Integrated Diagnostic Solutions unit's revenues related to COVID-19-only diagnostic testing on the BD VeritofTM Plus and BD MaxTM Systems in 2023 were \$73 million compared with revenues in 2022 of \$511 million, which compared to revenues related to such products of \$1.956 billion in 2021.

The Life Sciences segment's revenues in 2023 also reflected the following:

- An unfavorable comparison to stronger sales in 2022 of the Integrated Diagnostic Solutions unit's combination influenza/COVID-19 testing assays, as well as destocking of specimen management products by U.S. distributors in 2023, were partially offset by growth in the unit's microbiology platform and growth attributable to molecular diagnostic platforms which leverage our larger installed base of BD MAXTM instruments.
- Strong growth in sales of the Biosciences unit's reagents and instruments, including our recently launched research instruments.

The Life Sciences segment's revenues in 2022 also reflected the following:

- Wide clinical adoption of the Integrated Diagnostic Solutions unit's broader respiratory panel and the expanded base of instruments we installed during the peak levels of the pandemic to facilitate COVID-19-only testing, as well as growth attributable to the unit's specimen management products due to a recovery of routine lab testing to pre-pandemic levels.
- Strong growth in sales of the Biosciences unit's reagents and instruments, including recently launched research instruments, as well as demand driven by continued adoption of the unit's e-commerce platform.

Life Sciences segment operating income was as follows:

(Millions of dollars)	2023	2022	2021
Life Sciences segment operating income	\$ 1,585	\$ 1,710	\$ 2,391
<i>Segment operating income as % of Life Sciences revenues</i>	<i>30.9 %</i>	<i>30.7 %</i>	<i>36.6 %</i>

The Life Sciences segment's operating income in 2023 and 2022, compared with the prior-year periods, reflected the following:

- The Life Sciences segment's higher gross profit margin in 2023 compared with 2022 primarily reflected the following:
 - Favorable impacts in 2023 from price and continuous improvement projects in our manufacturing facilities; partially offset by
 - The decline in COVID-19-only testing revenues and a decline in licensing income compared with 2022, as well as higher raw material and labor costs in 2023.
- The Life Sciences segment's lower gross profit margin in fiscal year 2022 compared with 2021 primarily reflected the following:
 - The decline in COVID-19-only testing revenues compared with 2021, higher raw material and freight costs; partially offset by
 - A favorable comparison to the prior-year period, which reflected approximately \$93 million of excess and obsolete inventory expenses related to COVID-19-only testing inventory, as well as favorable impacts in 2022 from continuous improvement projects in our manufacturing facilities, price, product mix, foreign currency translation and a benefit from licensing income.
- Lower selling and administrative expense as a percentage of revenue in 2023 compared with 2022, primarily reflected lower selling costs and efforts to contain certain administrative costs. Selling and administrative expense as a percentage of revenues in 2022 was higher compared with 2021 primarily due to the decline in revenues in 2022 compared with 2021.
- Higher research and development expense as a percentage of revenue in 2023 compared with 2022, and also in 2022 compared with 2021, primarily reflected the declines in segment revenues in both 2023 and 2022, compared with the prior-year periods.

Interventional Segment

The following summarizes Interventional revenues by organizational unit:

(Millions of dollars)				2023 vs. 2022			2022 vs. 2021		
	2023	2022	2021	Total Change	Estimated FX Impact	FXN Change	Total Change	Estimated FX Impact	FXN Change
Surgery	\$ 1,497	\$ 1,400	\$ 1,296	6.9 %	(1.3)%	8.2 %	8.0 %	(1.3)%	9.3 %
Peripheral Intervention	1,865	1,759	1,711	6.0 %	(2.9)%	8.9 %	2.8 %	(2.0)%	4.8 %
Urology and Critical Care	1,374	1,305	1,232	5.3 %	(1.8)%	7.1 %	5.9 %	(1.9)%	7.8 %
Total Interventional revenues	\$ 4,736	\$ 4,464	\$ 4,239	6.1 %	(2.0)%	8.1 %	5.3 %	(1.8)%	7.1 %

The Interventional segment's revenue growth in 2023 reflected the following:

- Double-digit growth in global sales of the Surgery unit's advanced repair and reconstruction platforms, as well as strong growth in sales of biosurgery products, was partially offset by a decline in revenues attributable to the unit's sale of its Surgical Instrumentation platform in the fourth quarter of fiscal year 2023.
- Growth driven by global market penetration of the Peripheral Intervention unit's peripheral vascular disease platform was partially offset by the impact of planned strategic portfolio exits.

- Continued strong demand for the Urology and Critical Care unit's PureWick™ offerings in the acute and alternative care settings.

The Interventional segment's revenue growth in 2022 reflected the following:

- Strong global sales of the Surgery unit's advanced repair and reconstruction platforms, as well as a benefit from the unit's fiscal year 2021 acquisition of Tepha, Inc.
- Strong sales of the Peripheral Intervention unit's oncology products and growth attributable to the unit's fiscal year 2022 acquisition of Venovio™ system. The Peripheral Intervention unit's revenues in 2022 were unfavorably impacted during the second half of the fiscal year by supply constraints and hospital labor shortages.
- Strong demand for the Urology and Critical Care unit's acute urology products.

Interventional segment operating income was as follows:

<u>(Millions of dollars)</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Interventional segment operating income	\$ 1,217	\$ 1,081	\$ 933
<i>Segment operating income as % of Interventional revenues</i>	<i>25.7 %</i>	<i>24.2 %</i>	<i>22.0 %</i>

The Interventional segment's operating income in 2023 and 2022, compared with the prior-year periods, reflected the following:

- The Interventional segment's gross profit margin was flat in 2023 compared with 2022, which primarily reflected:
 - Favorable impacts from price, continuous improvement projects, and a favorable comparison to the prior-year period, which was unfavorably impacted by certain purchase accounting adjustments; offset by
 - Unfavorable impacts of higher raw material, labor and freight costs.
- The Interventional segment's higher gross profit margin in 2022 compared with 2021 primarily reflected favorable impacts from price, favorable product mix and foreign currency translation, which were partially offset by higher freight costs.
- Lower selling and administrative expense as percentages of revenues in 2023 compared with 2022 reflected revenue growth that outpaced spending in 2023. Selling and administrative expense as a percentage of revenues was higher in 2022 compared with 2021, as 2021 benefited from the curtailment of certain selling, travel and other administrative activities due to the COVID-19 pandemic.
- Lower research and development expense as percentages of revenues in 2023 compared with 2022, and also in 2022 compared with 2021, primarily reflected revenue growth that outpaced spending in both 2023 and 2022.

Geographic Revenues

BD's worldwide revenues by geography were as follows:

(Millions of dollars)				2023 vs. 2022			2022 vs. 2021		
	2023	2022	2021	Total Change	Estimated FX Impact	FXN Change	Total Change	Estimated FX Impact	FXN Change
United States	\$ 11,113	\$ 10,722	\$ 10,371	3.7 %	—	3.7 %	3.4 %	—	3.4 %
International	8,258	8,148	8,760	1.4 %	(4.2)%	5.6 %	(7.0)%	(4.9)%	(2.1)%
Total revenues	\$ 19,372	\$ 18,870	\$ 19,131	2.7 %	(1.8)%	4.5 %	(1.4)%	(2.3)%	0.9 %

U.S. revenue growth in 2023 was particularly driven by strong sales in the Medical segment's Medication Management Solutions and Pharmaceutical Systems units and in the Life Sciences segment's Biosciences unit, as well as by strong sales in the Interventional segment's Surgery and Urology and Critical Care units. U.S. revenues in 2023 were unfavorably impacted by a decline in COVID-19-only diagnostic testing sales compared with 2022, as discussed further above.

U.S. revenue growth in 2022 was driven by strong sales in all of the Medical segment's units, as well as in the Interventional segment's Surgery and Urology and Critical Care units. U.S. revenue growth in 2022 was unfavorably impacted by a comparison to 2021, which substantially benefited from sales in the Life Sciences segment's Integrated Diagnostic Solutions unit related to COVID-19-only diagnostic testing.

International revenue growth in 2023 was particularly driven by strong sales in the Medical segment's Medication Management Solutions and Pharmaceutical Systems units, and in the Life Sciences segment's Biosciences unit, as well as by strong sales in the Interventional segment's Surgery and Peripheral Intervention units. International revenues in 2023 were unfavorably impacted by a decline in COVID-19-only diagnostic testing sales compared with 2022, as discussed further above.

The decline in international revenues in 2022 was primarily driven by an unfavorable comparison to 2021, which substantially benefited from sales in the Life Sciences segment's Integrated Diagnostic Solutions unit related to COVID-19-only diagnostic testing. This fiscal year 2022 decline in international revenues was partially offset by strong sales in all of the Medical segment's units, as well as in the Life Sciences segment's Biosciences unit and the Interventional segment's Surgery and Peripheral Intervention units.

Emerging market revenues were as follows:

(Millions of dollars)				2023 vs. 2022			2022 vs. 2021		
	2023	2022	2021	Total Change	Estimated FX Impact	FXN Change	Total Change	Estimated FX Impact	FXN Change
Emerging markets	\$ 2,966	\$ 2,904	\$ 2,677	2.1 %	(3.6)%	5.7 %	8.5 %	(1.7)%	10.2 %

Emerging market revenue growth in 2023 and 2022 was primarily driven by sales in Latin America, South Asia, and in China, despite unfavorable impacts to China revenues from volume-based procurement programs in 2023 and from pandemic-related lockdowns in 2022.

Specified Items

Reflected in the financial results for 2023, 2022 and 2021 were the following specified items:

(Millions of dollars)	2023	2022	2021
Integration costs ^(a)	\$ 67	\$ 68	\$ 135
Restructuring costs ^(a)	239	123	44
Separation-related items ^(b)	14	20	—
Purchase accounting adjustments ^(c)	1,434	1,431	1,405
Product, litigation, and other items ^(d)	554	268	226
European regulatory initiative-related costs ^(e)	139	146	134
Impacts of debt extinguishment	—	24	185
Total specified items	2,448	2,082	2,128
Less: tax impact of specified items	399	366	348
After-tax impact of specified items	\$ 2,050	\$ 1,716	\$ 1,780

- (a) Represents amounts associated with integration and restructuring activities which are primarily recorded in *Acquisition-related integration and restructuring expense* and are further discussed below.
- (b) Represents costs recorded to *Other operating (income) expense, net* and incurred in connection with the separation of BD's former Diabetes Care business.
- (c) Includes amortization and other adjustments related to the purchase accounting for acquisitions. BD's amortization expense is recorded in *Cost of products sold*.
- (d) Includes certain (income) expense items which are not part of ordinary operations and affect the comparability of the periods presented. Such items may include certain product remediation costs, certain product liability and legal defense costs, certain investment gains and losses, certain asset impairment charges, and certain pension settlement costs. The amounts in 2023, 2022, and 2021 include net charges of \$653 million, \$72 million and \$56 million, respectively, which were recorded within *Cost of products sold* related to the estimate of probable future product remediation costs. The amounts in 2023 and 2022 also include pension settlement costs of \$57 million and \$73 million, respectively, which were recorded to *Other expense, net*. The amount in 2022 also includes a charge of \$54 million related to a noncash asset impairment, which was recorded to *Cost of products sold*. The amounts in 2023, 2022 and 2021 additionally include certain amounts recorded to *Other operating (income) expense, net*, which are detailed further below, including a \$268 million gain recorded in 2023 on the sale of our Surgical Instrumentation platform.
- (e) Represents costs incurred to develop processes and systems to establish initial compliance with the European Union Medical Device Regulation and the European Union In Vitro Diagnostic Medical Device Regulation, which represent a significant, unusual change to the existing regulatory framework. We consider these costs to be duplicative of previously incurred costs and/or one-off costs, which are limited to a specific period of time. These expenses, which are recorded in *Cost of products sold* and *Research and development expense*, include the cost of labor, other services and consulting (in particular, research and development and clinical trials) and supplies, travel and other miscellaneous costs.

Gross Profit Margin

The comparison of gross profit margins in 2023 and 2022 and the comparison of gross profit margins in 2022 and 2021 reflected the following impacts:

	2023	2022
Gross profit margin % prior-year period	44.9 %	45.1 %
Impact of purchase accounting adjustments and other specified items	(2.5)%	(0.5)%
Operating performance	0.1 %	(0.4)%
Foreign currency translation	(0.3)%	0.7 %
Gross profit margin % current-year period	42.2 %	44.9 %

The impact of other specified items on gross margin in 2023 compared with 2022, and also in 2022 compared with 2021, reflected charges of \$653 million, \$72 million and \$56 million, in 2023, 2022 and 2021, respectively, related to the estimate of probable future product remediation costs, as further discussed above. The impacts of other specified items on the comparisons of gross margin above additionally reflected a non-cash asset impairment charge of \$54 million recorded in the Medical segment in 2022.

Operating performance in 2023 and 2022 reflected the following:

- Favorable impacts attributable to our ongoing continuous improvement projects and pricing.
- The unfavorable impacts of higher raw material, labor and freight costs.
- Operating performance in 2022 additionally reflected the optimization of our product mix and the recovery of pre-pandemic demand for products with higher margins as well as a favorable comparison to 2021, which included approximately \$93 million of excess and obsolete inventory expenses related to COVID-19-only testing inventory which were recognized by the Integrated Diagnostic Solutions unit.

Operating Expenses

Operating expenses in 2023, 2022 and 2021 were as follows:

<u>(Millions of dollars)</u>	2023	2022	2021	Increase (decrease) in basis points	
				2023 vs. 2022	2022 vs. 2021
Selling and administrative expense	\$ 4,719	\$ 4,709	\$ 4,719		
% of revenues	24.4 %	25.0 %	24.7 %	(60)	30
Research and development expense	\$ 1,237	\$ 1,256	\$ 1,279		
% of revenues	6.4 %	6.7 %	6.7 %	(30)	—
Acquisition-related integration and restructuring expense	\$ 313	\$ 192	\$ 179		
Other operating (income) expense, net	\$ (210)	\$ 37	\$ 203		

Selling and administrative

Lower selling and administrative expense as a percentage of revenues in 2023 compared with 2022 primarily reflected higher revenues in 2023 and favorable foreign currency translation, partially offset by higher selling costs in 2023, as well as an increase in our deferred compensation plan liability due to market performance. The investment gains on deferred compensation plan assets were recorded to *Other expense, net*.

Higher selling and administrative expense as a percentage of revenues in 2022 compared with 2021 primarily reflected higher shipping and selling costs in 2022, partially offset by a decrease in our deferred compensation plan liability due to market performance and favorable foreign currency translation.

Research and development

Lower research and development expense as a percentage of revenues in 2023 compared with 2022 primarily reflected revenue growth that outpaced the timing of project spending. Research and development expense as a percentage of revenues was flat in 2022 compared with 2021, which primarily reflected the timing of project spending. Spending in 2023, 2022 and 2021 reflected our continued commitment to invest in new products and platforms.

Acquisitions and other restructurings

Restructuring expense in 2023, 2022 and 2021 primarily included restructuring costs related to simplification and other cost saving initiatives. Integration expense in 2023 and 2022 included system integration costs and integration expense in 2021 included costs incurred due to our acquisition of C.R. Bard, Inc. in fiscal year 2018. For further disclosures regarding the costs relating to restructurings, refer to Note 12 to the consolidated financial statements contained in Item 8. Financial Statements and Supplementary Data.

Other operating (income) expense, net

Other operating (income) expense in 2023, 2022 and 2021 included the following items which are further discussed in the Notes to the consolidated financial statements contained in Item 8. Financial Statements and Supplementary Data:

<u>(Millions of dollars)</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Charges to record product liability reserves, including related defense costs (See Note 6)	\$ 26	\$ 21	\$ 361
Gains on sale-leaseback transactions (See Note 18)	—	—	(158)
Separation-related items	14	20	—
Gain recognized on sale of business (see Note 2)	(268)	—	—
Other	18	(4)	—
Other operating (income) expense, net	<u>\$ (210)</u>	<u>\$ 37</u>	<u>\$ 203</u>

Net Interest Expense

<u>(Millions of dollars)</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Interest expense	\$ (452)	\$ (398)	\$ (469)
Interest income	49	16	9
Net interest expense	<u>\$ (403)</u>	<u>\$ (382)</u>	<u>\$ (460)</u>

Higher interest expense in 2023 compared with 2022 was largely attributable to the higher levels of commercial paper borrowings outstanding throughout 2023 and higher overall interest rates on debt outstanding. Lower interest expense in 2022 compared with 2021 reflected lower overall interest rates on debt outstanding during 2022 and the impact of debt repayments. Additional disclosures regarding our financing

arrangements and debt instruments are provided in Note 16 to the consolidated financial statements contained in Item 8. Financial Statements and Supplementary Data.

Higher interest income in 2023 compared with 2022 was largely attributable to higher interest rates and levels of cash in 2023.

Income Taxes

The income tax rates for continuing operations in 2023, 2022 and 2021 were as follows:

	2023	2022	2021
Effective income tax rate for continuing operations	7.9 %	8.3 %	5.2 %
<i>Impact, in basis points, from specified items</i>	<i>(500)</i>	<i>(500)</i>	<i>(620)</i>

The effective income tax rate for continuing operations in 2023 compared with 2022 primarily reflected the impact of a remeasurement of deferred tax assets and liabilities upon the approval of a tax incentive. The effective income tax rate for continuing operations in 2022 primarily reflected a tax impact from specified items that was less favorable compared with the benefits associated with specified items recognized in 2021.

Net Income and Diluted Earnings per Share from Continuing Operations

Net income and diluted earnings per share from continuing operations in 2023, 2022 and 2021 were as follows:

	2023	2022	2021
Net income from continuing operations (Millions of dollars)	\$ 1,530	\$ 1,635	\$ 1,604
Diluted earnings per share from continuing operations	\$ 5.10	\$ 5.38	\$ 5.18
Unfavorable impact-specified items	\$ 7.11	\$ 5.97	\$ 6.10
(Unfavorable) favorable impact-foreign currency translation	\$ (0.37)	\$ 0.14	\$ (0.02)

Financial Instrument Market Risk

We selectively use financial instruments to manage market risk, primarily foreign currency exchange risk and interest rate risk relating to our ongoing business operations. The counterparties to these contracts are highly rated financial institutions. We do not enter into financial instruments for trading or speculative purposes.

Foreign Exchange Risk

BD and its subsidiaries transact business in various foreign currencies throughout Europe, Greater Asia, Canada and Latin America. We face foreign currency exposure from the effect of fluctuating exchange rates on payables and receivables relating to transactions that are denominated in currencies other than our functional currency. These payables and receivables primarily arise from intercompany transactions. We hedge substantially all such exposures, primarily through the use of forward contracts. We have also hedged the currency exposure associated with investments in certain foreign subsidiaries with instruments such as foreign currency-denominated debt and cross-currency swaps, which are designated as net investment hedges, as well as currency exchange contracts. We also face currency exposure that arises from translating the results of our worldwide operations, including sales, to the U.S. dollar at exchange rates that have fluctuated from the beginning of a reporting period. We did not enter into contracts to hedge cash flows against these foreign currency fluctuations in fiscal year 2023 or 2022.

Derivative financial instruments are recorded on our balance sheet at fair value. For foreign currency derivatives, market risk is determined by calculating the impact on fair value of an assumed change in foreign exchange rates relative to the U.S. dollar. Fair values were estimated based upon observable inputs, specifically spot currency rates and foreign currency prices for similar assets and liabilities.

With respect to the foreign currency derivative instruments outstanding at September 30, 2023 and 2022, the impact that changes in the U.S. dollar would have on pre-tax earnings was estimated as follows:

(Millions of dollars)	Increase (decrease)	
	2023	2022
10% appreciation in U.S. dollar	\$ (100)	\$ (63)
10% depreciation in U.S. dollar	\$ 100	\$ 63

These calculations do not reflect the impact of exchange gains or losses on the underlying transactions that would substantially offset the results of the derivative instruments.

Interest Rate Risk

When managing interest rate exposures, we strive to achieve an appropriate balance between fixed and floating rate instruments. We may enter into interest rate swaps to help maintain this balance and manage debt and interest-bearing investments in tandem, since these items have an offsetting impact on interest rate exposure. For interest rate derivative instruments, fair values are measured based upon the present value of expected future cash flows using market-based observable inputs including credit risk and interest rate yield curves. Market risk for these instruments is determined by calculating the impact to fair value of an assumed change in interest rates across all maturities.

The impact that changes in interest rates would have on interest rate derivatives outstanding at September 30, 2023 and 2022, as well as the effect that changes in interest rates would have on our earnings or cash flows over a one-year period, based upon our overall interest rate exposure, were estimated as follows:

(Millions of dollars)	Increase (decrease) to fair value of interest rate derivatives outstanding		Increase (decrease) to earnings or cash flows	
	2023	2022	2023	2022
10% increase in interest rates	\$ (3)	\$ (4)	\$ 2	\$ (1)
10% decrease in interest rates	\$ 2	\$ 4	\$ (2)	\$ 1

Liquidity and Capital Resources

Our strong financial position and cash flow performance have provided us with the capacity to accelerate our innovation pipeline through investments in research and development, as well as through strategic acquisitions. We believe that our available cash and cash equivalents, our ability to generate operating cash flow, and if needed, our access to borrowings from our financing facilities provide us with sufficient liquidity to satisfy our foreseeable operating needs. The following table summarizes our consolidated statement of cash flows in 2023, 2022 and 2021:

(Millions of dollars)	2023	2022	2021
Net cash provided by (used for) continuing operations			
Operating activities	\$ 2,990	\$ 2,471	\$ 4,126
Investing activities	\$ (716)	\$ (3,220)	\$ (1,843)
Financing activities	\$ (1,956)	\$ (736)	\$ (3,306)

Net Cash Flows from Continuing Operating Activities

Cash flows from continuing operating activities in 2023 reflected net income, adjusted by a change in operating assets and liabilities that was a net use of cash, which was significantly lower than the net use of cash in 2022 due to efforts in 2023 to optimize inventory levels. The net use of cash in 2023 primarily reflected lower levels of accounts payable and accrued expenses, as well as higher levels of trade receivables, partially offset by lower levels of prepaid expenses.

Cash flows from continuing operating activities in 2022 reflected net income, adjusted by a change in operating assets and liabilities that was a net use of cash. This net use of cash primarily reflected higher levels of inventory and prepaid expenses, as well as lower levels of accounts payable and accrued expenses. Cash flows from continuing operating activities in 2022 additionally reflected a discretionary cash contribution of \$134 million to fund our pension obligation.

Cash flows from continuing operating activities in 2021 reflected higher net income, which was driven by strong revenue performance, adjusted by a change in operating assets and liabilities that was a net source of cash. This net source of cash primarily reflected higher levels of accounts payable and accrued expenses, partially offset by higher levels of prepaid expenses, inventory and trade receivables. Cash flows from continuing operating activities in 2021 additionally reflected a \$16 million discretionary cash contribution to fund our pension obligation.

Net Cash Flows from Continuing Investing Activities

Capital expenditures

Our investments in capital expenditures are focused on projects that enhance our cost structure and manufacturing capabilities, as well as support our BD 2025 strategy for growth and simplification. Capital expenditures of \$874 million, \$973 million and \$1.194 billion in 2023, 2022 and 2021, respectively, primarily related to manufacturing capacity expansions. Details of spending by segment are contained in Note 8 to the consolidated financial statements contained in Item 8. Financial Statements and Supplementary Data.

Acquisitions

Cash outflows for acquisitions in 2022 included a cash payment of \$1.548 billion associated with our acquisition of Parata Systems in the fourth quarter of 2022, as well as cash payments relating to various strategic acquisitions we have executed as part of our growth strategy, including our acquisitions of MedKeeper, Seanwell Health, Inc, Tissuemed, Ltd., and Venclose, Inc. Cash outflows for acquisitions in 2021 included a cash payment relating to the strategic acquisition of Tephra, Inc.

Divestitures

Cash inflows relating to our divestiture of the Interventional segment's Surgical Instrumentation platform in 2023 were \$540 million. For further discussion, refer to Note 2 to the consolidated financial statements contained in Item 8. Financial Statements and Supplementary Data.

Net Cash Flows from Continuing Financing Activities

Net cash from continuing financing activities in 2023, 2022 and 2021 included the following significant cash flows:

<u>(Millions of dollars)</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Cash inflow (outflow)			
Change in short-term debt	\$ (230)	\$ 230	\$ —
Proceeds from long-term debt	\$ 1,662	\$ 497	\$ 4,869
Distribution from Embecta Corp. (see Note 2)	\$ —	\$ 1,266	\$ —
Net transfer of cash to Embecta upon spin-off	\$ —	\$ (265)	\$ —
Payments of debt	\$ (2,155)	\$ (805)	\$ (5,112)
Share repurchases	\$ —	\$ (500)	\$ (1,750)
Dividends paid	\$ (1,114)	\$ (1,082)	\$ (1,048)

Additional disclosures regarding the equity and debt-related financing activities detailed above are provided in Notes 4 and 16 to the consolidated financial statements contained in Item 8. Financial Statements and Supplementary Data.

Debt-Related Activities

Certain measures relating to our total debt were as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total debt (Millions of dollars)	\$ 15,879	\$ 16,065	\$ 17,610
Weighted average cost of total debt	3.0 %	2.8 %	2.4 %
Total debt as a percentage of total capital (a)	37.2 %	37.3 %	41.1 %

(a) Represents shareholders' equity, net non-current deferred income tax liabilities, and debt.

Additional disclosures regarding our debt instruments are provided in Note 16 to the consolidated financial statements contained in Item 8. Financial Statements and Supplementary Data.

Cash and Short-term Investments

At September 30, 2023, total worldwide cash and equivalents and short-term investments, including restricted cash, were \$1.489 billion. These assets were largely held in the United States. We regularly review the amount of cash and short-term investments held outside of the United States and our historical foreign earnings are used to fund foreign investments or meet foreign working capital and property, plant and equipment expenditure needs. To fund cash needs in the United States, we rely on ongoing cash flow from U.S. operations, access to capital markets and remittances from foreign subsidiaries of earnings that are not considered to be permanently reinvested.

Financing Facilities

We have a five-year senior unsecured revolving credit facility in place which will expire in September 2026. The credit facility, which was amended and restated in January 2023, provides borrowings of up to \$2.750 billion, with separate sub-limits of \$100 million and \$194 million for letters of credit and swingline loans, respectively. The expiration date of the credit facility may be extended for up to two additional one-year periods, subject to certain restrictions (including the consent of the lenders). The credit facility provides that we may, subject to additional commitments by lenders, request an additional \$500 million of financing, for a maximum aggregate commitment under the credit facility of up to \$3.250 billion. Proceeds from this facility

may be used for general corporate purposes and Becton Dickinson Euro Finance S.à r.l., an indirect, wholly owned finance subsidiary of BD, is authorized as an additional borrower under the credit facility. There were no borrowings outstanding under the revolving credit facility at September 30, 2023.

The agreement for our revolving credit facility contains the following financial covenants. We were in compliance with these covenants, as applicable, as of September 30, 2023.

- We are required to have a leverage coverage ratio of no more than:
 - 4.25-to-1 as of the last day of each fiscal quarter following the closing of the credit facility; or
 - 4.75-to-1 for the four full fiscal quarters following the consummation of a material acquisition.

We may access commercial paper programs over the normal course of our business activities. In March 2023, we amended the agreement for our U.S. commercial paper program. The amendment provided, among other things, an increase of the maximum amount of unsecured borrowings available under the program to \$2.750 billion. Also in March 2023, we entered into an agreement to establish a multicurrency euro commercial paper program. This multicurrency program allows for a maximum amount of unsecured borrowings that, when aggregated with the amount outstanding under the U.S. commercial paper program, will not exceed \$2.750 billion at any time. Proceeds from these programs may be used for working capital purposes and general corporate purposes, which may include acquisitions, share repurchases and repayments of debt. We had no commercial paper borrowings outstanding as of September 30, 2023. We have additional informal lines of credit outside the United States. Also, over the normal course of our business activities, we transfer certain trade receivable assets to third parties under factoring agreements. Additional disclosures regarding sales of trade receivable assets are provided in Note 15 to the consolidated financial statements contained in Item 8. Financial Statements and Supplementary Data.

Access to Capital and Credit Ratings

Our corporate credit ratings with the rating agencies Standard & Poor's Ratings Services ("S&P"), Moody's Investor Service ("Moody's") and Fitch Ratings ("Fitch") were as follows at September 30, 2023:

	S&P	Moody's	Fitch
Ratings:			
Senior Unsecured Debt	BBB	Baa2	BBB
Commercial Paper	A-2	P-2	F2
Outlook	Stable	Stable	Stable

Our corporate credit ratings at September 30, 2023 were unchanged compared with our ratings at September 30, 2022. S&P, Moody's and Fitch assigned ratings of A-2, P-2 and F2, respectively, to the multicurrency euro commercial paper program we entered into in March 2023. These ratings were consistent with the ratings already assigned to our U.S. commercial paper program.

Lower corporate debt ratings and downgrades of our corporate credit ratings or other credit ratings may increase our cost of borrowing. We believe that given our debt ratings, our financial management policies, our ability to generate cash flow and the non-cyclical, geographically diversified nature of our businesses, we would have access to additional short-term and long-term capital should the need arise. A rating reflects only the view of a rating agency and is not a recommendation to buy, sell or hold securities. Ratings can be revised upward or downward at any time by a rating agency if such rating agency decides that circumstances warrant such a change.

Contractual Obligations

In the normal course of business, we enter into contracts and commitments that obligate us to make payments in the future. Information regarding our obligations under purchase, debt and lease arrangements are provided in Notes 6, 16 and 18, respectively, to the consolidated financial statements contained in Item 8. Financial Statements and Supplementary Data.

Critical Accounting Policies

The following discussion supplements the descriptions of our accounting policies contained in Note 1 to the consolidated financial statements contained in Item 8. Financial Statements and Supplementary Data. The preparation of the consolidated financial statements requires management to use estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, as well as the disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Some of those judgments can be subjective and complex and, consequently, actual results could differ from those estimates. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. For any given estimate or assumption made by management, it is possible that other people applying reasonable judgment to the same facts and circumstances could develop different estimates. Actual results that differ from management's estimates could have an unfavorable effect on our consolidated financial statements. Management believes the following critical accounting policies reflect the more significant judgments and estimates used in the preparation of the consolidated financial statements:

Revenue Recognition

Our revenues are primarily recognized when the customer obtains control of the product sold, which is generally upon shipment or delivery, depending on the delivery terms specified in the sales agreement. Revenues associated with certain instruments and equipment for which installation is complex, and therefore significantly affects the customer's ability to use and benefit from the product, are recognized when customer acceptance of these installed products has been confirmed. For certain service arrangements, including extended warranty and software maintenance contracts, revenue is recognized ratably over the contract term. The majority of revenues relating to extended warranty contracts associated with certain instruments and equipment is generally recognized within a few years whereas deferred revenue relating to software maintenance contracts is generally recognized over a longer period.

Our agreements with customers within certain organizational units including Medication Management Solutions, Integrated Diagnostic Solutions and Biosciences, contain multiple performance obligations including both products and certain services noted above. Determining whether products and services are considered distinct performance obligations that should be accounted for separately may require judgment. The transaction price for these agreements is allocated to each performance obligation based upon its relative standalone selling price. Standalone selling price is the amount at which we would sell a promised good or service separately to a customer. We generally estimate standalone selling prices using list prices and a consideration of typical discounts offered to customers. The use of alternative estimates could result in a different amount of revenue deferral.

Our gross revenues are subject to a variety of deductions, including rebates. These deductions represent estimates of the related obligations and judgment is required when determining the impact on gross revenues for a reporting period. Additional factors considered in the estimate of our rebate liability include the quantification of inventory that is either in stock at or in transit to our distributors, as well as the estimated lag time between the sale of product and the payment of corresponding rebates.

Impairment of Assets

Goodwill assets are subject to impairment reviews at least annually, or whenever indicators of impairment arise. Intangible assets with finite lives, including developed technology, and other long-lived assets, are periodically reviewed for impairment when impairment indicators are present.

We assess goodwill for impairment at the reporting unit level, which is defined as an operating segment or one level below an operating segment, referred to as a component. Our reporting units represent one level below reporting segments. Our review of goodwill for each reporting unit compares the fair value of the reporting unit, estimated using an income approach, with its carrying value. Our annual goodwill impairment

test performed on July 1, 2023 did not result in any impairment charges, as the fair value of each reporting unit exceeded its carrying value.

We generally use the income approach to derive the fair value for impairment assessments. This approach calculates fair value by estimating future cash flows attributable to the assets and then discounting these cash flows to a present value using a risk-adjusted discount rate. We selected this method because we believe the income approach most appropriately measures the value of our income producing assets. This approach requires significant management judgment with respect to future volume, revenue and expense growth rates, changes in working capital use, appropriate discount rates, terminal values and other assumptions and estimates. The estimates and assumptions used are consistent with BD's business plans. The use of alternative estimates and assumptions could increase or decrease the estimated fair value of the asset. Actual results may differ from management's estimates.

Income Taxes

BD maintains valuation allowances where it is more likely than not that all or a portion of a deferred tax asset will not be realized. Changes in valuation allowances are included in our tax provision in the period of change. In determining whether a valuation allowance is warranted, management evaluates factors such as prior earnings history, expected future earnings, carryback and carryforward periods, and tax strategies that could potentially enhance the likelihood of realization of a deferred tax asset.

BD conducts business and files tax returns in numerous countries and currently has tax audits in progress in a number of tax jurisdictions. In evaluating the exposure associated with various tax filing positions, we record accruals for uncertain tax positions based on the technical support for the positions, our past audit experience with similar situations, and the potential interest and penalties related to the matters. BD's effective tax rate in any given period could be impacted if, upon resolution with taxing authorities, we prevailed in positions for which reserves have been established, or we were required to pay amounts in excess of established reserves.

We have reviewed our needs in the United States for possible repatriation of undistributed earnings of our foreign subsidiaries and we continue to invest foreign subsidiaries earnings outside of the United States to fund foreign investments or meet foreign working capital and property, plant and equipment expenditure needs. As a result, we are permanently reinvested with respect to all of our historical foreign earnings as of September 30, 2023. Additional disclosures regarding our accounting for income taxes are provided in Note 17 to the consolidated financial statements contained in Item 8. Financial Statements and Supplementary Data.

Contingencies

We are involved, both as a plaintiff and a defendant, in various legal proceedings that arise in the ordinary course of business, including, without limitation, product liability and environmental matters, as further discussed in Note 6 to the consolidated financial statements contained in Item 8. Financial Statements and Supplementary Data. We assess the likelihood of any adverse judgments or outcomes to these matters as well as potential ranges of probable losses. We establish accruals to the extent probable future losses are estimable (and in the case of environmental matters, without considering possible third-party recoveries). A determination of the amount of accruals for these contingencies is made after analysis of each individual matter. When appropriate, the accrual is developed with the consultation of outside counsel and, in the case of certain mass tort litigation, actuarial specialists regarding the nature, timing and extent of each matter. The accruals may change in the future due to new developments in each matter or changes in our litigation strategy. We record expected recoveries from product liability insurance carriers or other parties when realization of recovery is deemed probable.

Given the uncertain nature of litigation generally, we are not able in all cases to estimate the amount or range of loss that could result from an unfavorable outcome of the litigation to which we are a party. In view of these uncertainties, we could incur charges in excess of any currently established accruals and, to the extent available, liability insurance. In the opinion of management, any such future charges, individually or in the

aggregate, could have a material adverse effect on BD's consolidated results of operations, financial condition and/or consolidated cash flows.

Benefit Plans

We have significant net pension and other postretirement and postemployment benefit obligations that are measured using actuarial valuations which include assumptions for the discount rate and the expected return on plan assets. These assumptions have a significant effect on the amounts reported. In addition to the analysis below, see Note 10 to the consolidated financial statements contained in Item 8. Financial Statements and Supplementary Data for additional discussion.

The discount rate is selected each year based on investment grade bonds and other factors as of the measurement date (September 30). Specifically for the U.S. plans, we will use a discount rate of 6.01% for 2024, which was based on an actuarially-determined, company-specific yield curve to measure liabilities as of the measurement date. To calculate the pension expense in 2024, we will apply the individual spot rates along the yield curve that correspond with the timing of each future cash outflow for benefit payments in order to calculate interest cost and service cost. Additional disclosures regarding the method to be used in calculating the interest cost and service cost components of pension expense for 2024 are provided in Note 10 to the consolidated financial statements contained in Item 8. Financial Statements and Supplementary Data. The expected long-term rate of return on plan assets assumption, although reviewed each year, changes less frequently due to the long-term nature of the assumption. This assumption does not impact the measurement of assets or liabilities as of the measurement date; rather, it is used only in the calculation of pension expense. To determine the expected long-term rate of return on pension plan assets, we consider many factors, including our historical assumptions compared with actual results; benchmark data; expected returns on various plan asset classes, as well as current and expected asset allocations. We will use a long-term expected rate of return on plan assets assumption of 7.5% for the U.S. pension plan in 2024. We believe our discount rate and expected long-term rate of return on plan assets assumptions are appropriate based upon the above factors.

Sensitivity to changes in key assumptions for our U.S. pension and other postretirement and postemployment plans are as follows:

- Discount rate — A change of plus (minus) 25 basis points, with other assumptions held constant, would have an estimated \$5 million favorable (unfavorable) impact on the total U.S. net pension and other postretirement and postemployment benefit plan costs. This estimate assumes no change in the shape or steepness of the company-specific yield curve used to plot the individual spot rates that will be applied to the future cash outflows for future benefit payments in order to calculate interest and service cost.
- Expected return on plan assets — A change of plus (minus) 25 basis points, with other assumptions held constant, would have an estimated \$3 million favorable (unfavorable) impact on U.S. pension plan costs.

Cautionary Statement Regarding Forward-Looking Statements

This report includes forward-looking statements within the meaning of the federal securities laws. BD and its representatives may also, from time to time, make certain forward-looking statements in publicly released materials, both written and oral, including statements contained in filings with the Securities and Exchange Commission, press releases, and our reports to shareholders. Forward-looking statements may be identified by the use of words such as “plan,” “expect,” “believe,” “intend,” “will,” “may,” “anticipate,” “estimate” and other words of similar meaning in conjunction with, among other things, discussions of future operations and financial performance (including volume growth, pricing, sales and earnings per share growth, and cash flows) and statements regarding our strategy for growth, liquidity, future product development, regulatory approvals, competitive position and expenditures. All statements that address our future operating performance or events or developments that we expect or anticipate will occur in the future are forward-looking statements.

Forward-looking statements are, and will be, based on management's then-current views and

assumptions regarding future events, developments and operating performance, and speak only as of their dates. Investors should realize that if underlying assumptions prove inaccurate, or risks or uncertainties materialize, actual results could vary materially from our expectations and projections. Investors are therefore cautioned not to place undue reliance on any forward-looking statements. Furthermore, we undertake no obligation to update or revise any forward-looking statements after the date they are made, whether as a result of new information, future events and developments or otherwise, except as required by applicable law or regulations.

The following are some important factors that could cause our actual results to differ from our expectations in any forward-looking statements. For further discussion of certain of these factors, see Item 1A. Risk Factors in this report and our subsequent Quarterly Reports on Form 10-Q.

- General global, regional or national economic downturns and macroeconomic trends, including heightened inflation, capital market volatility, interest rate and currency rate fluctuations, and economic slowdown or recession, that may result in unfavorable conditions that could negatively affect demand for our products and services, impact the prices we can charge for our products and services, disrupt our supply chain, impair our ability to produce our products, or increase borrowing costs.
- The impact of inflation and disruptions in our global supply chain on BD and our suppliers (particularly sole-source suppliers and providers of sterilization services), including fluctuations in the cost and availability of oil-based resins and other raw materials, as well as certain components, used in the production or sterilization of our products, transportation constraints and delays, product shortages, energy shortages or increased energy costs, labor shortages or disputes, and increased operating and labor costs.
- Conditions in international markets, including social and political conditions, geopolitical developments such as the ongoing situations in Ukraine, the Middle East and Asia, civil unrest, terrorist activity, governmental changes, restrictions on the ability to transfer capital across borders, economic sanctions, export controls, tariffs and other protectionist measures and barriers to market participation (such as local company and products preferences), difficulties in protecting and enforcing our intellectual property rights and governmental expropriation of assets. Our international operations also increase our compliance risks, including risks under the Foreign Corrupt Practices Act and other anti-corruption and bribery laws, as well as regulatory and privacy laws.
- Competitive factors that could adversely affect our operations, including new product introductions and technologies (for example, new forms of drug delivery or novel medical therapies) by our current or future competitors, consolidation or strategic alliances among healthcare companies, distributors and/or payers of healthcare to improve their competitive position or develop new models for the delivery of healthcare, increased pricing pressure due to the impact of low-cost manufacturers, patents attained by competitors (particularly as patents on our products expire), new entrants into our markets and changes in the practice of medicine.
- Changes in the way healthcare services are delivered, including transition of more care from acute to non-acute settings and increased focus on chronic disease management, which may affect the demand for our products and services. Additionally, budget constraints and staffing shortages, particularly shortages of nursing staff, may affect the prioritization of healthcare services, which could also impact the demand for certain of our products and services.
- Our ability to achieve our projected level or mix of product sales, as our earnings forecasts are based on projected sales volumes and pricing of many product types, some of which are more profitable than others.
- Changes in the coverage or reimbursement landscape, or adverse decisions relating to our products by governments or third-party payers, which could reduce demand for our products or the price we can charge for such products.
- Cost-containment efforts in the U.S. or in other countries in which we do business, such as alternative payment reform and increased use of competitive bidding and tenders, including, without limitation, any

expansion of the volume-based procurement process in China or the implementation of similar cost-containment efforts.

- Risks relating to our overall level of indebtedness, including our ability to service our debt and refinance our indebtedness, which is dependent upon the capital markets and the overall macroeconomic environment and our financial condition at such time.
- Changes in the domestic and foreign healthcare industry or in medical practices that result in a reduction in procedures using our products or increased pricing pressures, including cost-reduction measures instituted by and the continued consolidation among healthcare providers.
- The effects of regulatory or other events (such as public health crises) that adversely impact our supply chain, including our ability to manufacture (including sterilize) our products (particularly where production of a product line or sterilization operations are concentrated in one or more plants), source materials or components or services from suppliers (including sole-source suppliers) that are needed for such manufacturing (including sterilization), or provide products to our customers, including events that impact key distributors. In particular, there has been increased regulatory focus on the use and emission of ethylene oxide in sterilization processes, and additional regulatory requirements have been proposed and may be imposed in the future that could adversely impact BD or our third-party sterilization providers.
- Security breaches of our information and technology systems or our products, which could impair our ability to conduct business, result in the loss of BD trade secrets or otherwise compromise sensitive information of BD or its customers, suppliers and other business partners, or of patients, including sensitive personal data, or result in product efficacy or safety concerns for certain of our products, and result in actions by regulatory bodies or civil litigation.
- Product efficacy or safety concerns regarding our products resulting in product holds or recalls, regulatory action on the part of the FDA or foreign counterparts (including restrictions on future product clearances and civil penalties), declining sales and product liability claims, and damage to our reputation. As a result of the CareFusion acquisition, our U.S. infusion pump business is operating under a Consent Decree with the FDA. The Consent Decree authorizes the FDA, in the event of any violations in the future, to order our U.S. infusion pump business to cease manufacturing and distributing products, recall products or take other actions, and order the payment of significant monetary damages if the business subject to the decree fails to comply with any provision of the Consent Decree. In accordance with our commitments to the FDA, the overall timing of replacement or remediation of the BD Alaris™ Infusion Systems and return to market in the U.S. may be impacted by, among other things, customer readiness, supply continuity and our continued engagement with the FDA.
- Difficulties inherent in product development, including the potential inability to successfully continue technological innovation, successfully complete clinical trials, obtain and maintain regulatory approvals and registrations in the U.S. and abroad, obtain intellectual property protection for our products, obtain coverage and adequate reimbursement for new products, or gain and maintain market approval of products, as well as the possibility of infringement claims by competitors with respect to patents or other intellectual property rights, all of which could preclude or delay commercialization of a product. Delays in obtaining necessary approvals or clearances from the FDA or other regulatory agencies or changes in the regulatory process may also delay product launches and increase development costs.
- Any impact that public health crises, such as pandemics and epidemics, including COVID-19, may have on our business, the global economy and the global healthcare system. This may include decreases in the demand for our products, disruptions to our operations or the operations of our suppliers and customers, disruptions to our supply chain, or increases in transportation costs.
- The impact of changes in U.S. federal or foreign laws and policies that could affect fiscal and tax policies, taxation (including tax reforms, such as the implementation of a global minimum tax, that could adversely impact multinational corporations), and international trade, including import and export

regulation and international trade agreements. In particular, tariffs, sanctions or other trade barriers imposed by the U.S. or other countries could adversely impact our supply chain costs or otherwise adversely impact our results of operations.

- The risks associated with the spin-off of our former Diabetes Care business, including factors that could adversely affect our ability to realize the expected benefits of the spin-off, or the qualification of the spin-off as a tax-free transaction for U.S. federal income tax purposes.
- The impact of business combinations or divestitures, including any volatility in earnings relating to acquisition-related costs, and our ability to successfully integrate any business we may acquire.
- Our ability to penetrate or expand our operations in emerging markets, which depends on local economic and political conditions, and how well we are able to make necessary infrastructure enhancements to production facilities and distribution networks.
- Deficit reduction efforts or other actions that reduce the availability of government funding for healthcare and research, which could weaken demand for our products and result in additional pricing pressures, as well as create potential collection risks associated with such sales.
- Fluctuations in university or U.S. and international governmental funding and policies for life sciences research.
- Our ability to recruit and retain key employees and the impact of labor conditions which could increase employee turnover or increase our labor and operating costs and negatively affect our ability to efficiently operate our business.
- Fluctuations in the demand for products we sell to pharmaceutical companies that are used to manufacture, or are sold with, the products of such companies, as a result of funding constraints, consolidation or otherwise.
- The impact of climate change, or legal, regulatory or market measures to address climate change, such as regulation of greenhouse gas emissions, zero-carbon energy and sustainability mandates, and additional taxes on fuel and energy, and changing customer preferences and requirements, such as those regarding the use of materials of concern, increased demand for products with lower environmental footprints, and for companies to set and demonstrate progress against greenhouse gas reduction plans and targets.
- Natural disasters, including the impacts of hurricanes, tornadoes, windstorms, fires, earthquakes and floods and other extreme weather events, global health pandemics, war, terrorism, labor disruptions and international conflicts that could cause significant economic disruption and political and social instability, resulting in decreased demand for our products, adversely affect our manufacturing and distribution capabilities or cause interruptions in our supply chain.
- Pending and potential future litigation or other proceedings asserting, and/or investigations concerning and/or subpoenas and requests seeking information with respect to, alleged violations of law (including in connection with federal and/or state healthcare programs (such as Medicare or Medicaid) and/or sales and marketing practices (such as investigative subpoenas and the civil investigative demands received by BD)), potential anti-corruption and related internal control violations under the Foreign Corrupt Practices Act, antitrust claims, securities law claims, product liability (which may involve lawsuits seeking class action status or seeking to establish multi-district litigation proceedings, including pending claims relating to our hernia repair implant products, surgical continence products for women, vena cava filter products and implantable ports), claims with respect to environmental matters, data privacy breaches and patent infringement, and the availability or collectability of insurance relating to any such claims.
- New or changing laws and regulations affecting our domestic and foreign operations, or changes in enforcement practices, including, without limitation, laws relating to sales practices, environmental protection and reporting, price controls, privacy, cybersecurity, and licensing and regulatory

requirements for new products and products in the post-marketing phase. In particular, the U.S. and other countries may impose new requirements regarding registration, labeling or prohibited materials that may require us to re-register products already on the market or otherwise impact our ability to market our products. Environmental laws, particularly with respect to the emission of greenhouse gases, are also becoming more stringent throughout the world, which may increase our costs of operations or necessitate changes in our manufacturing plants or processes or those of our suppliers, or result in liability to BD.

- The effect of adverse media exposure or other publicity regarding BD's business or operations, including the effect on BD's reputation or demand for its products.
- The effect of market fluctuations on the value of assets in BD's pension plans and on actuarial interest rate and asset return assumptions, which could require BD to make additional contributions to the plans or increase our pension plan expense.
- Our ability to obtain the anticipated benefits of restructuring programs, if any, that we may undertake.
- Issuance of new or revised accounting standards by the FASB or the SEC.

The foregoing list sets forth many, but not all, of the factors that could impact our ability to achieve results described in any forward-looking statements. Investors should understand that it is not possible to predict or identify all such factors and should not consider this list to be a complete statement of all potential risks and uncertainties.

Item 7A. *Quantitative and Qualitative Disclosures About Market Risk.*

The information required by this item is included in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, and in Notes 1, 14 and 15 to the consolidated financial statements contained in Item 8. Financial Statements and Supplementary Data, and is incorporated herein by reference.

Item 8. Financial Statements and Supplementary Data.

Reports of Management

Management’s Responsibilities

The following financial statements have been prepared by management in conformity with U.S. generally accepted accounting principles and include, where required, amounts based on the best estimates and judgments of management. The integrity and objectivity of data in the financial statements and elsewhere in this Annual Report are the responsibility of management.

In fulfilling its responsibilities for the integrity of the data presented and to safeguard the Company’s assets, management employs a system of internal accounting controls designed to provide reasonable assurance, at appropriate cost, that the Company’s assets are protected and that transactions are appropriately authorized, recorded and summarized. This system of control is supported by the selection of qualified personnel, by organizational assignments that provide appropriate delegation of authority and division of responsibilities, and by the dissemination of written policies and procedures. This control structure is further reinforced by a program of internal audits, including a policy that requires responsive action by management.

The Board of Directors monitors the internal control system, including internal accounting and financial reporting controls, through its Audit Committee, which consists of five independent Directors. The Audit Committee meets periodically with the independent registered public accounting firm, the internal auditors and management to review the work of each and to satisfy itself that they are properly discharging their responsibilities. The independent registered public accounting firm and the internal auditors have full and free access to the Audit Committee and meet with its members, with and without management present, to discuss the scope and results of their audits including internal control, auditing and financial reporting matters.

Management’s Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) under the Securities Act of 1934, as amended. Management conducted an assessment of the effectiveness of internal control over financial reporting based on the criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework).

Based on the Company's assessment of the effectiveness of internal control over financial reporting and the criteria noted above, management concluded that internal control over financial reporting was effective as of September 30, 2023.

The financial statements and internal control over financial reporting have been audited by Ernst & Young LLP, an independent registered public accounting firm. Ernst & Young’s reports with respect to fairness of the presentation of the financial statements, and the effectiveness of internal control over financial reporting, are included herein.

/s/ Thomas E. Polen
Thomas E. Polen
Chairman, Chief Executive Officer and President

/s/ Christopher J. DelOrefice
Christopher J. DelOrefice
Executive Vice President and Chief Financial Officer

/s/ Thomas J. Spoerel
Thomas J. Spoerel
Senior Vice President and Controller, Chief Accounting Officer and International Chief Financial Officer

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of
Becton, Dickinson and Company

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Becton, Dickinson and Company (the Company) as of September 30, 2023 and 2022, the related consolidated statements of income, comprehensive income and cash flows for each of the three years in the period ended September 30, 2023, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at September 30, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended September 30, 2023, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of September 30, 2023, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated November 21, 2023 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Estimation of Product Liability Reserves

Description of the Matter

As described in Note 6 to the consolidated financial statements, the Company is a defendant in various product liability matters in which the plaintiffs allege a wide variety of claims associated with the use of certain Company devices. At September 30, 2023, the Company's product liability reserves totaled approximately \$1.9 billion. The Company engaged an actuarial specialist to perform an analysis to estimate the outstanding liability for indemnity costs related to claims arising from certain of these product liability matters. The methods used by the Company to estimate these reserves are based on reported claims, historical settlement amounts, and stage of litigation, among other items.

How We Addressed the Matter in Our Audit

Auditing management's estimate of certain of the Company's product liability reserves and the related disclosure was challenging due to the significant judgment required to determine the methods used to estimate the amount of unreported product liability claims and the indemnity costs and the key assumptions utilized in those methods given the stages of these matters and the amount of claims history.

We obtained an understanding, evaluated the design, and tested the operating effectiveness of the controls over the Company's evaluation of certain product liability reserves. For example, we tested controls over management's review of the methods, significant assumptions and the underlying data used by the actuary to estimate the product liability reserves.

To evaluate management's estimate of certain product liability reserves, our audit procedures included, among others, testing the completeness and accuracy of the underlying data used by management's actuarial specialist to estimate the amount of unreported claims and the indemnity cost. For example, we compared filed and settled claims data to legal letters obtained from external counsel, and, on a sample basis, compared settlement amounts to the underlying agreements. In addition, we involved our actuarial specialists to assist us in evaluating the methods used to estimate the unreported claims and the indemnity cost used in the calculation of certain product liability reserves. We have also assessed the adequacy of the Company's disclosures in relation to these matters.

Income taxes — Uncertain tax positions

Description of the Matter

As discussed in Notes 1 and 17 to the consolidated financial statements, the Company conducts business in numerous countries and as a result, files tax returns in those locations. Uncertain tax positions may arise for multiple reasons including, but not limited to, the interpretation of global tax rules and regulations. The Company uses judgment to (1) determine whether, based on the technical merits, a tax position is more likely than not to be sustained and (2) measure the amount of tax benefit that qualifies for recognition. The Company has recorded a liability of \$366 million related to uncertain tax positions as of September 30, 2023.

Due to the inherent uncertainty in predicting the resolution of these tax matters, auditing the Company's uncertain tax positions involved complex analysis and auditor judgment. This also required the use of tax subject matter resources to determine whether the more likely than not criteria was met.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over management's accounting for uncertain tax positions, including assessment of the technical merits of tax positions.

To evaluate whether the technical merits of uncertain tax positions are more likely than not sustainable, our audit procedures included, among others, evaluation of applicable tax law, tax regulations and other regulatory guidance by our tax subject matter professionals. We also involved our tax subject matter professionals in verifying our understanding of the relevant facts and analysis, by assessing the Company's correspondence with the relevant tax authorities and evaluating third-party advice obtained by the Company. We also evaluated the adequacy of the Company's income tax disclosures included in Note 17 to the consolidated financial statements in relation to these matters.

/s/ ERNST & YOUNG LLP

We have served as the Company's auditor since 1959.

New York, New York

November 21, 2023

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of
Becton, Dickinson and Company

Opinion on Internal Control Over Financial Reporting

We have audited Becton, Dickinson and Company's internal control over financial reporting as of September 30, 2023, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), (the COSO criteria). In our opinion, Becton, Dickinson and Company (the Company) maintained, in all material respects, effective internal control over financial reporting as of September 30, 2023, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of September 30, 2023 and 2022, the related consolidated statements of income, comprehensive income and cash flows for each of the three years in the period ended September 30, 2023, and the related notes and our report dated November 21, 2023 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ ERNST & YOUNG LLP

New York, New York
November 21, 2023

Consolidated Statements of Income
Becton, Dickinson and Company
Years Ended September 30

Millions of dollars, except per share amounts	2023	2022	2021
Revenues	\$ 19,372	\$ 18,870	\$ 19,131
Cost of products sold	11,202	10,393	10,500
Selling and administrative expense	4,719	4,709	4,719
Research and development expense	1,237	1,256	1,279
Acquisition-related integration and restructuring expense	313	192	179
Other operating (income) expense, net	(210)	37	203
Total Operating Costs and Expenses	<u>17,261</u>	<u>16,588</u>	<u>16,881</u>
Operating Income	2,111	2,282	2,250
Interest expense	(452)	(398)	(469)
Interest income	49	16	9
Other expense, net	(46)	(117)	(99)
Income from Continuing Operations Before Income Taxes	1,662	1,783	1,692
Income tax provision	132	148	88
Net Income from Continuing Operations	1,530	1,635	1,604
(Loss) Income from Discontinued Operations, Net of Tax	(46)	144	488
Net Income	1,484	1,779	2,092
Preferred stock dividends	(60)	(90)	(90)
Net income applicable to common shareholders	<u>\$ 1,424</u>	<u>\$ 1,689</u>	<u>\$ 2,002</u>
Basic Earnings per Share			
Income from Continuing Operations	\$ 5.14	\$ 5.42	\$ 5.23
(Loss) Income from Discontinued Operations	(0.16)	0.50	1.69
Basic Earnings per Share	<u>\$ 4.97</u>	<u>\$ 5.93</u>	<u>\$ 6.92</u>
Diluted Earnings per Share			
Income from Continuing Operations	\$ 5.10	\$ 5.38	\$ 5.18
(Loss) Income from Discontinued Operations	(0.16)	0.50	1.67
Diluted Earnings per Share	<u>\$ 4.94</u>	<u>\$ 5.88</u>	<u>\$ 6.85</u>

Amounts may not add due to rounding.
See notes to consolidated financial statements.

Consolidated Statements of Comprehensive Income
Becton, Dickinson and Company
Years Ended September 30

Millions of dollars	2023	2022	2021
Net Income	\$ 1,484	\$ 1,779	\$ 2,092
Other Comprehensive (Loss) Income, Net of Tax			
Foreign currency translation adjustments	(91)	305	124
Defined benefit pension and postretirement plans	4	210	255
Cash flow hedges	27	85	81
Other Comprehensive (Loss) Income, Net of Tax	(60)	600	460
Comprehensive Income	<u>\$ 1,424</u>	<u>\$ 2,379</u>	<u>\$ 2,552</u>

Amounts may not add due to rounding.
See notes to consolidated financial statements.

Consolidated Balance Sheets
Becton, Dickinson and Company
September 30

Millions of dollars, except per share amounts and numbers of shares	2023	2022
Assets		
Current Assets		
Cash and equivalents	\$ 1,416	\$ 1,006
Restricted cash	65	153
Short-term investments	8	8
Trade receivables, net	2,534	2,191
Inventories	3,273	3,224
Prepaid expenses and other	1,380	1,559
Total Current Assets	8,676	8,141
Property, Plant and Equipment, Net	6,557	6,012
Goodwill	24,522	24,621
Developed Technology, Net	8,058	9,108
Customer Relationships, Net	2,338	2,683
Other Intangibles, Net	552	519
Other Assets	2,078	1,848
Total Assets	\$ 52,780	\$ 52,934
Liabilities and Shareholders' Equity		
Current Liabilities		
Current debt obligations	\$ 1,141	\$ 2,179
Accounts payable	1,641	1,699
Accrued expenses	2,604	2,605
Salaries, wages and related items	1,115	1,171
Income taxes	139	157
Total Current Liabilities	6,641	7,811
Long-Term Debt	14,738	13,886
Long-Term Employee Benefit Obligations	1,023	902
Deferred Income Taxes and Other Liabilities	4,582	5,052
Commitments and Contingencies (See Note 6)		
Shareholders' Equity		
Preferred stock (See Note 4)	—	2
Common stock — \$1 par value: authorized — 640,000,000 shares; issued — 370,594,401 shares in 2023 and 364,639,901 shares in 2022.	371	365
Capital in excess of par value	19,720	19,553
Retained earnings	15,535	15,157
Deferred compensation	24	23
Treasury stock — 80,202,608 shares in 2023 and 81,283,191 shares in 2022.	(8,305)	(8,330)
Accumulated other comprehensive loss	(1,548)	(1,488)
Total Shareholders' Equity	25,796	25,282
Total Liabilities and Shareholders' Equity	\$ 52,780	\$ 52,934

Amounts may not add due to rounding.
See notes to consolidated financial statements.

Consolidated Statements of Cash Flows
Becton, Dickinson and Company
Years Ended September 30

Millions of dollars	2023	2022	2021
Operating Activities			
Net income	\$ 1,484	\$ 1,779	\$ 2,092
Less: (Loss) income from discontinued operations, net of tax	(46)	144	488
Income from continuing operations, net of tax	1,530	1,635	1,604
Adjustments to net income from continuing operations to derive net cash provided by continuing operating activities:			
Depreciation and amortization	2,288	2,229	2,230
Share-based compensation	259	233	229
Deferred income taxes	(622)	(120)	(301)
Change in operating assets and liabilities:			
Trade receivables, net	(290)	32	(61)
Inventories	(15)	(631)	(83)
Prepaid expenses and other	192	(436)	(184)
Accounts payable, income taxes and other liabilities	(517)	(473)	660
Pension obligation	112	(55)	71
Excess tax benefits from payments under share-based compensation plans	19	32	15
Gain on sale of business	(268)	—	—
Product remediation-related charges	653	72	56
Product liability-related charges	26	21	361
Other, net	(377)	(68)	(470)
Net Cash Provided by Continuing Operating Activities	2,990	2,471	4,126
Investing Activities			
Capital expenditures	(874)	(973)	(1,194)
Acquisitions, net of cash acquired	—	(2,070)	(508)
Proceeds from divestitures, net	540	—	—
Other, net	(382)	(178)	(142)
Net Cash Used for Continuing Investing Activities	(716)	(3,220)	(1,843)
Financing Activities			
Change in short-term debt	(230)	230	—
Proceeds from long-term debt	1,662	497	4,869
Distribution from Embecta Corp. (see Note 2)	—	1,266	—
Net transfer of cash to Embecta upon spin-off	—	(265)	—
Payments of debt	(2,155)	(805)	(5,112)
Repurchase of common stock	—	(500)	(1,750)
Dividends paid	(1,114)	(1,082)	(1,048)
Other, net	(120)	(77)	(265)
Net Cash Used for Continuing Financing Activities	(1,956)	(736)	(3,306)
Discontinued Operations:			
Net cash (used for) provided by operating activities	(1)	163	521
Net cash used for investing activities	—	(11)	(37)
Net cash provided by financing activities	—	145	—
Net Cash (Used for) Provided by Discontinued Operations	(1)	298	484
Effect of exchange rate changes on cash and equivalents and restricted cash	5	(45)	15
Net Increase (Decrease) in Cash and Equivalents and Restricted Cash	322	(1,233)	(525)
Opening Cash and Equivalents and Restricted Cash	1,159	2,392	2,917
Closing Cash and Equivalents and Restricted Cash	\$ 1,481	\$ 1,159	\$ 2,392

Amounts may not add due to rounding.
See notes to consolidated financial statements.

Notes to Consolidated Financial Statements
Becton, Dickinson and Company
Millions of dollars, except per share amounts or as otherwise specified

Note 1 — Summary of Significant Accounting Policies

Basis of Presentation

The accompanying Consolidated Financial Statements and Notes to Consolidated Financial Statements of Becton, Dickinson and Company (the "Company" or "BD") have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). Within the financial statements and tables presented, certain columns and rows may not add due to the use of rounded numbers for disclosure purposes. Percentages and earnings per share amounts presented are calculated from the underlying amounts. Our fiscal year ends on September 30.

On April 1, 2022, the Company completed the spin-off of its Diabetes Care business as a separate publicly traded company. The historical results of the Diabetes Care business (previously included in BD's Medical segment) that was contributed to Embecta Corp ("Embecta") in the spin-off were reflected as discontinued operations in the Company's consolidated financial statements. Additional disclosures regarding the spin-off are provided in Note 2.

Principles of Consolidation

The consolidated financial statements include the Company's accounts and those of its majority-owned subsidiaries after the elimination of intercompany transactions. The Company has no material interests in variable interest entities.

Cash Equivalents

Cash equivalents consist of all highly liquid investments with a maturity of three months or less at time of purchase.

Restricted Cash

Restricted cash consists of cash restricted from withdrawal and usage and largely represents funds that are restricted for certain product liability matters, which are further discussed in Note 6.

Trade Receivables

The Company grants credit to customers in the normal course of business and the resulting trade receivables are stated at their net realizable value. The allowance for doubtful accounts represents the Company's estimate of expected credit losses relating to trade receivables and is determined based on historical experience, current conditions, reasonable and supportable forecasts and other specific account data. Amounts are written off against the allowances for doubtful accounts when the Company determines that a customer account is not collectable.

Inventories

Inventories are stated at the lower of approximate cost or net realizable value determined on the first-in, first-out basis.

Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and amortization. Depreciation and amortization are principally provided on the straight-line basis over estimated useful lives, which range from 20 to 45 years for buildings, four to 13 years for machinery and equipment and one to 20

Notes to Consolidated Financial Statements — (Continued)
Becton, Dickinson and Company

years for leasehold improvements. Depreciation and amortization expense was \$696 million, \$672 million and \$689 million in fiscal years 2023, 2022 and 2021, respectively.

Goodwill and Other Intangible Assets

The Company's unamortized intangible assets include goodwill that arises from acquisitions of businesses. The Company reviews goodwill for impairment using quantitative models. Goodwill is reviewed at least annually for impairment at the reporting unit level, which is defined as an operating segment or one level below an operating segment, referred to as a component. The Company's reporting units represent one level below reporting segments. The Company reviews goodwill for each reporting unit by comparing the fair value of the reporting unit, estimated using an income approach, with its carrying value. The annual impairment review performed on July 1, 2023 indicated that all identified reporting units' fair values exceeded their respective carrying values.

Amortized intangible assets include developed technology assets which arise from acquisitions. These assets represent acquired intellectual property that is already technologically feasible upon the acquisition date or acquired in-process research and development assets that are completed subsequent to acquisition. Developed technology assets are generally amortized over periods ranging from 15 to 20 years, using the straight-line method. Customer relationship assets are generally amortized over periods ranging from 10 to 15 years, using the straight-line method. Other intangibles with finite useful lives, which include patents, are amortized over periods principally ranging from one to 40 years, using the straight-line method. Finite-lived intangible assets, including developed technology assets, are periodically reviewed when impairment indicators are present to assess recoverability from future operations using undiscounted cash flows. The carrying values of these finite-lived assets are compared to the undiscounted cash flows they are expected to generate and an impairment loss is recognized in operating results to the extent any finite-lived intangible asset's carrying value exceeds its calculated fair value.

Foreign Currency Translation

Generally, foreign subsidiaries' functional currency is the local currency of operations and the net assets of foreign operations are translated into U.S. dollars using current exchange rates. The U.S. dollar results that arise from such translation, as well as exchange gains and losses on intercompany balances of a long-term investment nature, are included in the foreign currency translation adjustments in *Accumulated other comprehensive income (loss)*.

Revenue Recognition

The Company recognizes revenue from product sales when the customer obtains control of the product, which is generally upon shipment or delivery, depending on the delivery terms specified in the sales agreement. Revenues associated with certain instruments and equipment for which installation is complex, and therefore significantly affects the customer's ability to use and benefit from the product, are recognized upon customer acceptance of these installed products. Revenue for certain service arrangements, including extended warranty and software maintenance contracts, is recognized ratably over the contract term. When arrangements include multiple performance obligations, the total transaction price of the contract is allocated to each performance obligation based on the estimated relative standalone selling prices of the promised goods or services underlying each performance obligation. Variable consideration such as rebates, sales discounts and sales returns are estimated and treated as a reduction of revenue in the same period the related revenue is recognized. These estimates are based on contractual terms, historical practices, and current trends, and are adjusted as new information becomes available. Revenues exclude any taxes that the Company collects from customers and remits to tax authorities.

Equipment lease transactions with customers are evaluated and classified as either operating or sales-type leases. Generally, these arrangements are accounted for as operating leases and therefore, revenue is recognized at the contracted rate over the rental period defined within the customer agreement.

Notes to Consolidated Financial Statements — (Continued)
Becton, Dickinson and Company

Additional disclosures regarding the Company's accounting for revenue recognition are provided in Note 7.

Shipping and Handling Costs

The Company considers its shipping and handling costs to be contract fulfillment costs and records them within *Selling and administrative expense*. Shipping expense was \$733 million, \$751 million and \$641 million in 2023, 2022 and 2021, respectively.

Contingencies

The Company establishes accruals for future losses which are both probable and can be reasonably estimated (and in the case of environmental matters, without considering possible third-party recoveries). Additional disclosures regarding the Company's accounting for contingencies are provided in Note 6.

Derivative Financial Instruments

All derivatives are recorded in the balance sheet at fair value and changes in fair value are recognized currently in earnings unless specific hedge accounting criteria are met. Any deferred gains or losses associated with derivative instruments are recognized in income in the period in which the underlying hedged transaction is recognized. The cash flows related to the Company's derivative instruments designated as net investment hedges are reported as investing activities in the consolidated statements of cash flows. Cash flows for all other derivatives, including undesignated hedges, are classified in the same line item as the cash flows of the related hedged item, which is generally within operating or financing activities. Additional disclosures regarding the Company's accounting for derivative instruments are provided in Note 14.

Income Taxes

The Company has reviewed its needs in the United States for possible repatriation of undistributed earnings of its foreign subsidiaries and continues to invest foreign subsidiaries earnings outside of the United States to fund foreign investments or meet foreign working capital and property, plant and equipment expenditure needs. As a result, the Company is permanently reinvested with respect to all of its historical foreign earnings as of September 30, 2023. Deferred taxes are not provided on undistributed earnings of foreign subsidiaries that are indefinitely reinvested. The determination of the amount of the unrecognized deferred tax liability related to the undistributed earnings is not practicable because of the complexities associated with its hypothetical calculation.

The Company conducts business and files tax returns in numerous countries and currently has tax audits in progress in a number of tax jurisdictions. In evaluating the exposure associated with various tax filing positions, the Company records accruals for uncertain tax positions based on the technical support for the positions, past audit experience with similar situations, and the potential interest and penalties related to the matters.

The Company maintains valuation allowances where it is more likely than not that all or a portion of a deferred tax asset will not be realized. Changes in valuation allowances are included in the tax provision in the period of change. In determining whether a valuation allowance is warranted, management evaluates factors such as prior earnings history, expected future earnings, carryback and carryforward periods and tax strategies that could potentially enhance the likelihood of the realization of a deferred tax asset. Additional disclosures regarding the Company's accounting for income taxes are provided in Note 17.

The Tax Cuts and Jobs Act was enacted on December 22, 2017 and subjects a U.S. shareholder to tax on global intangible low-taxed income ("GILTI") earned by certain foreign subsidiaries. The Company has elected to account for its GILTI tax due as a period expense in the year the tax is incurred.

Notes to Consolidated Financial Statements — (Continued)
Becton, Dickinson and Company

Earnings per Share

Basic earnings per share are computed by dividing income available to common stockholders by the weighted average number of common shares outstanding. Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock. In computing diluted earnings per share, only potential common shares that are dilutive (i.e., those that reduce earnings per share or increase loss per share) are included in the calculation.

Fair Value Measurements

A fair value hierarchy is applied to prioritize inputs used in measuring fair value. The three levels of inputs used to measure fair value are detailed below. Additional disclosures regarding the Company's fair value measurements are provided in Notes 10 and 15.

Level 1 — Inputs to the valuation methodology which represent unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2 — Inputs to the valuation methodology which include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability.

Level 3 — Inputs to the valuation methodology which are unobservable and significant to the fair value measurement.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions. These estimates or assumptions affect reported assets, liabilities, revenues and expenses as reflected in the consolidated financial statements. Actual results could differ from these estimates.

Note 2 — Divestitures

Surgical Instrumentation Platform

The Company completed the sale of its Interventional segment's Surgical Instrumentation platform in August 2023 pursuant to a definitive agreement that was signed in June 2023. The Company recognized a pre-tax gain on the sale of approximately \$268 million, which was recorded as a component of *Other operating (income) expense, net* in fiscal year 2023. The historical financial results for the Surgical Instrumentation platform have not been classified as a discontinued operation.

Spin-Off of Embecta Corp.

On April 1, 2022, the Company completed the spin-off of its former Diabetes Care business as a separate publicly traded company named Embecta through a distribution of Embecta's publicly traded common stock (listed on NASDAQ under the ticker symbol "EMBC") to BD's shareholders of record as of the close of business on March 22, 2022 (the "record date"). The Company distributed one share of Embecta common stock for every five common shares of BD outstanding as of the record date and shareholders received cash in lieu of fractional shares of Embecta common stock. BD retained no ownership interest in Embecta subsequent to the spin-off. The distribution is expected to qualify and has been treated as tax-free to the Company and its shareholders for U.S. federal income tax purposes. On March 31, 2022, Embecta used a portion of the proceeds from its financing transactions to make a cash distribution of approximately \$1.266 billion to the Company. Additional disclosures regarding the various financing transactions entered into by Embecta and related to the spin-off are provided in Note 16.

The Company and Embecta entered into various agreements to effect the spin-off and provide a framework for the relationship between the Company and Embecta after the spin-off. Such agreements include the separation and distribution agreement, as well as the following ongoing agreements: a cannula supply agreement, an intellectual property matters agreement, a transition services agreement, manufacturing and

Notes to Consolidated Financial Statements — (Continued)
Becton, Dickinson and Company

supply agreements, a lease agreement, a distribution agreement to support commercial operations, a logistics services agreement and other agreements including an employee matters agreement and a tax matters agreement. Under these agreements, the Company will continue to provide certain products and services to Embecta following the spin-off. The agreements do not provide the Company with the ability to influence the operating or financial policies of Embecta subsequent to the spin-off date. Amounts included in the Company's consolidated statements of income during the fiscal years ended September 30, 2023 and 2022 as a result of these agreements are detailed in Note 19.

Details of *(Loss) Income from Discontinued Operations, Net of Tax* which represent the historical results of the Diabetes Care business prior to the spin-off date of April 1, 2022, are as follows:

Millions of dollars	2022	2021
Revenues	\$ 538	\$ 1,117
Cost of products sold	143	320
Selling and administrative expense	78	148
Research and development expense	32	59
Acquisition-related integration and restructuring expense	—	6
Other operating expense, net	95	35
Total Operating Costs and Expenses	348	569
Operating Income	190	549
Interest expense	(4)	—
Other income, net	—	2
Income from Discontinued Operations Before Income Taxes	186	550
Income tax provision	42	62
Income from Discontinued Operations, Net of Tax	\$ 144	\$ 488

In fiscal year 2023, the Company recorded expenses of \$46 million within *(Loss) Income from Discontinued Operations, Net of Tax* related to a foreign tax associated with the spin-off. For fiscal year 2022, in the table above, *Other operating expense, net*, includes \$30 million of costs incurred by the Company to execute the spin-off and other costs for related residual activities, as well as \$78 million of separation costs incurred by the Company prior to the spin-off date, including those for consulting, legal, tax and other advisory services associated with the spin-off.

The amounts of *Revenues* and *Cost of products sold* from discontinued operations detailed above include previously eliminated intercompany transactions that occurred between BD and Embecta which resulted in a third-party sale in the same period.

Note 3 — Accounting Changes

New Accounting Principles Adopted

On July 1, 2022, the Company early-adopted an accounting standard update issued by the Financial Accounting Standards Board ("FASB"), which requires an entity to apply the provisions of Accounting Standard Codification Topic 606, "Revenue from Contracts with Customers," ("ASC 606") when recognizing and measuring contract assets and contract liabilities acquired in a business combination. The Company's adoption of this accounting standard update for business combinations that occurred during fiscal year 2022 did not have a material impact on its consolidated financial statements.

In June 2016, the FASB issued a new accounting standard which requires earlier recognition of credit losses on loans and other financial instruments held by entities, including trade receivables. The new standard

Notes to Consolidated Financial Statements — (Continued)
Becton, Dickinson and Company

requires entities to measure all expected credit losses for financial assets held at each reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. The Company's adoption of this accounting standard on October 1, 2020, using the modified retrospective method, did not have a material impact on the Company's consolidated financial statements.

New Accounting Principle Not Yet Adopted

In September 2022, the FASB issued a new accounting standard update that requires additional qualitative and quantitative disclosures regarding supplier finance programs. The new disclosure requirements are intended to help investors better consider the effect of these programs on a company's working capital, liquidity, and cash flows. This update is effective for the Company in its first quarter of fiscal year 2024 and the Company is currently evaluating the impact this update will have on its disclosures.

Notes to Consolidated Financial Statements — (Continued)
Becton, Dickinson and Company

Note 4 — Shareholders' Equity

Changes in certain components of shareholders' equity were as follows:

(Millions of dollars)	Common Stock Issued at Par Value	Capital in Excess of Par Value	Retained Earnings	Deferred Compensation	Treasury Stock	
					Shares (in thousands)	Amount
Balance at September 30, 2020	\$ 365	\$ 19,270	\$ 12,791	\$ 23	(74,623)	\$ (6,138)
Net income	—	—	2,092	—	—	—
Cash dividends:						
Common (\$3.32 per share)	—	—	(958)	—	—	—
Preferred	—	—	(90)	—	—	—
Issuance of shares under employee and other plans, net	—	(85)	—	—	1,068	15
Share-based compensation	—	237	—	—	—	—
Common stock held in trusts, net (a)	—	—	—	—	33	—
Repurchase of common stock	—	(150)	—	—	(6,643)	(1,600)
Effect of change in accounting principle (see Note 3)	—	—	(9)	—	—	—
Balance at September 30, 2021	\$ 365	\$ 19,272	\$ 13,826	\$ 23	(80,164)	\$ (7,723)
Net income	—	—	1,779	—	—	—
Cash dividends:						
Common (\$3.48 per share)	—	—	(992)	—	—	—
Preferred	—	—	(90)	—	—	—
Issuance of shares under employee and other plans, net	—	(108)	(1)	—	1,271	44
Share-based compensation	—	239	—	—	—	—
Common stock held in trusts, net (a)	—	—	—	—	25	—
Repurchase of common stock	—	150	—	—	(2,415)	(650)
Spin-off of Embecta (See Note 2)	—	—	634	—	—	—
Balance at September 30, 2022	\$ 365	\$ 19,553	\$ 15,157	\$ 23	(81,283)	\$ (8,330)
Net income	—	—	1,484	—	—	—
Cash dividends:						
Common (\$3.64 per share)	—	—	(1,046)	—	—	—
Preferred	—	—	(60)	—	—	—
Issuance of shares for preferred shares converted to common shares (b)	6	(4)	—	—	—	—
Issuance of shares under employee and other plans, net	—	(88)	—	1	1,056	24
Share-based compensation	—	259	—	—	—	—
Common stock held in trusts, net (a)	—	—	—	—	24	—
Balance at September 30, 2023	\$ 371	\$ 19,720	\$ 15,535	\$ 24	(80,203)	\$ (8,305)

- (a) Common stock held in trusts consists of the Company's shares held in rabbi trusts in connection with deferred compensation under the Company's employee salary and bonus deferral plan and directors' deferral plan.
- (b) Represents the conversion, in accordance with their terms, of 1.500 million mandatory convertible preferred shares that were issued in May 2020 were converted into 5.955 million shares of BD common stock on the mandatory conversion date of June 1, 2023.

Notes to Consolidated Financial Statements — (Continued)
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Share Repurchases

In the fourth quarter of fiscal year 2022, the Company executed an accelerated share repurchase (“ASR”) agreement in which .953 million common shares were repurchased and delivered in fiscal year 2022 for \$500 million, which was recorded as an increase to *Treasury stock*.

In fiscal year 2021, the Company executed two ASR agreements to repurchase common shares totaling \$1.250 billion, of which \$1.100 billion settled in fiscal year 2021 and \$150 million settled in fiscal year 2022. Total shares delivered in 2021 under the ASR agreements were 4.577 million shares. At September 30, 2021, the pending delivery of 462 thousand shares on one of the agreements was reflected as a decrease to *Capital in excess of par value* to recognize a net share-settled forward sale contract indexed to the Company's own common stock. Upon final settlement of the repurchase agreement and the forward sale contract during the first quarter of fiscal year 2022, the final settlement amount was recorded as an increase to *Treasury stock* and an offsetting increase to *Capital in excess of par value*.

The Company also repurchased approximately 2.066 million shares of its common stock during fiscal year 2021 through open market repurchases, which were recorded as a \$500 million increase to *Treasury stock*.

In November 2023, the Company executed ASR agreements to repurchase \$500 million of its common stock and received an initial delivery of 1.718 million common shares, which will be recorded as an increase to *Treasury stock* in the first quarter of fiscal year 2024.

The share repurchases discussed above were made pursuant to the repurchase program authorized by the Board of Directors on September 24, 2013 for 10 million shares, which has been fully utilized, and a repurchase program authorized by the Board of Directors in November 2021 for up to an additional 10 million shares of BD common stock, for which there is no expiration date.

The components and changes of *Accumulated other comprehensive income (loss)* were as follows:

(Millions of dollars)	Total	Foreign Currency Translation	Benefit Plans	Cash Flow Hedges
Balance at September 30, 2020	\$ (2,548)	\$ (1,416)	\$ (1,040)	\$ (91)
Other comprehensive income before reclassifications, net of taxes	383	124	187	72
Amounts reclassified into income, net of taxes	77	—	68	9
Balance at September 30, 2021	\$ (2,088)	\$ (1,292)	\$ (784)	\$ (10)
Other comprehensive income before reclassifications, net of taxes	306	54	169	83
Amounts reclassified into income, net of taxes	43	—	41	2
Spin-off of Embecta (See Note 2)	251	251	—	—
Balance at September 30, 2022	\$ (1,488)	\$ (987)	\$ (574)	\$ 75
Other comprehensive (loss) income before reclassifications, net of taxes	(106)	(91)	(37)	21
Amounts reclassified into income, net of taxes	46	—	41	6
Balance at September 30, 2023	<u>\$ (1,548)</u>	<u>\$ (1,078)</u>	<u>\$ (571)</u>	<u>\$ 103</u>

The amount of foreign currency translation recognized in other comprehensive income during the years ended September 30, 2023, 2022 and 2021 included net (losses) gains relating to net investment hedges, as further discussed in Note 14. Other comprehensive income relating to benefit plans during the year ended September 30, 2021 included a net gain of \$24 million recognized as a result of the Company's remeasurement, as of October 31, 2020, of the legacy C.R. Bard, Inc. (“Bard”) U.S. defined pension benefit plan upon its merger

Notes to Consolidated Financial Statements — (Continued)
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with the BD defined benefit cash balance pension plan in the first quarter of fiscal year 2021. The amounts recognized in other comprehensive income relating to cash flow hedges in 2023, 2022 and 2021 are primarily related to forward starting interest rate swaps. Additional disclosures regarding the Company's derivatives are provided in Note 14.

The tax impacts for amounts recognized in other comprehensive income before reclassifications were as follows:

(Millions of dollars)	2023	2022	2021
<i>Benefit Plans</i>			
Income tax benefit (provision) for net (losses) gains recorded in other comprehensive income	\$ 15	\$ (47)	\$ (42)

The tax impacts for cash flow hedges recognized in other comprehensive income before reclassifications in 2023, 2022 and 2021 were immaterial to the Company's consolidated financial results. The tax impacts for reclassifications out of *Accumulated other comprehensive income (loss)* relating to benefit plans and cash flow hedges in 2023, 2022 and 2021 were also immaterial to the Company's consolidated financial results.

Note 5 — Earnings per Share

The weighted average common shares used in the computations of basic and diluted earnings per share (shares in thousands) for the years ended September 30 were as follows:

	2023	2022	2021
Average common shares outstanding	286,282	285,005	289,288
Dilutive share equivalents from share-based plans (a) (b)	2,110	2,333	2,801
Dilutive share equivalents from Series C preferred shares (c)	—	26	—
Average common and common equivalent shares outstanding — assuming dilution	288,392	287,364	292,089

- (a) In 2023, 2022 and 2021, dilutive share equivalents associated with mandatory convertible preferred stock of 4 million, 6 million and 6 million, respectively, were excluded from the diluted shares outstanding calculation because the result would have been antidilutive. All of the mandatory convertible preferred shares outstanding were converted during fiscal year 2023, as further discussed in Note 4.
- (b) In 2021, 1 million of certain share-based compensation awards were excluded from the diluted earnings per share calculation as the exercise prices of these awards were greater than the average market price of the Company's common shares. In both 2023 and 2022, no such awards were excluded from the diluted earnings per share calculation. Additional disclosures regarding the Company's share-based compensation are provided in Note 9.
- (c) Represents dilutive share equivalents from Series C preferred shares that temporarily replaced shares of common stock held in trusts to adhere to trust requirements until the Company's spin-off of its Diabetes Care business on April 1, 2022 was completed.

Note 6 — Commitments and Contingencies

Commitments

The Company has certain future purchase commitments entered in the normal course of business to meet operational and capital requirements. As of September 30, 2023, these commitments aggregated to approximately \$1.621 billion and will be expended over the next several years.

Notes to Consolidated Financial Statements — (Continued)
Becton, Dickinson and Company

Contingencies

The Company is involved, both as a plaintiff and a defendant, in various legal proceedings that arise in the ordinary course of business, including, without limitation, product liability and environmental matters in certain U.S. and international locations. Given the uncertain nature of litigation generally, the Company is not able, in all cases, to estimate the amount or range of loss that could result from an unfavorable outcome of litigation in which the Company is a party. In accordance with U.S. GAAP, the Company establishes accruals to the extent probable future losses are estimable (and in the case of environmental matters, without considering possible third-party recoveries). With respect to putative class action lawsuits in the United States and certain of the Canadian lawsuits described below, the Company is unable to estimate a range of reasonably possible losses for the following reasons: (i) all or certain of the proceedings are in early stages; (ii) the Company has not received and reviewed complete information regarding all or certain of the plaintiffs and their medical conditions; and/or (iii) there are significant factual issues to be resolved. In addition, there is uncertainty as to the likelihood of a class being certified or the ultimate size of any class. With respect to the civil investigative demands (“CIDs”) served by the Department of Justice which are discussed below, the Company is unable to estimate a range of reasonably possible losses for the following reasons: (i) all or certain of the proceedings are in early stages; and/or (ii) there are significant factual and legal issues to be resolved.

Product Liability Matters

As of September 30, 2023, the Company is defending approximately 34,845 product liability claims involving the Company’s line of hernia repair devices (collectively, the “Hernia Product Claims”). The Company’s outstanding Hernia Product Claims as of September 30, 2022 were approximately 31,445. The Company’s outstanding product liability claims represent nonhomogeneous populations of claims which vary widely based upon various factors, most notably the quality of the claims. As such, claim activity during any given period may not necessarily be indicative of the Company’s ultimate liability under a mass tort matter. As further discussed below, the Company’s underlying estimate of its product liability includes and already accounts for unfiled claims and as such, the net year-to-date change in the number of outstanding Hernia Product Claims did not materially impact the Company’s product liability accrual as of September 30, 2023. The majority of the outstanding claims are currently pending in a coordinated proceeding in Rhode Island State Court (“RI”) and in a federal multi-district litigation (“MDL”) established in the Southern District of Ohio, but claims are also pending in other state and/or federal court jurisdictions. In addition, outstanding claims include multiple putative class actions in Canada. Generally, the Hernia Product Claims seek damages for personal injury allegedly resulting from use of the products. From time to time, the Company engages in resolution discussions with plaintiffs’ law firms regarding certain of the Hernia Product Claims, but the Company also intends to vigorously defend Hernia Product Claims that do not settle, including through litigation and trial. A trial for the Hernia Product Claims is currently scheduled in the MDL in April 2024.

The Company also continues to be a defendant in certain other mass tort litigation. As of September 30, 2023, the Company is defending product liability claims involving the Company’s line of pelvic mesh products, the majority of which are pending in a coordinated proceeding in New Jersey Superior Court and in various federal court jurisdictions, and the Company’s line of inferior vena cava (“IVC”) filter products, which are pending in various jurisdictions. Also, as of September 30, 2023, the Company is defending product liability claims involving its implantable ports, the majority of which are pending in an MDL formed on August 8, 2023 in the United States District Court for the District of Arizona. The Company believes that it has meritorious defenses and is vigorously defending itself in these matters.

In most product liability litigations like those described above, plaintiffs allege a wide variety of claims, ranging from allegations of serious injury caused by the products to efforts to obtain compensation notwithstanding the absence of any injury. In many of these cases, the Company has not yet received and reviewed complete information regarding the plaintiffs and their medical conditions and, consequently, is unable to fully evaluate the claims. The Company expects that it will receive and review additional information regarding any remaining unsettled product liability matters.

Notes to Consolidated Financial Statements — (Continued)
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Other Legal Matters

On February 27, 2020, a putative class action captioned *Kabak v. Becton, Dickinson and Company, et al.*, Civ. No. 2:20-cv-02155 (SRC) (CLW), now captioned *Industriens Pensionsforsikring v. Becton, Dickinson and Company, et al.*, was filed in the U.S. District Court for the District of New Jersey against the Company and certain of its officers. The complaint, which purports to be brought on behalf of all persons (other than defendants) who purchased or otherwise acquired the Company's common stock from November 5, 2019 through February 5, 2020, asserts claims for purported violations of Sections 10 and 20 of the Securities Exchange Act of 1934 ("Exchange Act") and Securities and Exchange Commission ("SEC") Rule 10b-5 promulgated thereunder, and seeks, among other things, damages and costs. The complaint alleges that defendants concealed certain material information regarding Alaris™ infusion pumps, allegedly rendering certain public statements about the Company's business, operations and prospects false or misleading, thereby allegedly causing investors to purchase stock at an inflated price. After an initial without prejudice dismissal, additional submissions were filed and the court permitted certain aspects of the case to proceed including claims asserted on behalf of option holders. In October 2023, an agreement in principle was reached to resolve this matter for an amount that is not material to the Company's consolidated financial results and for which it is adequately reserved; the terms of the settlement, including the amount, are subject to judicial approval.

On November 2, 2020, a putative shareholder derivative action captioned *Jankowski v. Forlenza, et al.*, Civ. No. 2:20-cv-15474, was filed in the U.S. District Court for the District of New Jersey by a shareholder, derivatively on behalf of the Company, against certain of the Company's directors and officers. The complaint asserts claims for breach of fiduciary duty; violations of sections 10(b), 14(a) and 21D of the Exchange Act, and insider trading. The complaint principally alleges, that the Company made misleading statements regarding Alaris™ infusion pumps in a proxy statement and other SEC filings. A second derivative action was filed on January 24, 2021, and the two actions were consolidated. In March 2021, the Company received letters from two additional shareholders which, in general, mirrored the allegations in the derivative actions, and demanded, among other things, that the Board of Directors pursue claims against members of management for claimed breaches of fiduciary duties. Consistent with New Jersey law, the Board appointed a special committee to review the allegations and demands in the derivative actions and demand letters. Following an investigation, the special committee determined that no action was warranted, and rejected the shareholders' demands, communicating its determination to counsel for the shareholders. On January 10, 2023, one of the two shareholders referenced above filed a separate derivative action that: (i) is generally consistent with the shareholder letter and the two prior actions; and (ii) purports to challenge the reasonableness of the special committee's process and determination. The Company believes that it has meritorious defenses and is vigorously defending itself in these matters.

Beginning in February 2021, the Company received subpoenas from the Enforcement Division of the SEC requesting information from the Company relating to, among other things, Alaris™ infusion pumps. The Company is cooperating with the SEC and responding to these requests, including requests for employee interviews and depositions. The Company cannot anticipate the timing, scope, outcome or possible impact of the investigation, financial or otherwise.

In April 2019, the Department of Justice served the Company and CareFusion with CIDs seeking information regarding certain of CareFusion's contracts with the Department of Veteran's Affairs for certain products, including Alaris™ and Pyxis™ devices, in connection with a civil investigation of possible violations of the False Claims Act, and the government later expanded the investigation to include several additional contracts. The government has made several requests for documents and interviews or depositions of Company personnel. The Company is cooperating with the government and responding to these requests.

In September 2021, the Company received a CID related to an inquiry initiated by the Northern District of Georgia in 2018 concerning sales and marketing practices with respect to certain aspects of the Company's urology business. After multiple document productions and interviews, the Company and the government mediated the case in an effort to resolve this dispute; such discussions are ongoing.

Notes to Consolidated Financial Statements — (Continued)
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In April 2023, the Department of Justice served the Company with a CID seeking information regarding the Company's GenesisTM container products in connection with an investigation of possible violations of the False Claims Act. The government has requested documents and the Company is cooperating with the government and responding to its requests.

In September 2021, the Company was served with a complaint from the New Mexico Attorney General, alleging violations of the state's consumer protection laws in connection with the sales and marketing of its IVC filters. The Company's motion to dismiss certain of the claims was granted on May 10, 2022 and discovery is proceeding as to the remaining claims. Trial is currently scheduled for June 2024. The Company believes that it has meritorious defenses and is vigorously defending itself in this matter. The Company cannot anticipate the timing, scope, outcome or possible impact at present.

The Company was sued in state and federal courts in Georgia by plaintiffs who work or reside near Company facilities in Covington, GA, where ethylene oxide ("EtO") sterilization activities take place. The federal cases have been dismissed and refiled in state court. The plaintiffs in the cases seek compensatory and punitive damages. Pursuant to Georgia statute, punitive damages in these cases are generally capped at \$250,000 per claimant. The cases allege a variety of injuries, including but not limited to multiple types of cancer, allegedly attributable to exposure to EtO. The Company does not believe these cases are appropriate for class action treatment and they have not been filed as such. The Company currently has approximately 230 of such suits involving approximately 340 plaintiffs asserting personal injury claims; approximately 45 of the cases also allege injury caused by exposure to a chemical of another defendant entirely unrelated to the Company. Three trial dates have been set in 2024. The Company believes that it has meritorious defenses and is vigorously defending itself in these matters.

The Company is also involved both as a plaintiff and a defendant in other legal proceedings and claims that arise in the ordinary course of business. The Company believes that it has meritorious defenses and is vigorously defending itself in each of these matters.

Except for the matters for which a potential disposition has been noted per above, the Company cannot predict the outcome of the other legal matters discussed above, nor can it predict whether any outcome will have a material adverse effect on the Company's consolidated results of operations and/or consolidated cash flows. Accordingly, the Company has made no provisions for these legal matters in its consolidated results of operations.

The Company is a potentially responsible party to a number of federal administrative proceedings in the United States brought under the Comprehensive Environment Response, Compensation and Liability Act, also known as "Superfund," and similar state laws. The Company also is subject to administrative proceedings under environmental laws in jurisdictions outside the U.S. The affected sites are in varying stages of development. In some instances, the remedy has been completed, while in others, environmental studies are underway or commencing. For several sites, there are other potentially responsible parties that may be jointly or severally liable to pay all or part of cleanup costs. While it is not feasible to predict the outcome of these proceedings, based upon the Company's experience, current information and applicable law, the Company does not expect these proceedings to have a material adverse effect on its consolidated results of operations and/or consolidated cash flows.

Litigation Accruals

The Company regularly monitors and evaluates the status of product liability and other litigated matters, and may, from time-to-time, engage in settlement discussions and mediation taking into consideration, among other things, developments in the litigation and the risks and uncertainties associated therewith. These activities have resulted in confidential settlements and going forward could result in further settlements, the terms of which would be confidential. A determination of the accrual amounts for these contingencies is made after analysis of each litigation matter. When appropriate, the accrual is developed with the consultation of outside

Notes to Consolidated Financial Statements — (Continued)
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counsel and, in the case of certain mass tort litigation, actuarial specialists regarding the nature, timing, and extent of each matter.

During fiscal years 2023, 2022, and 2021, the Company recorded pre-tax charges to *Other operating (income) expense, net*, of approximately \$26 million, \$21 million, and \$361 million, respectively, related to certain of the product liability matters discussed above under the heading “Product Liability Matters,” including the related legal defense costs.

The Company considers relevant information when estimating its product liability accruals, including, but not limited to: the nature, number, and quality of unfiled and filed claims; the rate of claims being filed; the status of settlement discussions with plaintiffs’ counsel; the allegations and documentation supporting or refuting such allegations; publicly available information regarding similar medical device mass tort settlements; historical information regarding other product liability settlements involving the Company; and the stage of litigation. Because currently available information regarding product liability matters is often limited, there is inherent uncertainty and volatility relating to the Company’s estimate of product liability. As additional information becomes available, the Company records adjustments to its product liability accruals as required.

Accruals for the Company’s product liability claims which are discussed above, as well as the related legal defense costs, amounted to approximately \$1.9 billion and \$2.1 billion at September 30, 2023 and 2022, respectively. These accruals, which are generally long-term in nature, are largely recorded within *Deferred Income Taxes and Other Liabilities* on the Company’s consolidated balance sheets. The decrease in the Company’s product liability accrual as of September 30, 2023, as compared with September 30, 2022, largely reflected the payment of settlements and legal fees during the fiscal year 2023, which reduced the amount of the accrual. The increase in the number of outstanding hernia repair device claims discussed above did not materially impact the Company’s product liability accrual because the underlying estimate of the Company’s liability includes and already accounts for unfiled claims. Moreover, the accrual reflects the determination that the quality of new hernia repair device claims has generally diminished over time. Claim activity during the fiscal year 2023 relating to the pelvic mesh device and IVC filter matters did not materially impact the Company’s product liability accrual as of September 30, 2023.

Additionally, the particular outcome in any one product liability trial is typically not representative of potential outcomes of all cases or claims. Because the accrual already contemplates a wide range of possible outcomes, including those with a de minimis value, individual outcomes generally do not impact the value of other cases in the total case inventory or the overall product liability accrual.

In view of the uncertainties discussed above, the Company could incur charges in excess of any currently established accruals and, to the extent available, liability insurance. In the opinion of management, any such future charges, individually or in the aggregate, could have a material adverse effect on the Company’s consolidated results of operations, financial condition, and /or consolidated cash flows.

Note 7 — Revenues

The Company sells a broad range of medical supplies, devices, laboratory equipment and diagnostic products which are distributed through independent distribution channels and directly by BD through sales representatives. End-users of the Company’s products include healthcare institutions, physicians, life science researchers, clinical laboratories, the pharmaceutical industry and the general public.

Timing of Revenue Recognition

The Company’s revenues are primarily recognized when the customer obtains control of the product sold, which is generally upon shipment or delivery, depending on the delivery terms specified in the sales agreement. Revenues associated with certain instruments and equipment for which installation is complex, and therefore significantly affects the customer’s ability to use and benefit from the product, are recognized when customer acceptance of these installed products has been confirmed. For certain service arrangements, including extended warranty and software maintenance contracts, revenue is recognized ratably over the contract term. The

Notes to Consolidated Financial Statements — (Continued)
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majority of revenues relating to extended warranty contracts associated with certain instruments and equipment is generally recognized within a few years whereas deferred revenue relating to software maintenance contracts is generally recognized over a longer period.

Measurement of Revenues

The Company acts as the principal in substantially all of its customer arrangements and as such, generally records revenues on a gross basis. Revenues exclude any taxes that the Company collects from customers and remits to tax authorities. The Company considers its shipping and handling costs to be costs of contract fulfillment and has made the accounting policy election to record these costs within *Selling and administrative expense*.

Payment terms extended to the Company's customers are based upon commercially reasonable terms for the markets in which the Company's products are sold. Because the Company generally expects to receive payment within one year or less from when control of a product is transferred to the customer, the Company does not generally adjust its revenues for the effects of a financing component. The Company's allowance for doubtful accounts reflects the current estimate of credit losses expected to be incurred over the life of its trade receivables. Such estimated credit losses are determined based on historical loss experiences, customer-specific credit risk, and reasonable and supportable forward-looking information, such as country or regional risks that are not captured in the historical loss information. Amounts are written off against the allowances for doubtful accounts when the Company determines that a customer account is uncollectable. The allowance for doubtful accounts for trade receivables is not material to the Company's consolidated financial results.

The Company's gross revenues are subject to a variety of deductions which are recorded in the same period that the underlying revenues are recognized. Such variable consideration includes rebates, sales discounts and sales returns. Because these deductions represent estimates of the related obligations, judgment is required when determining the impact of these revenue deductions on gross revenues for a reporting period. Rebates provided by the Company are based upon prices determined under the Company's agreements with its end-user customers. Additional factors considered in the estimate of the Company's rebate liability include the quantification of inventory that is either in stock at or in transit to the Company's distributors, as well as the estimated lag time between the sale of product and the payment of corresponding rebates. The Company's rebate liability at September 30, 2023 and 2022 was \$538 million and \$525 million, respectively. The impact of other forms of variable consideration, including sales discounts and sales returns, is not material to the Company's revenues. Additional disclosures relating to sales discounts and sales returns are provided in Note 19.

The Company's agreements with customers within certain organizational units including Medication Management Solutions, Integrated Diagnostic Solutions and Biosciences, contain multiple performance obligations including both products and certain services noted above. The transaction price for these agreements is allocated to each performance obligation based upon its relative standalone selling price. Standalone selling price is the amount at which the Company would sell a promised good or service separately to a customer. The Company generally estimates standalone selling prices using its list prices and a consideration of typical discounts offered to customers.

Effects of Revenue Arrangements on Consolidated Balance Sheets

Due to the nature of the majority of the Company's products and services, the Company typically does not incur costs to fulfill a contract in advance of providing the customer with goods or services. Capitalized contract costs associated with the costs to fulfill contracts for certain products in the Medication Management Solutions organizational unit are immaterial to the Company's consolidated balance sheets. The Company's costs to obtain contracts are comprised of sales commissions which are paid to the Company's employees or third party agents. The majority of the sales commissions incurred by the Company relate to revenue that is recognized over a period that is less than one year and as such, the Company has elected a practical expedient provided under ASC 606 to record the majority of its expense associated with sales commissions as it is incurred. Commissions

Notes to Consolidated Financial Statements — (Continued)
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relating to revenues recognized over a period longer than one year are recorded as assets which are amortized over the period over which the revenues underlying the commissions are recognized. Capitalized contract costs related to such commissions are immaterial to the Company's consolidated balance sheets.

The Company records contract liabilities for unearned revenue that is allocated to performance obligations such as extended warranty and software maintenance contracts, which are performed over time as discussed further above. *Accrued expenses* on the Company's consolidated balance sheet as of September 30, 2023, included approximately \$412 million of contract liabilities. Contract liabilities as of September 30, 2022, were immaterial to the Company's consolidated financial results. The Company's liability for product warranties provided under its agreements with customers is not material to its consolidated balance sheets.

Remaining Performance Obligations

The Company's obligations relative to service contracts, which are further discussed above, and pending installations of equipment, primarily in the Company's Medication Management Solutions unit, represent unsatisfied performance obligations of the Company. The revenues under existing contracts with original expected durations of more than one year, which are attributable to products and/or services that have not yet been installed or provided, are estimated to be approximately \$2.3 billion at September 30, 2023. The Company expects to recognize the majority of this revenue over the next three years.

Within the Company's Medication Management Solutions, Medication Delivery Solutions, Integrated Diagnostic Solutions, and Biosciences units, some contracts also contain minimum purchase commitments of reagents or other consumables and the future sales of these consumables represent additional unsatisfied performance obligations of the Company. The revenue attributable to the unsatisfied minimum purchase commitment-related performance obligations, for contracts with original expected durations of more than one year, is estimated to be approximately \$2.0 billion at September 30, 2023. This revenue will be recognized over the customer relationship periods.

Disaggregation of Revenues

A disaggregation of the Company's revenues by segment, organizational unit and geographic region is provided in Note 8.

Note 8 — Segment Data

The Company's organizational structure is based upon three worldwide business segments: BD Medical ("Medical"), BD Life Sciences ("Life Sciences") and BD Interventional ("Interventional"). The Company's segments are strategic businesses that are managed separately because each one develops, manufactures and markets distinct products and services.

Medical

Medical produces a broad array of medical technologies and devices that are used to help improve healthcare delivery in a wide range of settings. The primary customers served by Medical are hospitals and clinics; physicians' office practices; consumers and retail pharmacies; governmental and nonprofit public health agencies; pharmaceutical companies; and healthcare workers. Medical consists of the following organizational units: Medication Delivery Solutions; Medication Management Solutions; Pharmaceutical Systems.

Life Sciences

Life Sciences provides products for the safe collection and transport of diagnostics specimens, and instruments and reagent systems to detect a broad range of infectious diseases, healthcare-associated infections and cancers. In addition, Life Sciences produces research and clinical tools that facilitate the study of cells, and the components of cells, to gain a better understanding of normal and disease processes. That information is used to aid the discovery and development of new drugs and vaccines, and to improve the diagnosis and management of diseases. The primary customers served by Life Sciences are hospitals, laboratories and clinics;

Notes to Consolidated Financial Statements — (Continued)
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blood banks; healthcare workers; physicians' office practices; retail pharmacies; academic and government institutions; and pharmaceutical and biotechnology companies. Life Sciences consists of the following organizational units: Integrated Diagnostic Solutions and Biosciences.

Interventional

Interventional provides vascular, urology, oncology and surgical specialty products that are intended to be used once and then discarded or are either temporarily or permanently implanted. The primary customers served by Interventional are hospitals, ambulatory surgery centers, individual healthcare professionals, extended care facilities, alternate site facilities, and patients via the segment's Homecare business. Interventional consists of the following organizational units: Surgery; Peripheral Intervention; Urology and Critical Care.

Additional Segment Information

Distribution of products is primarily through independent distribution channels, and directly to end-users by BD and independent sales representatives. No customer accounted for 10% or more of revenues in any of the three years presented.

Segment disclosures are on a performance basis consistent with internal management reporting. The Company evaluates performance of its business segments and allocates resources to them primarily based upon operating income, which represents revenues reduced by product costs and operating expenses. The Company's chief operating decision maker does not receive any asset information by business segment and, as such, the Company does not report asset information by business segment.

The tables below reflect the Company's revenues and operating income from continuing operations. Revenues and operating income from the former Diabetes Care business prior to its spin-off on April 1, 2022 are included in *(Loss) Income from Discontinued Operations, Net of Tax*. See Note 2 for further information.

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Financial information for the Company's segments is detailed below. The Company has no material intersegment revenues.

(Millions of dollars)	2023			2022			2021		
	United States	International	Total	United States	International	Total	United States	International	Total
Medical									
Medication Delivery Solutions	\$ 2,519	\$ 1,774	\$ 4,293	\$ 2,483	\$ 1,825	\$ 4,308	\$ 2,253	\$ 1,848	\$ 4,101
Medication Management Solutions	2,303	677	2,980	1,935	598	2,533	1,863	570	2,432
Pharmaceutical Systems	666	1,563	2,229	533	1,468	2,001	428	1,400	1,828
Total segment revenues	\$ 5,488	\$ 4,014	\$ 9,502	\$ 4,950	\$ 3,891	\$ 8,841	\$ 4,544	\$ 3,817	\$ 8,361
Life Sciences									
Integrated Diagnostic Solutions	\$ 1,774	\$ 1,850	\$ 3,624	\$ 2,190	\$ 1,995	\$ 4,185	\$ 2,477	\$ 2,748	\$ 5,225
Biosciences	603	906	1,509	542	838	1,379	503	802	1,305
Total segment revenues	\$ 2,377	\$ 2,756	\$ 5,133	\$ 2,732	\$ 2,833	\$ 5,564	\$ 2,980	\$ 3,550	\$ 6,530
Interventional									
Surgery	\$ 1,159	\$ 338	\$ 1,497	\$ 1,094	\$ 306	\$ 1,400	\$ 1,023	\$ 274	\$ 1,296
Peripheral Intervention	1,016	849	1,865	960	799	1,759	931	780	1,711
Urology and Critical Care	1,073	301	1,374	986	319	1,305	894	338	1,232
Total segment revenues	\$ 3,247	\$ 1,489	\$ 4,736	\$ 3,040	\$ 1,424	\$ 4,464	\$ 2,847	\$ 1,392	\$ 4,239
Total Company revenues from continuing operations	\$ 11,113	\$ 8,258	\$ 19,372	\$ 10,722	\$ 8,148	\$ 18,870	\$ 10,371	\$ 8,760	\$ 19,131

The following tables provide a reconciliation of segment operating income to *Income from Continuing Operations before Income Taxes* and segment information for both capital expenditures and depreciation and amortization.

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(Millions of dollars)	2023	2022	2021
Income from Continuing Operations Before Income Taxes			
Medical (a) (b)	\$ 1,967	\$ 2,215	\$ 1,967
Life Sciences	1,585	1,710	2,333
Interventional	1,217	1,081	969
Total Segment Operating Income	4,769	5,006	5,276
Acquisition-related integration and restructuring expense	(313)	(173)	(130)
Net interest expense	(403)	(382)	(403)
Other unallocated items (c)	(2,391)	(2,668)	(2,900)
Total Income from Continuing Operations Before Income Taxes	\$ 1,662	\$ 1,783	\$ 1,643
Capital Expenditures			
Medical	\$ 563	\$ 602	\$ 707
Life Sciences	139	213	213
Interventional	138	130	130
Corporate and All Other	35	28	13
Total Capital Expenditures	\$ 874	\$ 973	\$ 1,063
Depreciation and Amortization			
Medical	\$ 1,199	\$ 1,144	\$ 1,063
Life Sciences	277	283	313
Interventional	799	789	777
Corporate and All Other	13	13	13
Total Depreciation and Amortization	\$ 2,288	\$ 2,229	\$ 2,166

- (a) The amounts in 2023, 2022 and 2021 include charges of \$653 million, \$72 million and \$56 million, respectively, recorded to *Cost of products sold*, to adjust estimated future product remediation costs.
- (b) The amount in 2022 includes a charge of \$54 million, recorded to *Cost of products sold*, to write down the carrying value of certain fixed assets in the Pharmaceutical Systems unit.
- (c) Primarily comprised of foreign exchange, certain general and administrative expenses and share-based compensation expense. The amount in 2023 includes a pre-tax gain recognized on the Company's sale of its Surgical Instrumentation platform of approximately \$268 million, which is further discussed in Note 2. The amount in 2021 includes a pre-tax charge recorded to *Other operating (income) expense, net*, related to certain product liability matters of \$61 million, as further discussed in Note 6.

Geographic Information

The countries in which the Company has local revenue-generating operations have been combined into the following geographic areas: the United States (including Puerto Rico); EMEA (which includes Europe, the Middle East and Africa); Greater Asia (which includes countries in Greater China, Japan, South Asia, Southeast Asia, Korea, and Australia and New Zealand); and Other, which is comprised of Latin America (which includes Mexico, Central America, the Caribbean and South America) and Canada.

Revenues to unaffiliated customers are generally based upon the source of the product shipment. Long-lived assets, which include net property, plant and equipment, are based upon physical location.

Notes to Consolidated Financial Statements — (Continued)
Becton, Dickinson and Company

The table below shows revenues from continuing operations and long-lived assets of continuing operations by geographic area:

(Millions of dollars)	2023	2022	2021
Revenues			
United States	\$ 11,113	\$ 10,722	\$ 10,371
EMEA	4,244	4,043	4,548
Greater Asia	2,913	3,047	3,069
Other	1,102	1,058	1,142
	<u>\$ 19,372</u>	<u>\$ 18,870</u>	<u>\$ 19,131</u>
Long-Lived Assets			
United States	\$ 35,732	\$ 36,617	\$ 35,896
EMEA	5,317	5,126	5,778
Greater Asia	1,521	1,528	1,607
Other	1,116	1,079	860
Corporate	418	442	465
	<u>\$ 44,104</u>	<u>\$ 44,792</u>	<u>\$ 44,606</u>

Note 9 — Share-Based Compensation

The Company grants share-based awards under the 2004 Employee and Director Equity-Based Compensation Plan ("2004 Plan"), which provides long-term incentive compensation to employees and directors consisting of: stock appreciation rights ("SARs"), performance-based restricted stock units, time-vested restricted stock units and other stock awards.

The fair value of share-based payments is recognized as compensation expense in net income. BD estimates forfeitures based on experience at the time of grant and adjusts expense to reflect actual forfeitures. The amounts and location of compensation cost relating to share-based payments included in the consolidated statements of income is as follows:

(Millions of dollars)	2023	2022	2021
Cost of products sold	\$ 50	\$ 46	\$ 43
Selling and administrative expense	170	156	158
Research and development expense	41	37	36
Acquisition-related integration and restructuring expense	—	1	1
Total share-based compensation cost	<u>\$ 261</u>	<u>\$ 240</u>	<u>\$ 238</u>
Tax benefit associated with share-based compensation costs recognized	<u>\$ 58</u>	<u>\$ 55</u>	<u>\$ 55</u>

Total share-based compensation expense includes pre-tax compensation expense included in *Income from Discontinued Operations, Net of Tax* that was not material in 2022 and 2021.

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Stock Appreciation Rights

SARs represent the right to receive, upon exercise, shares of common stock having a value equal to the difference between the market price of common stock on the date of exercise and the exercise price on the date of grant. SARs generally vest over a period of four years and have a term of ten years. The fair value of awards was estimated on the date of grant using a lattice-based binomial option valuation model and these valuations were largely based upon the following weighted-average assumptions:

	2023	2022	2021
Risk-free interest rate	3.78%	1.41%	0.68%
Expected volatility	21.0%	22.0%	23.0%
Expected dividend yield	1.53%	1.42%	1.46%
Expected life	7.0 years	7.3 years	7.4 years
Fair value derived	\$57.80	\$49.45	\$44.38

Expected volatility is based upon historical volatility for the Company's common stock and other factors. The expected life of SARs granted is derived from the output of the lattice-based model, using assumed exercise rates based on historical exercise and termination patterns, and represents the period of time that SARs granted are expected to be outstanding. The risk-free interest rate used is based upon the published U.S. Treasury yield curve in effect at the time of grant for instruments with a similar life. The dividend yield is based upon the most recently declared quarterly dividend as of the grant date. The Company issued 0.5 million shares during 2023 to satisfy the SARs exercised.

A summary of SARs outstanding as of September 30, 2023 and changes during the year then ended is as follows:

	SARs (in thousands)	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (Millions of dollars)
Balance at October 1	5,544	\$ 197.31		
Granted	752	238.06		
Exercised	(1,161)	156.11		
Forfeited, canceled or expired	(230)	253.21		
Balance at September 30	4,905	\$ 211.47	5.66	\$ 231
Vested and expected to vest at September 30	4,757	210.67	5.58	\$ 228
Exercisable at September 30	3,428	\$ 200.41	4.53	\$ 199

A summary of SARs exercised during 2023, 2022 and 2021 is as follows:

(Millions of dollars)	2023	2022	2021
Total intrinsic value of SARs exercised	\$ 126	\$ 184	\$ 102
Total fair value of SARs vested	\$ 34	\$ 36	\$ 39

Performance-Based and Time-Vested Restricted Stock Units

Performance-based restricted stock units cliff vest three years after the date of grant. These units are tied to the Company's performance against pre-established targets over a performance period of three years. The performance measures for fiscal years 2023, 2022 and 2021 were average annual currency-neutral revenue growth and average annual return on invested capital, with the combined factor subject to adjustment based on the Company's relative total shareholder return (measures the Company's stock performance during the performance period against that of peer companies). Under the Company's long-term incentive program, the

Notes to Consolidated Financial Statements — (Continued)
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actual payout under these awards may vary from zero to 200% of an employee's target payout, based on the Company's actual performance over the performance period of three years. In fiscal year 2021, the Company also issued additional performance-based time-vested units to certain key executives, which cliff vest three years after the date of grant and are tied to the Company's performance against average annual growth in the Company's Adjusted EPS over a performance period of three years. No shares will be issuable if the performance targets have not been met. The fair value is based on the market price of the Company's stock on the date of grant. Compensation cost initially recognized assumes that the target payout level will be achieved and is adjusted for subsequent changes in the expected outcome of performance-related conditions. For units for which the performance conditions are modified after the date of grant, any incremental increase in the fair value of the modified units, over the original units, is recorded as compensation expense on the date of the modification for vested units, or over the remaining performance period for units not yet vested.

Time-vested restricted stock unit awards vest on a graded basis over a period of three years, except for certain key executives of the Company, including the executive officers, for which such units generally vest one year following the employee's retirement. The related share-based compensation expense is recorded over the requisite service period, which is the vesting period or is based on retirement eligibility. The fair value of all time-vested restricted stock units is based on the market value of the Company's stock on the date of grant.

A summary of restricted stock units outstanding as of September 30, 2023 and changes during the year then ended is as follows:

	Performance-Based		Time-Vested	
	Stock Units (in thousands)	Weighted Average Grant Date Fair Value	Stock Units (in thousands)	Weighted Average Grant Date Fair Value
Balance at October 1	934	\$ 230.46	1,561	\$ 224.87
Granted	440	227.11	1,037	231.58
Distributed	(81)	238.60	(510)	232.11
Forfeited or canceled	(330)	235.53	(372)	231.72
Balance at September 30	963	(a) \$ 226.51	1,716	\$ 225.33
Expected to vest at September 30	597	(b) \$ 225.74	1,626	\$ 224.89

(a) Based on 200% of target payout for performance based restricted units and 100% of the performance based time-vested units.

(b) Net of expected forfeited units and units in excess of the expected performance payout of 69 thousand and 297 thousand shares, respectively.

The weighted average grant date fair value of restricted stock units granted during the years 2023, 2022 and 2021 are as follows:

	Performance-Based			Time-Vested		
	2023	2022	2021	2023	2022	2021
Weighted average grant date fair value of units granted	\$ 227.11	\$ 242.39	\$ 216.39	\$ 231.58	\$ 239.39	\$ 223.60

The total fair value of stock units vested during 2023, 2022 and 2021 was as follows:

(Millions of dollars)	Performance-Based			Time-Vested		
	2023	2022	2021	2023	2022	2021
Total fair value of units vested	\$ 28	\$ 14	\$ 16	\$ 169	\$ 169	\$ 203

Notes to Consolidated Financial Statements — (Continued)
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At September 30, 2023, the weighted average remaining vesting term of performance-based and time vested restricted stock units is 1.27 and 0.71 years, respectively.

Unrecognized Compensation Expense and Other Stock Plans

The amount of unrecognized compensation expense for all non-vested share-based awards as of September 30, 2023, is approximately \$272 million, which is expected to be recognized over a weighted-average remaining life of approximately 1.9 years. At September 30, 2023, 5.6 million shares were authorized for future grants under the 2004 Plan. The Company has a policy of satisfying share-based payments through either open market purchases or shares held in treasury. At September 30, 2023, the Company has sufficient shares held in treasury to satisfy these payments.

As of September 30, 2023, 98 thousand shares were held in trust relative to a Director's Deferral plan, which provides a means to defer director compensation, from time to time, on a deferred stock or cash basis. Also as of September 30, 2023, 211 thousand shares were issuable under a Deferred Compensation Plan that allows certain highly-compensated employees, including executive officers, to defer salary, annual incentive awards and certain equity-based compensation.

Note 10 — Benefit Plans

The Company has defined benefit pension plans covering certain employees in the United States and in certain international locations. Postretirement healthcare and life insurance benefits provided to qualifying domestic retirees as well as other postretirement benefit plans in international countries are not material. The measurement date used for the Company's employee benefit plans is September 30.

In August 2023, the Company announced that effective September 30, 2024, it would freeze the U.S. Plan, and plan participants, which include legacy Bard U.S. pension plan participants as further discussed below, no longer will accrue benefits under the plan subsequent to this date. Both the legacy BD U.S. pension and legacy Bard U.S. pension plans had already been frozen to prevent new participants effective January 1, 2018 and January 1, 2011, respectively.

In fiscal year 2022, the transfer of employees to Embecta in connection with the spin-off triggered remeasurements of some of the Company's benefit plans. The BD U.S. pension plan was also remeasured upon the merging of this plan with the legacy Bard U.S. pension plan effective January 1, 2022. These remeasurements did not materially impact the Company's benefit obligation and resulted in adjustments to *Accumulated other comprehensive loss*.

Generally, all components of the Company's net periodic pension and postretirement benefit costs, aside from service cost, are recorded to *Other expense, net* on its consolidated statements of income. Certain amounts for termination benefits, curtailments and settlements related to the spin-off of Embecta, were recorded in *Income from Discontinued Operations, Net of Tax* and were not material.

Notes to Consolidated Financial Statements — (Continued)
Becton, Dickinson and Company

Net pension cost for the years ended September 30 included the following components:

(Millions of dollars)	Pension Plans		
	2023	2022	2021
Service cost	\$ 91	\$ 134	\$ 150
Interest cost	129	77	71
Expected return on plan assets	(141)	(187)	(174)
Amortization of prior service credit	(7)	(15)	(16)
Amortization of loss	58	61	97
Curtailements/settlement loss	44	73	9
Net pension cost	<u>\$ 174</u>	<u>\$ 143</u>	<u>\$ 137</u>
Net pension cost included in the preceding table that is attributable to international plans	<u>\$ 25</u>	<u>\$ 20</u>	<u>\$ 41</u>

The amounts provided above for amortization of prior service credit and amortization of loss represent the reclassifications of prior service credits and net actuarial losses that were recognized in *Accumulated other comprehensive income (loss)* in prior periods. The Company recognizes pension settlements when payments from the plan exceed the sum of service and interest cost components of net periodic pension cost associated with the plan for the fiscal year. The settlement losses recorded in 2023 and 2022 included lump sum benefit payments primarily associated with the Company's U.S. pension plan. A curtailment gain was recognized in 2023 related the freeze of the U.S. pension plan and a curtailment loss was recognized in 2021 related to a freeze of a pension plan in Europe.

Notes to Consolidated Financial Statements — (Continued)
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The change in benefit obligation, change in fair value of pension plan assets, funded status and amounts recognized in the Consolidated Balance Sheets for these plans were as follows:

(Millions of dollars)	Pension Plans	
	2023	2022
Change in benefit obligation:		
Beginning obligation	\$ 2,634	\$ 3,889
Service cost	91	134
Interest cost	129	77
Plan amendments	—	1
Benefits paid	(67)	(64)
Impact of Embecta spin-off	—	(7)
Actuarial gain	(24)	(1,007)
Curtailments/settlements	(214)	(246)
Other, includes translation	68	(143)
Benefit obligation at September 30	\$ 2,617	\$ 2,634
Change in fair value of plan assets:		
Beginning fair value	\$ 2,242	\$ 3,222
Actual return on plan assets	33	(740)
Employer contribution	62	198
Benefits paid	(67)	(64)
Impact of Embecta spin-off	—	(6)
Settlements	(200)	(241)
Other, includes translation	59	(127)
Plan assets at September 30	\$ 2,129	\$ 2,242
Funded Status at September 30:		
Unfunded benefit obligation	\$ (488)	\$ (392)
Amounts recognized in the Consolidated Balance Sheets at September 30:		
Other Assets	\$ 81	\$ 70
Salaries, wages and related items	(15)	(15)
Long-term Employee Benefit Obligations	(554)	(447)
Net amount recognized	\$ (488)	\$ (392)
Amounts recognized in Accumulated other comprehensive income (loss) before income taxes at September 30:		
Prior service credit	\$ 3	\$ 24
Net actuarial loss	(689)	(728)
Net amount recognized	\$ (686)	\$ (704)

International pension plan assets at fair value included in the preceding table were \$48 million and \$705 million at September 30, 2023 and 2022, respectively. The international pension plan projected benefit obligations were \$833 million and \$772 million at September 30, 2023 and 2022, respectively.

Notes to Consolidated Financial Statements — (Continued)
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The benefit obligation associated with postretirement healthcare and life insurance plans provided to qualifying domestic retirees, which was largely recorded as *Long-Term Employee Benefit Obligations*, was \$92 million and \$101 million at September 30, 2023 and 2022, respectively.

Pension plans with accumulated benefit obligations in excess of plan assets and plans with projected benefit obligations in excess of plan assets consist of the following at September 30:

(Millions of dollars)	Accumulated Benefit Obligation Exceeds the Fair Value of Plan Assets		Projected Benefit Obligation Exceeds the Fair Value of Plan Assets	
	2023	2022	2023	2022
Projected benefit obligation	\$ 2,140	\$ 2,104	\$ 2,159	\$ 2,182
Accumulated benefit obligation	\$ 2,088	\$ 2,059		
Fair value of plan assets	\$ 1,575	\$ 1,644	\$ 1,591	\$ 1,720

The weighted average assumptions used in determining pension plan information were as follows:

	2023	2022	2021
Net Cost			
Discount rate:			
U.S. plans (a)	5.62 %	2.89 %	2.80 %
International plans	4.26	1.75	1.44
Expected return on plan assets:			
U.S. plans	7.25	6.25	6.25
International plans	5.02	4.84	4.92
Rate of compensation increase:			
U.S. plans	4.51	4.31	4.30
International plans	2.86	2.63	2.20
Cash balance plan interest crediting rate:			
U.S. plans	4.00	4.00	4.00
International plans	1.98	2.02	1.95
Benefit Obligation			
Discount rate:			
U.S. plans	6.01	5.62	2.89
International plans	4.62	4.26	1.75
Rate of compensation increase:			
U.S. plans	4.00	4.51	4.31
International plans	2.86	2.86	2.63
Cash balance plan interest crediting rate:			
U.S. plans	4.00	4.00	4.00
International plans	2.21	1.98	2.02

(a) The Company calculated the service and interest components utilizing an approach that discounts the individual expected cash flows using the applicable spot rates derived from the yield curve over the projected cash flow period.

Notes to Consolidated Financial Statements — (Continued)
Becton, Dickinson and Company

Expected Rate of Return on Plan Assets

The expected rate of return on plan assets is based upon expectations of long-term average rates of return to be achieved by the underlying investment portfolios. In establishing this assumption, the Company considers many factors, including historical assumptions compared with actual results; benchmark data; expected returns on various plan asset classes, as well as current and expected asset allocations.

Expected Funding

The Company's funding policy for its defined benefit pension plans is to contribute amounts sufficient to meet legal funding requirements, plus any additional amounts that may be appropriate considering the funded status of the plans, tax consequences, the cash flow generated by the Company and other factors. The Company made a discretionary contribution to its BD U.S. pension plan of \$150 million in October 2023. The Company did not make any required contributions in 2023 and does not anticipate any significant required contributions to its pension plans in fiscal year 2024.

Expected benefit payments are as follows:

(Millions of dollars)	Pension Plans
2024	\$ 208
2025	203
2026	214
2027	204
2028	208
2029-2033	1,061

Expected benefit payments associated with postretirement healthcare plans are immaterial to the Company's consolidated financial results.

Investments

The Company's primary objective is to achieve returns sufficient to meet future benefit obligations. It seeks to generate above market returns by investing in more volatile asset classes such as equities while at the same time controlling risk through diversification in non-correlated asset classes and through allocations to more stable asset classes like fixed income.

U.S. Plans

The Company's U.S. pension plans comprise 65% of total benefit plan investments, based on September 30, 2023 market values, and have a target asset mix of 45% fixed income, 21% diversifying investments and 34% equities. This mix was established based on an analysis of projected benefit payments and estimates of long-term returns, volatilities and correlations for various asset classes. The asset allocations to diversifying investments include high-yield bonds, hedge funds, real estate, infrastructure, leveraged loans and emerging markets bonds.

The actual portfolio investment mix may, from time to time, deviate from the established target mix due to various factors such as normal market fluctuations, the reliance on estimates in connection with the determination of allocations and normal portfolio activity such as additions and withdrawals. Rebalancing of the asset portfolio on a quarterly basis is required to address any allocations that deviate from the established target allocations in excess of defined allowable ranges. The target allocations are subject to periodic review, including a review of the asset portfolio's performance, by the named fiduciary of the plans. Any tactical deviations from the established asset mix require the approval of the named fiduciary.

The U.S. plans may enter into both exchange traded and non-exchange traded derivative transactions in order to manage interest rate exposure, volatility, term structure of interest rates, and sector and currency

Notes to Consolidated Financial Statements — (Continued)
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exposures within the fixed income portfolios. The Company has established minimum credit quality standards for counterparties in such transactions.

The following table provides the fair value measurements of U.S. plan assets, as well as the measurement techniques and inputs utilized to measure fair value of these assets, at September 30, 2023 and 2022. The categorization of fund investments is based upon the categorization of these funds' underlying assets.

(Millions of dollars)	Basis of fair value measurement (See Note 1)									
	Total U.S. Plan Asset Balances		Investments Measured at Net Asset Value (a)		Level 1		Level 2		Level 3	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Fixed Income:										
Corporate bonds	\$ 443	\$ 492	\$ —	\$ —	\$ 260	\$ 258	\$ 182	\$ 234	\$ —	\$ —
Government and agency-U.S.	53	69	—	—	43	53	10	16	—	—
Government and agency-Foreign	17	22	—	—	—	—	17	22	—	—
Other fixed income	46	52	—	—	24	26	22	26	—	—
Equity securities	469	469	59	62	410	406	—	—	—	—
Cash and cash equivalents	202	243	—	—	202	243	—	—	—	—
Other	151	191	79	110	72	81	—	—	—	—
Fair value of plan assets	<u>\$ 1,382</u>	<u>\$ 1,537</u>	<u>\$ 138</u>	<u>\$ 172</u>	<u>\$ 1,012</u>	<u>\$ 1,068</u>	<u>\$ 231</u>	<u>\$ 297</u>	<u>\$ —</u>	<u>\$ —</u>

(a) As per applicable disclosure requirements, certain investments that were measured at net asset value per share or its equivalent have not been categorized within the fair value hierarchy. Values of such assets are based on the corroborated net asset value provided by the fund administrator.

Fixed Income Securities

U.S. pension plan assets categorized above as fixed income securities include fund investments comprised of corporate and government and agency investments. Investments in corporate bonds are diversified across industry and sector and consist of investment-grade, as well as high-yield debt instruments. U.S. government investments consist of obligations of the U.S. Treasury, other U.S. government agencies, state governments and local municipalities. Assets categorized as foreign government and agency debt securities included investments in developed and emerging markets.

The values of fixed income investments classified within Level 1 are based on the closing price reported on the major market on which the investments are traded. A portion of the fixed income instruments classified within Level 2 are valued based upon estimated prices from independent vendors' pricing models and these prices are derived from market observable sources including: benchmark yields, reported trades, broker/dealer quotes, issuer spreads, benchmark securities, bids, offers and other market-related data.

Equity Securities

U.S. pension plan assets categorized as equity securities consist of fund investments in publicly-traded U.S. and non-U.S. equity securities. In order to achieve appropriate diversification, these portfolios are invested across market sectors, investment styles, capitalization weights and geographic regions. The values of equity securities classified within Level 1 are based on the closing price reported on the major market on which the

Notes to Consolidated Financial Statements — (Continued)
Becton, Dickinson and Company

investments are traded or have a readily determinable fair value based on published prices obtained from fund managers which represent the price at which the instruments can be redeemed at period end. The U.S. pension plan has no future funding commitments associated with these investments and has the right to redeem them upon one day's notice, at any time and without restriction.

Cash and Cash Equivalents

A portion of the U.S. plans' assets consists of investments in cash and cash equivalents, primarily to accommodate liquidity requirements relating to trade settlement and benefit payment activity, and the values of these assets are based upon quoted market prices.

Other Securities

Other U.S. pension plan assets include fund investments comprised of hedge funds. The values of such instruments classified within Level 1 are based on the closing price reported on the major market on which the investments are traded.

International Plans

International plan assets comprise 35% of the Company's total benefit plan assets, based on market value at September 30, 2023. Such plans have local independent fiduciary committees, with responsibility for development and oversight of investment policy, including asset allocation decisions. In making such decisions, consideration is given to local regulations, investment practices and funding rules.

The following table provides the fair value measurements of international plan assets, as well as the measurement techniques and inputs utilized to measure fair value of these assets, at September 30, 2023 and 2022.

(Millions of dollars)	Total International Plan Asset Balances		Basis of fair value measurement (See Note 1)					
			Level 1		Level 2		Level 3 (a)	
	2023	2022	2023	2022	2023	2022	2023	2022
Fixed Income:								
Corporate bonds	\$ 122	\$ 33	\$ 100	\$ 19	\$ 10	\$ 14	\$ 12	\$ —
Government and agency-U.S.	9	10	8	8	2	2	—	—
Government and agency- Foreign	197	180	165	167	26	13	6	—
Other fixed income	43	76	34	68	9	8	—	—
Equity securities	173	190	147	190	1	—	25	—
Cash and cash equivalents	10	7	8	7	—	—	2	—
Real estate	36	35	1	1	26	24	9	10
Insurance contracts	103	96	—	—	—	—	103	96
Other	55	76	35	48	1	7	19	21
Fair value of plan assets	\$ 748	\$ 705	\$ 499	\$ 508	\$ 74	\$ 68	\$ 175	\$ 128

Notes to Consolidated Financial Statements — (Continued)
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(a) Changes in the fair value of international pension assets measured using Level 3 inputs for the years ended September 30, 2023 and 2022 were immaterial.

Fixed Income Securities

Fixed income investments held by international pension plans include corporate, U.S. government and non-U.S. government securities. The values of fixed income securities classified within Level 1 are based on the closing price reported on the major market on which the investments are traded. Values of investments classified within Level 2 are based upon estimated prices from independent vendors' pricing models and these prices are derived from market observable sources.

Equity Securities

Equity securities included in the international plan assets consist of publicly-traded U.S. and non-U.S. equity securities. The values of equity securities classified within Level 1 are based on the closing price reported on the major market on which the investments are traded or have a readily determinable fair value based on published prices obtained from fund managers which represent the price at which the instruments can be redeemed at period end. The international plans holding these securities have no future funding commitments associated with these investments and has the right to redeem them upon one day's notice, at any time and without restriction.

Other Securities

The international plans hold a portion of assets in cash and cash equivalents, in order to accommodate liquidity requirements and the values are based upon quoted market prices. Real estate investments consist of investments in funds holding an interest in real properties and the corresponding values represent the estimated fair value based on the fair value of the underlying investment value or cost, adjusted for any accumulated earnings or losses. The values of insurance contracts approximately represent cash surrender value. Other investments include fund investments for which values are based upon either quoted market prices or market observable sources.

Defined Contribution Plans

The cost of voluntary defined contribution plans which provide for a Company match or contribution was \$156 million in 2023, \$178 million in 2022 and \$153 million in 2021.

Note 11 — Acquisitions

On July 18, 2022, the Company completed the acquisition of Parata Systems ("Parata"), an innovative provider of pharmacy automation solutions, for total cash consideration of \$1.548 billion. Since the acquisition date, financial results for Parata's product offerings are being reported within results for the Medical segment's Medication Management Solutions unit. The acquisition was accounted for under the acquisition method of accounting for business combinations.

The fair value of the assets acquired and the liabilities assumed resulted in the recognition of developed technology intangible assets of \$28 million, customer relationships intangible asset of \$161 million, and \$1 million of other net liabilities. The excess of the purchase price over fair value of the acquired net assets was recorded as goodwill of \$759 million, which related to synergies expected to be gained from leveraging the existing presence of the Company's sales and marketing teams in pharmacies and acute care facilities, the broader coverage of the Company's legacy sales and marketing teams, and revenue and cash flow projections associated with future technologies. A portion of the goodwill is deductible for tax purposes.

In addition to the Parata acquisition discussed above, the Company completed various other acquisitions during fiscal year 2022 which were not material individually or in the aggregate, including Parata.

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Note 12 — Business Restructuring Charges

The Company incurred restructuring costs, primarily in connection with the Company's simplification and other cost saving initiatives that are part of its strategic objectives, which were largely recorded within *Acquisition-related integration and restructuring expense* on its consolidated statements of income. These simplification and other costs saving initiatives are focused on reducing complexity, enhancing product quality, refining customer experience, and improving cost efficiency across all of the Company's segments. Restructuring liability activity in 2023, 2022 and 2021 was as follows:

(Millions of dollars)	Employee Termination	Other (a)	Total
Balance at September 30, 2020	\$ 32	\$ 4	\$ 36
Charged to expense	14	30	44
Cash payments	(31)	(25)	(56)
Non-cash settlements	—	(4)	(4)
Balance at September 30, 2021	\$ 14	\$ 5	\$ 19
Charged to expense	21	103	123
Cash payments	(11)	(71)	(82)
Non-cash settlements	—	(25)	(25)
Other adjustments	—	(1)	(1)
Balance at September 30, 2022	\$ 24	\$ 11	\$ 35
Charged to expense	117	122	239
Cash payments	(62)	(103)	(165)
Non-cash settlements	—	(30)	(30)
Other adjustments	—	1	1
Balance at September 30, 2023	\$ 79	\$ 1	\$ 80

(a) Expenses primarily relate to other costs associated with the execution of the Company's cost efficiency and restructuring programs, such as incremental project management costs and asset write-offs.

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Note 13 — Intangible Assets

Intangible assets at September 30 consisted of:

(Millions of dollars)	2023			2022		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
<i>Amortized intangible assets</i>						
Developed technology	\$ 15,080	\$ (7,023)	\$ 8,058	\$ 15,087	\$ (5,979)	\$ 9,108
Customer relationships	4,859	(2,521)	2,338	4,853	(2,170)	2,683
Patents, trademarks and other	1,130	(624)	505	1,046	(574)	473
Amortized intangible assets	<u>\$ 21,069</u>	<u>\$ (10,168)</u>	<u>\$ 10,901</u>	<u>\$ 20,987</u>	<u>\$ (8,723)</u>	<u>\$ 12,264</u>
<i>Unamortized intangible assets</i>						
Acquired in-process research and development	\$ 44			\$ 44		
Trademarks	2			2		
Unamortized intangible assets	<u>\$ 46</u>			<u>\$ 46</u>		

Intangible amortization expense was \$1.465 billion, \$1.430 billion and \$1.402 billion in 2023, 2022 and 2021, respectively. The estimated aggregate amortization expense for the fiscal years ending September 30, 2024 to 2028 are as follows: 2024 — \$1.434 billion; 2025 — \$1.431 billion; 2026 — \$1.398 billion; 2027 — \$1.327 billion; 2028 — \$1.239 billion.

The following is a reconciliation of goodwill by business segment:

(Millions of dollars)	Medical	Life Sciences	Interventional	Total
Goodwill as of September 30, 2021	\$ 10,240	\$ 836	\$ 12,810	\$ 23,886
Acquisitions (a)	814	71	188	1,073
Purchase price allocation adjustments	1	—	(2)	(1)
Currency translation	(145)	(20)	(171)	(337)
Goodwill as of September 30, 2022	<u>\$ 10,909</u>	<u>\$ 888</u>	<u>\$ 12,824</u>	<u>\$ 24,621</u>
Divestitures and related adjustments (b)	—	—	(218)	(218)
Purchase price allocation adjustments (c)	13	—	—	13
Currency translation	33	9	64	105
Goodwill as of September 30, 2023	<u>\$ 10,955</u>	<u>\$ 897</u>	<u>\$ 12,670</u>	<u>\$ 24,522</u>

- (a) Primarily represents goodwill recognized in the Medical segment upon the Company's acquisition of Parata, which is further discussed in Note 11. Also includes goodwill recognized relative to certain acquisitions which were not material individually or in the aggregate.
- (b) Represents goodwill derecognized upon the Company's sale of its Surgical Instrumentation platform, as further discussed in Note 2.
- (c) The purchase price allocation adjustments were primarily driven by an adjustment to tax-related balances recorded upon the finalization of the Parata acquisition allocation within one year of the transaction's closing.

Note 14 — Derivative Instruments and Hedging Activities

The Company uses derivative instruments to mitigate certain exposures. The Company does not enter into derivative financial instruments for trading or speculative purposes. The effects these derivative instruments and

Notes to Consolidated Financial Statements — (Continued)
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hedged items had on the Company's balance sheets and the fair values of the derivatives outstanding at September 30, 2023 and 2022 were not material. The effects on the Company's financial performance and cash flows are provided below.

Foreign Currency Risks and Related Strategies

The Company has foreign currency exposures throughout Europe, Greater Asia, Canada and Latin America. Transactional currency exposures that arise from entering into transactions, generally on an intercompany basis, in non-hyperinflationary countries that are denominated in currencies other than the functional currency are mitigated primarily through the use of forward contracts. In order to mitigate foreign currency exposure relating to its investments in certain foreign subsidiaries, the Company has hedged the currency risk associated with those investments with certain instruments such as foreign currency-denominated debt and cross-currency swaps, which are designated as net investment hedges, as well as currency exchange contracts.

The notional amounts of the Company's foreign currency-related derivative instruments as of September 30, 2023 and 2022 were as follows:

(Millions of dollars)	Hedge Designation	2023	2022
Foreign exchange contracts (a)	Undesignated	\$ 3,146	\$ 2,766
Foreign currency-denominated debt (b)	Net investment hedges	1,056	2,140
Cross-currency swaps (c)	Net investment hedges	2,119	910

- (a) Represent hedges of transactional foreign exchange exposures resulting primarily from intercompany payables and receivables. Gains and losses on these instruments are recognized immediately in income. These gains and losses are largely offset by gains and losses on the underlying hedged items, as well as the hedging costs associated with the derivative instruments. Net amounts recognized in *Other expense, net*, during the years ending September 30, 2023, 2022 and 2021 are detailed in Note 19.
- (b) Represents foreign currency-denominated long-term notes outstanding which were effective as economic hedges of net investments in certain of the Company's foreign subsidiaries.
- (c) Represents cross-currency swaps which were effective as economic hedges of net investments in certain of the Company's foreign subsidiaries.

Net gains or losses relating to the net investment hedges, which are attributable to changes in the foreign currencies to U.S. dollar spot exchange rates, are recorded as accumulated foreign currency translation in *Other comprehensive income (loss)*. Upon the termination of a net investment hedge, any net gain or loss included in *Accumulated other comprehensive income (loss)* relative to the investment hedge remains until the foreign subsidiary investment is disposed of or is substantially liquidated.

Net (losses) gains recorded to *Accumulated other comprehensive income (loss)* relating to the Company's net investment hedges as of September 30, 2023, 2022 and 2021 were as follows:

(Millions of dollars)	2023	2022	2021
Foreign currency-denominated debt	\$ (155)	\$ 320	\$ 32
Cross-currency swaps (a)	(70)	173	(21)

- (a) The amounts in 2023, 2022 and 2021 include net of tax gains (losses) recognized on terminated cross-currency swaps of \$3 million, \$46 million and \$(35) million, respectively.

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Interest Rate Risks and Related Strategies

The Company uses a mix of fixed and variable rate debt, which is further discussed in Note 16, to manage its interest rate exposure, and periodically uses interest rate swaps to manage such exposures. Under these interest rate swaps, the Company exchanges, at specified intervals, the difference between fixed and floating interest amounts calculated by reference to an agreed-upon notional principal amount. These swaps are designated as either cash flow or fair value hedges.

Changes in the fair value of the interest rate swaps designated as cash flow hedges (i.e., hedging the exposure to variability in expected future cash flows that is attributable to a particular risk) are recorded in *Other comprehensive income (loss)*. If interest rate derivatives designated as cash flow hedges are terminated, the balance in *Accumulated other comprehensive income (loss)* attributable to those derivatives is reclassified into earnings, within *Interest expense*, over the remaining life of the hedged debt. The amounts reclassified from accumulated other comprehensive income relating to cash flow hedges during 2023, 2022 and 2021, as well as the amounts expected to be reclassified within the next 12 months, are not material to the Company's consolidated financial results.

The Company recorded net after-tax gains of \$23 million, \$92 million and \$72 million in *Other comprehensive income (loss)* relating to interest rate-related cash flow hedges during the years ended September 30, 2023, 2022 and 2021, respectively. The gains recorded during fiscal year 2022 included a net after-tax gain of \$41 million that was realized upon the Company's termination of \$500 million of forward starting interest rate swaps.

For interest rate swaps designated as fair value hedges (i.e., hedges against the exposure to changes in the fair value of an asset or a liability or an identified portion thereof that is attributable to a particular risk), changes in the fair value of the interest rate swaps offset changes in the fair value of the fixed rate debt due to changes in market interest rates. Amounts recorded during the years ended September 30, 2023 and 2022 were immaterial to the Company's consolidated financial results.

The notional amounts of the Company's interest rate-related derivative instruments as of September 30, 2023 and 2022 were as follows:

(Millions of dollars)	Hedge Designation	2023		2022	
Interest rate swaps (a)	Fair value hedges	\$	700	\$	700
Forward starting interest rate swaps (b)	Cash flow hedges		500		500

(a) Represents fixed-to-floating interest rate swap agreements the Company entered into to convert the interest payments on certain long-term notes from the fixed rate to a floating interest rate based on secured overnight financing rates ("SOFR"), which replaced LIBOR rates in fiscal year 2023.

(b) Represents interest rate derivatives entered into to mitigate exposure to interest rate risk related to future debt issuances.

Other Risk Exposures

The Company purchases resins, which are oil-based components used in the manufacture of certain products. Significant increases in world oil prices that lead to increases in resin purchase costs could impact future operating results. From time to time, the Company has managed price risks associated with these commodity purchases through commodity derivative forward contracts. The Company's commodity derivative forward contracts at September 30, 2023 and 2022 were immaterial to the Company's consolidated financial results.

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Note 15 — Financial Instruments and Fair Value Measurements

The following reconciles cash and equivalents and restricted cash reported within the Company's consolidated balance sheets at September 30, 2023 and 2022 to the total of these amounts shown on the Company's consolidated statements of cash flows:

(Millions of dollars)	2023	2022
Cash and equivalents	\$ 1,416	\$ 1,006
Restricted cash	65	153
Cash and equivalents and restricted cash	<u>\$ 1,481</u>	<u>\$ 1,159</u>

The fair values of the Company's financial instruments are as follows:

(Millions of dollars)	Basis of fair value measurement (See Note 1)	2023	2022
Institutional money market accounts (a)	Level 1	\$ 373	\$ 1
Current portion of long-term debt (b)	Level 2	1,122	1,927
Long-term debt (b)	Level 2	12,850	12,119

- (a) These financial instruments are recorded within *Cash and equivalents* on the consolidated balance sheets. The institutional money market accounts permit daily redemption.
 (b) Long-term debt is recorded at amortized cost. The fair value of long-term debt is measured based upon quoted prices in active markets for similar instruments

Short-term investments are held to their maturities and are carried at cost, which approximates fair value. The short-term investments consist of instruments with maturities greater than three months and less than one year. All other instruments measured by the Company at fair value, including derivatives and contingent consideration liabilities, are immaterial to the Company's consolidated balance sheets.

Nonrecurring Fair Value Measurements

In fiscal year 2022, the Company recorded non-cash asset impairment charges of \$1 million to *Cost of products sold* in the Life Sciences segment, \$19 million to *Acquisition-related integration and restructuring expense* in the Medical segment and \$54 million to *Cost of products sold* in the Medical segment to write down the carrying value of certain fixed assets. In fiscal year 2021, the Company recorded charges to *Cost of products sold* of \$40 million to write down the carrying value of certain fixed assets. The amounts recognized in 2022 and 2021 were recorded to adjust the carrying amount of assets to the assets' fair values, which were estimated, based upon a market participant's perspective, using Level 3 inputs, including values estimated using the income approach.

Concentration of Credit Risk

The Company maintains cash deposits in excess of government-provided insurance limits. Such cash deposits are exposed to loss in the event of nonperformance by financial institutions. Substantially all of the Company's trade receivables are due from public and private entities involved in the healthcare industry. Due to the large size and diversity of the Company's customer base, concentrations of credit risk with respect to trade receivables are limited. The Company does not normally require collateral. The Company is exposed to credit loss in the event of nonperformance by financial institutions with which it conducts business. However, this loss is limited to the amounts, if any, by which the obligations of the counterparty to the financial instrument contract exceed the obligations of the Company. The Company also minimizes exposure to credit risk by dealing with a diversified group of major financial institutions.

The Company continually evaluates its accounts receivables for potential collection risks, particularly those resulting from sales to government-owned or government-supported healthcare facilities in certain countries, as payment may be dependent upon the financial stability and creditworthiness of those countries'

Notes to Consolidated Financial Statements — (Continued)
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national economies. The Company continually evaluates all governmental receivables for potential collection risks associated with the availability of government funding and reimbursement practices. The Company believes the current reserves related to all governmental receivables are adequate and that this concentration of credit risk will not have a material adverse impact on its financial position or liquidity.

Transfers of trade receivables

Over the normal course of its business activities, the Company transfers certain trade receivable assets to third parties under factoring agreements. Per the terms of these agreements, the Company surrenders control over its trade receivables upon transfer. Accordingly, the Company accounts for the transfers as sales of trade receivables by recognizing an increase to *Cash and equivalents* and a decrease to *Trade receivables, net* when proceeds from the transactions are received. The costs incurred by the Company in connection with factoring activities were not material to its consolidated financial results. The amounts transferred and yet to be remitted under factoring arrangements are provided below.

(Millions of dollars)	2023	2022	2021
Trade receivables transferred to third parties under factoring arrangements	\$ 2,615	\$ 1,215	\$ 1,189
(Millions of dollars)	2023	2022	
Amounts yet to be collected and remitted to the third parties	357	323	

Note 16 — Debt

Current debt obligations

The carrying value of *Current debt obligations*, net of unamortized debt issuance costs, at September 30 consisted of:

(Millions of dollars)	2023	2022
Commercial paper borrowings	\$ —	\$ 230
Current portion of long-term debt		
1.000% Notes due December 15, 2022	(a) —	487
1.401% Notes due May 24, 2023	(a) —	292
0.632% Notes due June 4, 2023	(a) —	779
0.000% Notes due August 13, 2023	(a) —	390
3.875% Notes due May 15, 2024	144	—
3.363% Notes due June 6, 2024	997	—
Total current debt obligations	<u>\$ 1,141</u>	<u>\$ 2,179</u>

(a) All of the aggregate principal amount outstanding was retired upon maturity during 2023, as further discussed below.

The weighted average interest rates for current debt obligations were 3.43% and 1.00% at September 30, 2023 and 2022, respectively.

From time to time, the Company may access the commercial paper market as it manages working capital over the normal course of its business activities. In March 2023, the Company amended the agreement for its U.S. commercial paper program, which provided, among other things, an increase of the maximum amount of unsecured borrowings available under the program to \$2.750 billion. Also in March 2023, the Company entered into an agreement to establish a multicurrency euro commercial paper program. This multicurrency program allows for a maximum amount of unsecured borrowings that, when aggregated with the amount outstanding under the U.S. commercial paper program, will not exceed \$2.750 billion at any time. Proceeds from these

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programs may be used for working capital purposes and general corporate purposes, which may include acquisitions, share repurchases and repayments of debt. The Company utilized commercial paper borrowings in the fourth quarter of fiscal year 2022 of which \$230 million was outstanding as of September 30, 2022. There were no such borrowings outstanding as of September 30, 2023.

Long-term debt

The carrying value of *Long-Term Debt*, net of unamortized debt issuance costs, at September 30 consisted of:

(Millions of dollars)	2023	2022
3.875% Notes due May 15, 2024	—	145
3.363% Notes due June 6, 2024	—	996
3.734% Notes due December 15, 2024	874	873
3.020% Notes due May 24, 2025	306	275
0.034% Notes due August 13, 2025	528	485
1.208% Notes due June 4, 2026	634	583
6.700% Notes due December 1, 2026	161	165
1.900% Notes due December 15, 2026	528	485
3.700% Notes due June 6, 2027	1,719	1,718
7.000% Debentures due August 1, 2027	119	119
4.693% Notes due February 13, 2028 (a)	796	—
6.700% Debentures due August 1, 2028	115	116
0.334% Notes due August 13, 2028	949	872
3.553% Notes due September 13, 2029 (a)	842	—
2.823% Notes due May 20, 2030	745	745
1.957% Notes due February 11, 2031	993	992
4.298% Notes due August 22, 2032	496	495
1.213% Notes due February 12, 2036	631	580
6.000% Notes due May 15, 2039	121	121
5.000% Notes due November 12, 2040	90	90
1.336% Notes due August 13, 2041	945	869
4.875% Notes due May 15, 2044	245	246
4.685% Notes due December 15, 2044	899	911
4.669% Notes due June 6, 2047	1,445	1,449
3.794% Notes due May 20, 2050	554	554
Other long-term debt	2	—
Total Long-Term Debt	\$ 14,738	\$ 13,886

(a) Represents notes issued during 2023, as further discussed below.

The aggregate annual maturities of *Long-Term Debt* including interest during the fiscal years ending September 30, 2024 to 2028 are as follows: 2024 — \$.625 billion; 2025 — \$2.161 billion; 2026 — \$1.073 billion; 2027 — \$2.916 billion; 2028 — \$2.183 billion.

Other current credit facilities

The Company has a five-year senior unsecured revolving credit facility in place which will expire in September 2026. The credit facility, which was amended and restated in January 2023, provides borrowings of up to \$2.750 billion, with separate sub-limits of \$100 million and \$194 million for letters of credit and

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swingline loans, respectively. The expiration date of the credit facility may be extended for up to two additional one year periods, subject to certain restrictions, including the consent of the lenders. The credit facility provides that the Company may, subject to additional commitments by lenders, request an additional \$500 million of financing, for a maximum aggregate commitment under the credit facility of up to \$3.250 billion. Proceeds from this facility may be used for general corporate purposes and Becton Dickinson Euro Finance S.à r.l. ("Becton Finance"), an indirect, wholly-owned finance subsidiary of BD, is authorized as an additional borrower under the credit facility. There were no borrowings outstanding under the Company's revolving credit facility as of September 30, 2023. In addition, the Company has informal lines of credit outside of the United States.

Debt issuances

The Company issued the following U.S. dollar-denominated debt during fiscal years 2023 and 2022:

Interest rate and maturity	Period issued	Amount issued (Millions of dollars)	Use of proceeds
4.693% notes due February 13, 2028	Second quarter 2023	\$ 800	Retirement of 1.401% notes due May 24, 2023 and 0.000% notes due August 13, 2023
4.298% notes due August 22, 2032	Fourth quarter 2022	\$ 500	Fourth quarter 2022 debt retirements detailed below

Also in fiscal year 2023, Becton Finance issued Euro-denominated notes, listed below, which are fully and unconditionally guaranteed on a senior unsecured basis by the Company. No other of the Company's subsidiaries provide any guarantees with respect to these notes. The indenture covenants included a limitation on liens and a restriction on sale and leasebacks, change of control and consolidation, merger and sale of assets covenants. These covenants are subject to a number of exceptions, limitations and qualifications. The indenture does not restrict the Company, Becton Finance, or any other of the Company's subsidiaries from incurring additional debt or other liabilities, including additional senior debt. Additionally, the indenture does not restrict Becton Finance and the Company from granting security interests over its assets. The notes issued by Becton Finance included the following:

Interest rate and maturity	Period issued	Amount issued (Millions of Euros)	Amount issued (Millions of dollars)	Use of proceeds
3.553% notes due September 13, 2029	Second quarter 2023	€ 800	\$ 868	Retirement of 0.632% notes due June 4, 2023

Debt retirements

The Company's retirements of debt upon maturity in fiscal year 2023 included the following:

Principal, interest rate and maturity	Period of retirement
400 million Euros (\$439 million) of 0.000% notes due August 13, 2023	Fourth quarter 2023
800 million Euros (\$857 million) of 0.632% notes due June 4, 2023	Third quarter 2023
300 million Euros (\$325 million) of 1.401% notes due May 24, 2023	Third quarter 2023
500 million Euros (\$528 million) of 1.000% notes due December 15, 2022	First quarter 2023

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On August 8, 2022, the Company commenced a series of tender offers to purchase for cash, certain of its outstanding senior notes. Proceeds from the notes issued in the fourth quarter of fiscal year 2022 plus cash on hand were used to pay for the tender offers. As a result of the tender, the Company's retirements of debt in fiscal year 2022 included the following:

Principal, interest rate and maturity	Period of retirement	(Millions of dollars)		
		Carrying value	Market price of retirement (a)	(Gain) loss recognized to Other expense, net (b)
\$190 million of 3.794% notes due 2050	Fourth quarter 2022	\$ 188	\$ 163	\$ (25)
\$52 million of 7.000% debentures due 2027	Fourth quarter 2022	54	59	5
\$55 million of 6.700% debentures due 2028	Fourth quarter 2022	56	62	5
\$127 million of 6.000% notes due 2039	Fourth quarter 2022	125	145	20
\$34 million of 5.000% notes due 2040	Fourth quarter 2022	34	35	1
\$42 million of 4.685% notes due 2044	Fourth quarter 2022	43	42	(1)

(a) Included accrued interest, related premiums, fees and expenses.

(b) Debt retirement was accounted for as an early debt extinguishment.

To mitigate the impact of rate volatility on the total tender cash spend, the Company executed reverse Treasury locks that were unwound concurrent with the tender at a loss of \$17 million.

Spin-off-related debt transactions

In February 2022, Embecta, as a wholly-owned subsidiary of the Company, issued \$500 million of 5.000% senior secured notes due February 15, 2030, in advance of the Company's spin-off of Embecta, which is further discussed in Note 2.

On March 31, 2022, Embecta entered into an indenture dated April 1, 2022 to issue \$00 million of 6.750% senior secured notes due February 15, 2030. These notes were issued to the Company as part of the consideration for assets transferred to Embecta in connection with the spin-off. After the spin-off was effective on April 1, 2022, the Company exchanged these notes for \$199 million of the aggregate principal amount outstanding on the Company's Floating Rate Notes due June 6, 2022, which were purchased through a tender offer. The carrying value of the long-term notes tendered was \$199 million, and the Company recognized a loss on this debt extinguishment of \$2 million, which was recorded in the third quarter of fiscal year 2022 within *Other expense, net*, on the Company's consolidated statements of income.

Also in connection with the spin-off, on March 31, 2022, Embecta issued a senior secured term loan facility with an aggregate principal amount of \$950 million and a senior secured revolving credit facility providing borrowings of up to \$500 million that was undrawn at March 31, 2022 and at the spin-off date.

The senior secured notes and credit agreement for the term loan and revolving credit facilities were guaranteed on an unsecured, unsubordinated basis solely by the Company prior to the spin-off date. The Company's guarantees automatically and unconditionally terminated upon the consummation of the spin-off on April 1, 2022.

On March 31, 2022, Embecta used a portion of the proceeds from the financing transactions discussed above to make a cash distribution of approximately \$266 billion to the Company.

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Capitalized interest

The Company capitalizes interest costs as a component of the cost of construction in progress. A summary of interest costs and payments for the years ended September 30 is as follows:

(Millions of dollars)	2023	2022	2021
Charged to operations	\$ 452	\$ 398	\$ 469
Capitalized	51	46	44
Total interest costs	<u>\$ 503</u>	<u>\$ 444</u>	<u>\$ 512</u>
Interest paid, net of amounts capitalized	<u>\$ 452</u>	<u>\$ 390</u>	<u>\$ 474</u>

Note 17 — Income Taxes

Provision for Income Taxes

The provision (benefit) for income taxes for the years ended September 30 consisted of:

(Millions of dollars)	2023	2022	2021
Current:			
Federal	\$ 364	\$ 17	\$ 72
State and local, including Puerto Rico	87	32	42
Foreign	303	228	254
	<u>\$ 754</u>	<u>\$ 277</u>	<u>\$ 368</u>
Deferred:			
Domestic	\$ (644)	\$ (96)	\$ (284)
Foreign	22	(33)	4
	<u>(622)</u>	<u>(129)</u>	<u>(280)</u>
Income tax provision	<u>\$ 132</u>	<u>\$ 148</u>	<u>\$ 88</u>

The components of *Income from Continuing Operations Before Income Taxes* for the years ended September 30 consisted of:

(Millions of dollars)	2023	2022	2021
Domestic, including Puerto Rico	\$ 358	\$ 496	\$ 70
Foreign	1,304	1,287	1,623
Income from Continuing Operations Before Income Taxes	<u>\$ 1,662</u>	<u>\$ 1,783</u>	<u>\$ 1,692</u>

Unrecognized Tax Benefits

The table below summarizes the gross amounts of unrecognized tax benefits without regard to reduction in tax liabilities or additions to deferred tax assets and liabilities if such unrecognized tax benefits were settled. The Company believes it is reasonably possible that the amount of unrecognized benefits will change during the next twelve months due to one or more of the following events: expiring statutes, audit activity, tax payments, other activity, or final decisions in matters that are the subject of controversy in various taxing jurisdictions in

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which we operate. However, the Company does not expect changes to have a significant effect on its results of operations, financial condition, or cash flows.

(Millions of dollars)	2023	2022	2021
Balance at October 1	\$ 267	\$ 354	\$ 611
Increase due to acquisitions	—	2	2
Increase due to current year tax positions	22	40	23
Increase due to prior year tax positions	33	60	5
Decreases due to prior year tax positions	(29)	—	(4)
Decrease due to settlements with tax authorities	(6)	(77)	(183)
Decrease due to lapse of statute of limitations	(18)	(112)	(100)
Balance at September 30	<u>\$ 269</u>	<u>\$ 267</u>	<u>\$ 354</u>
Unrecognized tax benefits that would affect the effective tax rate if recognized	<u>\$ 366</u>	<u>\$ 348</u>	<u>\$ 447</u>

Upon the Company's acquisition of CareFusion in 2015, the Company became a party to a tax matters agreement with Cardinal Health resulting from Cardinal Health's spin-off of CareFusion in fiscal year 2010. Under the tax matters agreement, the Company is obligated to indemnify Cardinal Health for certain tax exposures and transaction taxes prior to CareFusion's spin-off from Cardinal Health. The indemnification payable is approximately \$132 million at September 30, 2023 and is included in *Deferred Income Taxes and Other Liabilities* on the consolidated balance sheet.

The following were included for the years ended September 30 as a component of *Income tax provision* on the consolidated statements of income.

(Millions of dollars)	2023	2022	2021
Interest and penalties associated with unrecognized tax benefits	\$ 20	\$ (6)	\$ 5

The Company conducts business and files tax returns in numerous countries and currently has tax audits in progress in a number of tax jurisdictions. The IRS has completed its audit for the BD legacy fiscal year 2014, BD combined company fiscal years 2015 and 2017, and CareFusion legacy fiscal years 2010 through short period 2015. With regard to Bard, all examinations have been completed through short period 2017. The IRS has commenced its review of BD's fiscal years 2018 through 2020. For the other major tax jurisdictions where the Company conducts business, tax years are generally open after 2016.

Notes to Consolidated Financial Statements — (Continued)
Becton, Dickinson and Company

Deferred Income Taxes

Deferred income taxes at September 30 consisted of:

(Millions of dollars)	2023		2022	
	Assets	Liabilities	Assets	Liabilities
Compensation and benefits	\$ 426	\$ —	\$ 430	\$ —
Property and equipment	—	409	—	412
Intangibles	—	1,858	—	2,064
Loss and credit carryforwards	2,352	—	2,185	—
Product recall and liability reserves	362	—	133	—
Capitalized research and development expenses (a)	243	—	63	—
Other	531	183	524	260
	3,914	2,450	3,335	2,736
Valuation allowance	(2,272)	—	(2,093)	—
Net (b)	\$ 1,642	\$ 2,450	\$ 1,242	\$ 2,736

- (a) As required by the 2017 Tax Cuts and Jobs Act, the Company's research and development expenditures were capitalized and amortized in fiscal year 2023 for income tax purposes. This resulted in an increase in cash tax paid in fiscal year 2023 with a corresponding deferred tax benefit.
- (b) Net deferred tax assets are included in *Other Assets* and net deferred tax liabilities are included in *Deferred Income Taxes and Other Liabilities* on the consolidated balance sheets.

Deferred tax assets and liabilities are netted on the balance sheet by separate tax jurisdictions. The Company asserts indefinite reinvestment for all historical unremitted foreign earnings as of September 30, 2023. Deferred taxes have not been provided on undistributed earnings of foreign subsidiaries as of September 30, 2023 since the determination of the total amount of unrecognized deferred tax liability is not practicable.

Generally, deferred tax assets have been established as a result of net operating losses and credit carryforwards with expiration dates from 2024 to an unlimited expiration date. Valuation allowances have been established as a result of an evaluation of the uncertainty associated with the realization of certain deferred tax assets on these losses and credit carryforwards. The valuation allowance at September 30, 2023 is primarily the result of foreign losses due to the Company's global re-organization of its foreign entities and these generally have no expiration date. Valuation allowances are also maintained with respect to deferred tax assets for certain state carryforwards that may not be realized.

Notes to Consolidated Financial Statements — (Continued)
Becton, Dickinson and Company

Tax Rate Reconciliation

A reconciliation of the federal statutory tax rate to the Company's effective income tax rate for continuing operations was as follows:

	2023	2022	2021
Federal statutory tax rate	21.0 %	21.0 %	21.0 %
State and local income taxes, net of federal tax benefit	(1.0)	(1.1)	(2.7)
Foreign income tax at rates other than 21%	(8.2)	(7.3)	(6.4)
Effect of foreign operations	(3.9)	5.6	(1.0)
Effect of Research Credits and FDII/Domestic Production Activities	(3.2)	(2.2)	(2.0)
Effect of share-based compensation	(0.4)	(1.7)	0.1
Effect of gain on divestitures	3.2	—	—
Effect of valuation allowance release	—	(5.5)	(2.2)
Other, net	0.4	(0.5)	(1.6)
Effective income tax rate	<u>7.9 %</u>	<u>8.3 %</u>	<u>5.2 %</u>

Tax Holidays and Payments

The approximate tax impacts related to tax holidays in various countries in which the Company does business are provided below. The tax holidays expire at various dates through 2037. The Company's income tax payments, net of refunds are also provided below.

(Millions of dollars, except per share amounts)	2023	2022	2021
Tax impact related to tax holidays	\$ 363	\$ 284	\$ 243
Impact of tax holiday on diluted earnings per share	1.26	0.99	0.83
Income tax payments, net of refunds	629	532	671

Note 18 — Leases

The Company leases real estate, vehicles and other equipment which are used in the Company's manufacturing, administrative and research and development activities. The Company identifies a contract that contains a lease as one which conveys a right, either explicitly or implicitly, to control the use of an identified asset in exchange for consideration. The Company's lease arrangements are generally classified as operating leases. These arrangements have remaining terms ranging from less than one year to approximately 25 years and the weighted-average remaining lease term of the Company's leases is approximately 6.7 years. An option to renew or terminate the current term of a lease arrangement is included in the lease term if the Company is reasonably certain to exercise that option.

The Company does not recognize a right-of-use asset and lease liability for short-term leases, which have terms of 12 months or less, on its consolidated balance sheet. For the longer-term lease arrangements that are recognized on the Company's consolidated balance sheet, the right-of-use asset and lease liability is initially measured at the commencement date based upon the present value of the lease payments due under the lease. These payments represent the combination of the fixed lease and fixed non-lease components that are due under the arrangement. The costs associated with the Company's short-term leases, as well as variable costs relating to the Company's lease arrangements, are not material to its consolidated financial results.

The implicit interest rates of the Company's lease arrangements are generally not readily determinable and as such, the Company applies an incremental borrowing rate, which is established based upon the information available at the lease commencement date, to determine the present value of lease payments due

Notes to Consolidated Financial Statements — (Continued)
Becton, Dickinson and Company

under an arrangement. The weighted-average incremental borrowing rate that has been applied to measure the Company's lease liabilities is 3.2%.

The Company's lease costs recorded in its consolidated statements of income for the years ended September 30, 2023, 2022 and 2021 were \$45 million, \$138 million and \$132 million, respectively. Cash payments arising from the Company's lease arrangements are reflected on its consolidated statement of cash flows as outflows used for operating activities. The right-of-use assets and lease liabilities recognized on the Company's consolidated balance sheet as of September 30, 2023 and 2022 were as follows:

(Millions of dollars)	2023	2022
Right-of-use assets recorded in <i>Other Assets</i>	\$ 517	\$ 482
Current lease liabilities recorded in <i>Accrued expenses</i>	117	118
Non-current lease liabilities recorded in <i>Deferred Income Taxes and Other Liabilities</i>	414	384

The Company's payments due under its operating leases are as follows:

(Millions of dollars)	
2024	\$ 132
2025	114
2026	89
2027	62
2028	45
Thereafter	153
Total payments due	595
Less: imputed interest	64
Total	\$ 531

Sale-Leaseback Transactions

During fiscal year 2021, the Company sold certain properties and concurrently entered into operating lease arrangements for each property, which met the requirements for sale-leaseback accounting. The Company recorded gross proceeds of \$225 million related to the transactions and pre-tax gains of \$158 million were recorded in *Other operating (income) expense, net*. The lease agreements have initial lease terms between two and three years and include options for the Company to extend the leases for an additional six-to-twelve months.

Notes to Consolidated Financial Statements — (Continued)
Becton, Dickinson and Company

Note 19 — Supplemental Financial Information

Other Expense, Net

(Millions of dollars)	2023	2022	2021
Other investment (losses) gains, net (a)	\$ (3)	\$ (35)	\$ 57
Deferred compensation	32	(46)	43
Net pension and postretirement benefit cost (b)	(98)	(17)	(1)
Losses on undesignated foreign exchange derivatives, net	(36)	(28)	(13)
Impacts of debt extinguishment (c)	—	(24)	(178)
Embeta service agreements income, net (d)	59	33	—
Other	—	1	(6)
Other expense, net	\$ (46)	\$ (117)	\$ (99)

- (a) The amounts include (losses) gains recognized relating to certain equity investments.
- (b) Represents all components of the Company's net periodic pension and postretirement benefit costs, aside from service cost, including pension settlement expenses of \$57 million and \$73 million in fiscal years 2023 and 2022, respectively.
- (c) Represents losses recognized upon the extinguishment of certain senior notes, as further discussed in Note 16.
- (d) Consists of net income from transition and logistics service agreements with Embecta following the spin-off of the former diabetes care business in fiscal year 2022, as further discussed in Note 2.

Trade Receivables, Net

The amounts recognized in 2023, 2022 and 2021 relating to allowances for doubtful accounts and cash discounts, which are netted against trade receivables, are provided in the following table:

(Millions of dollars)	Allowance for Doubtful Accounts	Allowance for Cash Discounts	Total
Balance at September 30, 2020	\$ 76	\$ 12	\$ 88
Additions charged to costs and expenses	17	84	101
Deductions and other	(20) (a)	(77)	(97)
Balance at September 30, 2021	\$ 73	\$ 18	\$ 91
Additions charged to costs and expenses	4	73	77
Deductions and other	(12) (a)	(75)	(87)
Balance at September 30, 2022	\$ 65	\$ 16	\$ 81
Additions charged to costs and expenses	9	100	109
Deductions and other	(10) (a)	(100)	(110)
Balance at September 30, 2023	\$ 65	\$ 16	\$ 81

- (a) Accounts written off.

Notes to Consolidated Financial Statements — (Continued)
Becton, Dickinson and Company

Inventories

Inventories at September 30 consisted of:

(Millions of dollars)	2023	2022
Materials	\$ 714	\$ 707
Work in process	381	397
Finished products	2,178	2,120
	<u>\$ 3,273</u>	<u>\$ 3,224</u>

Property, Plant and Equipment, Net

Property, Plant and Equipment, Net at September 30 consisted of:

(Millions of dollars)	2023	2022
Land	\$ 131	\$ 127
Buildings	3,537	3,252
Machinery, equipment and fixtures	9,609	8,769
Leasehold improvements	301	266
	<u>13,578</u>	<u>12,415</u>
Less accumulated depreciation and amortization	7,021	6,402
	<u>\$ 6,557</u>	<u>\$ 6,012</u>

Item 9. *Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.*

None.

Item 9A. *Controls and Procedures.*

An evaluation was conducted by BD's management, with the participation of BD's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of BD's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) as of September 30, 2023. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the design and operation of these disclosure controls and procedures were, as of the end of the period covered by this report, effective and designed to ensure that material information relating to BD and its consolidated subsidiaries would be made known to them by others within these entities. There were no changes in our internal control over financial reporting during the fiscal quarter ended September 30, 2023 identified in connection with the above-referenced evaluation that have materially affected, or are reasonably likely to materially affect, BD's internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting and the Report of Independent Registered Public Accounting Firm are contained in Item 8. Financial Statements and Supplementary Data, and are incorporated herein by reference.

Item 9B. *Other Information.*

Rule 10b5-1 and Non-Rule 10b5-1 Trading Arrangements

During the three months ended September 30, 2023, no director or officer of the Company adopted, terminated or modified a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as defined in Item 408(a) of Regulation S-K of the Exchange Act.

Item 9C. *Disclosure Regarding Foreign Jurisdictions That Prevent Inspections.*

Not applicable.

PART III

Item 10. *Directors, Executive Officers and Corporate Governance.*

The information relating to BD's directors and nominees for director required by this item will be contained under the caption "Proposal 1: Election of Directors" in a definitive proxy statement involving the election of directors, which the registrant will file with the SEC not later than 120 days after September 30, 2023 (the "2024 Proxy Statement"), and such information is incorporated herein by reference. Information relating to the Audit Committee of the BD Board of Directors required by this item will be contained under the caption "The Board and committees of the Board - Audit Committee", and information regarding BD's code of ethics required by this item will be contained under the heading "The Board and committees of the Board - ESG - Code of Conduct", in BD's 2024 Proxy statement, and such information is incorporated herein by reference.

The information relating to executive officers required by this item is included herein in Part I under the caption "Information about our Executive Officers."

Certain other information required by this item will be contained under the caption "Ownership of BD Common Stock" in BD's 2024 Proxy Statement, and such information is incorporated herein by reference.

Item 11. *Executive Compensation.*

The information required by this item will be contained under the captions "Executive Compensation," "Report of the Compensation and Human Capital Committee," "Compensation of Named Executive Officers", "Non-management director compensation," and "CEO Pay Ratio" in BD's 2024 Proxy Statement, and such information is incorporated herein by reference.

Item 12. *Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.*

The information required by this item will be contained under the caption "Ownership of BD Common Stock" in BD's 2024 Proxy Statement, and such information is incorporated herein by reference.

Item 13. *Certain Relationships and Related Transactions, and Director Independence.*

The information required by this item will be contained under the caption "The Board and committees of the Board - Related person transactions" in BD's 2024 Proxy Statement, and such information is incorporated herein by reference.

Item 14. *Principal Accounting Fees and Services.*

The information required by this item will be contained under the caption "Proposal 2. Ratification of Selection of Independent Registered Public Accounting Firm" in BD's 2024 Proxy Statement, and such information is incorporated herein by reference.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

(a)(1) *Financial Statements*

The following consolidated financial statements of BD are included in Item 8 of this report:

- Reports of Independent Registered Public Accounting Firm (PCAOB ID:42)
- Consolidated Statements of Income — Years ended September 30, 2023, 2022 and 2021
- Consolidated Statements of Comprehensive Income — Years ended September 30, 2023, 2022 and 2021
- Consolidated Balance Sheets — September 30, 2023 and 2022
- Consolidated Statements of Cash Flows — Years ended September 30, 2023, 2022 and 2021
- Notes to Consolidated Financial Statements

(2) *Financial Statement Schedules*

See Note 19 to the Consolidated Financial Statements included in Item 8. Financial Statements and Supplementary Data.

(3) *Exhibits*

See the Exhibit Index below for a list of all management contracts, compensatory plans and arrangements required by this item, and all other Exhibits filed or incorporated by reference as a part of this report.

Item 16. Form 10-K Summary

BD is not providing summary information.

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>	<u>Method of Filing</u>
3(a)	Restated Certificate of Incorporation, dated as of January 30, 2019.	Incorporated by reference to Exhibit 3 to the registrant's Quarterly Report on Form 10-Q for the period ended December 31, 2018.
3(b)	By-Laws, as amended as of September 19, 2023.	Incorporated by reference to Exhibit 3.1 to the registrant's Current Report on Form 8-K filed on September 21, 2023.
4(a)	Indenture, dated as of March 1, 1997, between the registrant and The Bank of New York Mellon Trust Company, N.A. (as successor to JPMorgan Chase Bank).	Incorporated by reference to Exhibit 4(a) to Form 8-K filed by the registrant on July 31, 1997.
4(b)	Form of 7.000% Debentures due August 1, 2027.	Incorporated by reference to Exhibit 4(d) to the registrant's Current Report on Form 8-K filed on July 31, 1997.
4(c)	Form of 6.700% Debentures due August 1, 2028.	Incorporated by reference to Exhibit 4(d) to the registrant's Current Report on Form 8-K filed on July 29, 1999.
4(d)	Form of 6.000% Notes due May 15, 2039.	Incorporated by reference to Exhibit 4.2 to the registrant's Current Report on Form 8-K filed on May 13, 2009.
4(e)	Form of 5.000% Notes due November 12, 2040.	Incorporated by reference to Exhibit 4.2 to the registrant's Current Report on Form 8-K filed on November 12, 2010.
4(f)	Form of 3.734% Notes due December 15, 2024.	Incorporated by reference to Exhibit 4.4 to the registrant's Current Report on Form 8-K filed on December 15, 2014.
4(g)	Form of 4.685% Notes due December 15, 2044.	Incorporated by reference to Exhibit 4.5 to the registrant's Current Report on Form 8-K filed on December 15, 2014.
4(h)	Form of 3.875% Senior Notes due May 15, 2024.	Incorporated by reference to Exhibit 4.5 to the registrant's Current Report on Form 8-K filed on April 29, 2015.
4(i)	Form of 4.875% Senior Notes due May 15, 2044.	Incorporated by reference to Exhibit 4.6 to the registrant's Current Report on Form 8-K filed on April 29, 2015.
4(j)	Form of 1.900% Notes due December 15, 2026.	Incorporated by reference to Exhibit 4.2 to the registrant's Current Report on Form 8-K filed on December 9, 2016.
4(k)	Form of 3.363% Notes due June 6, 2024.	Incorporated by reference to Exhibit 4.5 to the registrant's Current Report on Form 8-K filed on June 6, 2017.
4(l)	Form of 3.700% Notes due June 6, 2027.	Incorporated by reference to Exhibit 4.6 to the registrant's Current Report on Form 8-K filed on June 6, 2017.
4(m)	Form of 4.669% Notes due June 6, 2047.	Incorporated by reference to Exhibit 4.7 to the registrant's Current Report on Form 8-K filed on June 6, 2017.

Exhibit Number	Description	Method of Filing
4(n)	Form of 6.700% Notes due December 1, 2026.	Incorporated by reference to Exhibit 4.4 to the registrant's Current Report on Form 8-K filed on December 29, 2017.
4(o)	Indenture, dated as of December 1, 1996 between C.R. Bard, Inc. and The Bank of New York Mellon Trust Company, N.A., a national banking association, as trustee.	Incorporated by reference to Exhibit 4.1 to C.R. Bard, Inc.'s Registration Statement on Form S-3 (File No. 333-05997).
4(p)	First Supplemental Indenture, dated May 18, 2017, between C. R. Bard, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee.	Incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K of C.R. Bard, Inc. filed on May 23, 2017.
4(q)	Form of 3.020% Notes due May 24, 2025.	Incorporated by reference to Exhibit 4.2 to the registrant's Current Report on Form 8-K filed on May 24, 2018.
4(r)	Indenture, dated as of May 17, 2019, among Becton Dickinson Euro Finance S.à r.l. ("Becton Finance"), as issuer, Becton, Dickinson and Company, as guarantor, and The Bank of New York Mellon Trust Company, N.A., as trustee.	Incorporated by reference to Exhibit 4.7 to the registrant's Post-Effective Amendment to the Registration Statement on Form S-3 filed on May 17, 2019.
4(s)	First Supplemental Indenture, dated as of June 4, 2019, among Becton Finance, as issuer, Becton, Dickinson and Company, as guarantor, and The Bank of New York Mellon Trust Company, N.A., as trustee.	Incorporated by reference to Exhibit 4.1 to the registrant's Current Report on Form 8-K filed on June 4, 2019.
4(t)	Form of 1.208% Note due June 4, 2026.	Incorporated by reference to Exhibit 4.4 to the registrant's Current Report on Form 8-K filed on June 4, 2019.
4(u)	Form of 2.823% Notes due May 20, 2030.	Incorporated by reference to Exhibit 4.1 to the registrant's Current Report on Form 8-K filed on May 20, 2020.
4(v)	Form of 3.794% Notes due May 20, 2050.	Incorporated by reference to Exhibit 4.2 to the registrant's Current Report on Form 8-K filed on May 20, 2020.
4(w)	Form of 1.957% Notes due February 11, 2031.	Incorporated by reference to Exhibit 4.1 to the registrant's Current Report on Form 8-K filed on February 11, 2021.
4(x)	Second Supplemental Indenture, dated as of February 12, 2021, among Becton Finance, as issuer, Becton, Dickinson and Company, as guarantor, and The Bank of New York Mellon Trust Company, N.A., as trustee.	Incorporated by reference to Exhibit 4.1 to the registrant's Current Report on Form 8-K filed on February 12, 2021.
4(y)	Form of 1.213% Note due February 12, 2036.	Incorporated by reference to Exhibit 4.2 to the registrant's Current Report on Form 8-K filed on February 12, 2021.

Exhibit Number	Description	Method of Filing
4(z)	Third Supplemental Indenture, dated as of August 13, 2021, among Becton Finance, as issuer, Becton, Dickinson and Company, as guarantor, and The Bank of New York Mellon Trust Company, N.A., as trustee.	Incorporated by reference to Exhibit 4.1 to the registrant's Current Report on Form 8-K filed on August 13, 2021.
4(aa)	Form of 0.334% Notes due August 13, 2028.	Incorporated by reference to Exhibit 4.2 to the registrant's Current Report on Form 8-K filed on August 13, 2021.
4(bb)	Form of 1.336% Notes due August 13, 2041.	Incorporated by reference to Exhibit 4.3 to the registrant's Current Report on Form 8-K filed on August 13, 2021.
4(cc)	Form of 0.034% Notes due August 13, 2025.	Incorporated by reference to Exhibit 4.3 to the registrant's registration statement on Form 8-A filed on August 13, 2021.
4(dd)	Form of 4.298% Notes due August 22, 2032.	Incorporated by reference to Exhibit 4.1 to the registrant's Current Report on Form 8-K filed on August 22, 2022.
4(ee)	Description of the Registrant's Securities.	Filed with this report.
4(ff)	Fourth Supplemental Indenture, dated as of February 13, 2023, among Becton Finance, as issuer, Becton, Dickinson and Company, as guarantor, and The Bank of New York Mellon Trust Company, N.A., as trustee.	Incorporated by reference to Exhibit 4.1 to the registrant's Current Report on Form 8-K filed on February 13, 2023.
4(gg)	Form of 3.553% Notes due September 13, 2029.	Incorporated by reference to Exhibit 4.2 to the registrant's Current Report on Form 8-K filed on February 13, 2023.
4(hh)	Form of 4.693% Notes due February 13, 2028.	Incorporated by reference to Exhibit 4.3 to the registrant's Current Report on Form 8-K filed on February 13, 2023.
10(a)	Form of Employment Agreement with executive officers relating to employment following a change of control of the registrant (without tax reimbursement provisions).*	Incorporated by reference to Exhibit 10(a)(ii) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2013.
10(b)	Stock Award Plan, as amended and restated as of January 31, 2006.*	Incorporated by reference to Exhibit 10(a) to the registrant's Quarterly Report on Form 10-Q for the period ended December 31, 2005.
10(c)	Performance Incentive Plan, as amended and restated July 25, 2023.*	Filed with this report.

Exhibit Number	Description	Method of Filing
10(d)	Deferred Compensation and Retirement Benefit Restoration Plan, as amended as of May 1, 2020.*	Incorporated by reference to Exhibit 10.1 to the registrant's Quarterly Report on Form 10-Q for the period ended June 30, 2020.
10(e)	1996 Directors' Deferral Plan, as amended and restated as of November 25, 2014.*	Incorporated by reference to Exhibit 10.2 to the registrant's Current Report on Form 8-K filed on December 2, 2014.
10(f)	Aircraft Time Sharing Agreement dated June 5, 2020, between the registrant and Thomas E. Polen.*	Incorporated by reference to Exhibit 10.2 to the registrant's Quarterly Report on Form 10-Q for the period ended June 30, 2020.
10(g)(i)	2004 Employee and Director Equity-Based Compensation Plan, as amended and restated as of July 25, 2023.*	Filed with this report.
10(g)(ii)	French Addendum to the 2004 Employee and Director Equity-Based Compensation Plan dated January 21, 2019.*	Incorporated by reference to Exhibit 10.2 to the registrant's Current Report on Form 8-K filed on January 31, 2020.
10(g)(iii)	Terms of Awards under 2004 Employee and Director Equity-Based Compensation Plan and Stock Award Plan.*	Incorporated by reference to Exhibit 10(g)(iii) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2020.
10(h)	Form of Commercial Paper Dealer Agreement.	Incorporated by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K filed on January 6, 2015.
10(i)	Tax Matters Agreement, dated August 31, 2009, by and between Cardinal Health, Inc. and CareFusion Corporation.	Incorporated by reference to Exhibit 10.3 to Cardinal Health, Inc.'s Current Report on Form 8-K filed on September 4, 2009.
10(j)	2005 Directors' Stock Award Plan of C. R. Bard, Inc. (as Amended and Restated).*	Incorporated by reference to Exhibit 10bw to the C.R. Bard, Inc. Annual Report on Form 10-K for the fiscal year ended December 31, 2010.
10(k)	Letter Agreement, dated August 4, 2021, between the registrant and Christopher DeLOrefice.*	Incorporated by reference to Exhibit 10(n) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2021.
10(l)	Second Amended and Restated Credit Agreement, dated as of January 25, 2023, by and among Becton, Dickinson and Company, the other entities party thereto and Citibank, N.A., as administrative agent.	Incorporated by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K filed January 25, 2023.
10(m)	Advisory Board Consulting Agreement, dated October 31, 2022, by and between the registrant and Claire M. Fraser.*	Incorporated by reference to Exhibit 10(p) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2022.
10(n)	Omnibus Amendment, dated as of March 9, 2023, among Becton, Dickinson and Company and each of the financial institutions party thereto as dealer. * *	Incorporated by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K filed March 10, 2023.

Exhibit Number	Description	Method of Filing
10(o)	Dealer Agreement, dated March 9, 2023, among Becton, Dickinson and Company and each of the financial institutions party thereto as dealer. * *	Incorporated by reference to Exhibit 10.2 to the registrant's Current Report on Form 8-K filed March 10, 2023.
21	Subsidiaries of the registrant.	Filed with this report.
22	Subsidiary Issuer of Guaranteed Securities.	Filed with this report.
23	Consent of independent registered public accounting firm.	Filed with this report.
24	Power of Attorney.	Included on signature page.
31	Certifications of Chief Executive Officer and Chief Financial Officer, pursuant to SEC Rule 13(a)-14(a).	Filed with this report.
32	Certifications of Chief Executive Officer and Chief Financial Officer, pursuant to Section 1350 of Chapter 63 of Title 18 of the U.S. Code.	Filed with this report.
101	The following materials from this report, formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) the Consolidated Statements of Income, (ii) the Consolidated Statements of Comprehensive Income, (iii) the Consolidated Balance Sheets, (iv) the Consolidated Statements of Cash Flows, and (v) Notes to Consolidated Financial Statements.	Filed with this report.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	

* Denotes a management contract or compensatory plan or arrangement.

** Portions omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K.

Copies of any Exhibits not accompanying this Form 10-K are available at a charge of 10 cents per page by contacting: Investor Relations, Becton, Dickinson and Company, 1 Becton Drive, Franklin Lakes, New Jersey 07417-1880, Phone: 1-800-284-6845.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BECTON, DICKINSON AND COMPANY

By: /s/ GARY DEFAZIO

Gary DeFazio

Senior Vice President and Corporate Secretary

Dated: November 21, 2023

POWER OF ATTORNEY

KNOW ALL BY THESE PRESENTS, that each of the undersigned hereby constitutes and appoints Thomas E. Polen, Michelle T. Quinn, Christopher J. DeLOrefice and Gary DeFazio, and each of them, acting individually and without the other, as his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign the Company's Annual Report on Form 10-K for the Company's fiscal year ended September 30, 2023, and any amendments thereto, each in such form as they or any one of them may approve, and to file the same with all exhibits thereto and other documents in connection therewith with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done so that such Annual Report shall comply with the Securities Exchange Act of 1934, as amended, and the applicable Rules and Regulations adopted or issued pursuant thereto, as fully and to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them or their substitute or resubstitute, may lawfully do or cause to be done by virtue hereof.

This Power of Attorney shall not revoke any powers of attorney previously executed by the undersigned. This Power of Attorney shall not be revoked by any subsequent power of attorney that the undersigned may execute, unless such subsequent power of attorney specifically provides that it revokes this Power of Attorney by referring to the date of the undersigned's execution of this Power of Attorney. For the avoidance of doubt, whenever two or more powers of attorney granting the powers specified herein are valid, the agents appointed on each shall act separately unless otherwise specified.

Pursuant to the requirements of the Securities Act of 1934, as amended, this Annual Report and Power of Attorney have been signed as of November 21, 2023 by the following persons in the capacities indicated.

<u>Name</u>	<u>Capacity</u>
<u>/S/ THOMAS E. POLEN</u> Thomas E. Polen	Chairman, Chief Executive Officer and President (Principal Executive Officer)
<u>/S/ CHRISTOPHER J. DELOREFICE</u> Christopher J. DeLOrefice	Executive Vice President and Chief Financial Officer (Principal Financial Officer)
<u>/S/ THOMAS J. SPOEREL</u> Thomas J. Spoerel	Senior Vice President and Controller, Chief Accounting Officer and International Chief Financial Officer (Principal Accounting Officer)

<u>Name</u>	<u>Capacity</u>
<hr/> <i>/S/</i> WILLIAM M. BROWN William M. Brown	Director
<hr/> <i>/S/</i> CATHERINE M. BURZIK Catherine M. Burzik	Director
<hr/> <i>/S/</i> CARRIE L. BYINGTON Carrie L. Byington	Director
<hr/> <i>/S/</i> R. ANDREW ECKERT R. Andrew Eckert	Director
<hr/> <i>/S/</i> CLAIRE M. FRASER Claire M. Fraser	Director
<hr/> <i>/S/</i> JEFFREY W. HENDERSON Jeffrey W. Henderson	Director
<hr/> <i>/S/</i> CHRISTOPHER JONES Christopher Jones	Director
<hr/> <i>/S/</i> MARSHALL O. LARSEN Marshall O. Larsen	Director
<hr/> <i>/S/</i> TIMOTHY M. RING Timothy M. Ring	Director
<hr/> <i>/S/</i> BERTRAM L. SCOTT Bertram L. Scott	Director
<hr/> <i>/S/</i> JOANNE WALDSTREICHER Joanne Waldstreicher	Director

DESCRIPTION OF THE REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

As of November 21, 2023, Becton, Dickinson and Company ("BD") has (i) common stock, par value \$1.00 (the "common stock"), (ii) the 0.034% notes due 2025 (the "0.034% 2025 notes"), (iii) the 3.020% notes due 2025 (the "3.020% 2025 notes") and (vi) the 1.900% notes due 2026 (the "1.900% 2026 notes," and together with the 0.034% 2025 notes and the 3.020% 2025 notes, the "BD notes") registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). As used in the "Description of Capital Stock of Becton, Dickinson and Company" section and the "Description of the Debt Securities of Becton, Dickinson and Company" section, the terms "BD," "we," "us," and "our" refer to BD and not its subsidiaries.

As of November 21, 2023, Becton Dickinson Euro Finance S.à r.l. ("Becton Finance") has (i) the 1.208% notes due 2026 (the "1.208% 2026 notes") and (ii) the 1.213% notes due 2036 (the "1.213% 2036 notes," and together with the 1.208% 2026 notes, the "Becton Finance notes") registered under Section 12 of the Exchange Act. The BD notes and Becton Finance notes are collectively referred to herein as the "notes." As used in the "Description of Debt Securities of Becton Dickinson Euro Finance S.à r.l." section, the terms "Becton Finance," "we," "us," and "our" refer to Becton Finance and not its subsidiaries.

The following descriptions of the common stock and the notes are summaries and do not purport to be complete. The descriptions of the common stock is subject to and qualified in its entirety by reference to BD's restated certificate of incorporation, as amended (the "restated certificate of incorporation"), and BD's amended and restated by-laws (the "by-laws"). The description of the BD notes is subject to and qualified in its entirety by reference to the indenture, dated as of March 1, 1997, between BD and The Bank of New York Mellon Trust Company, N.A., as successor to JPMorgan Chase Bank (formerly known as The Chase Manhattan Bank), as trustee (the "BD indenture"). The description of the Becton Finance notes is subject to and qualified in its entirety by reference to the indenture, dated as of May 17, 2019, among Becton Finance, as issuer, BD, as guarantor, and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Becton Finance indenture"). The restated certificate of incorporation, the by-laws, the BD indenture and the Becton Finance indenture are each exhibits to the Annual Report on Form 10-K of which this Exhibit 4(ee) is a part. We encourage you to read the restated certificate of incorporation, the by-laws, the BD indenture, the Becton Finance indenture and the applicable provisions of New Jersey law.

DESCRIPTION OF CAPITAL STOCK OF BECTON, DICKINSON AND COMPANY

General

Under the restated certificate of incorporation, we have 640,000,000 shares of authorized common stock, \$1.00 par value per share and 5,000,000 shares of authorized preferred stock, \$1.00 par value per share, of which we have outstanding 1,500,000 shares of our mandatory convertible preferred stock.

Our by-laws also provide that only the Chairman of the Board, the Chief Executive Officer, the board of directors or shareholders who collectively own 25% or more of the voting power of BD's outstanding stock entitled to vote on the matters to be brought may call special meetings of the stockholders.

Common Stock

Listing

Our outstanding shares of common stock are listed on the New York Stock Exchange (the "NYSE") under the symbol "BDX." Any additional common stock we issue also will be listed on the NYSE.

Dividends

Holders of our common stock are entitled to receive dividends when, as and if declared by our board of directors out of any funds legally available for dividends. We pay dividends on our common stock only if we have paid or provided for dividends on any outstanding series of preferred stock for all prior periods.

Voting

Holders of our common stock are entitled to one vote for each share that they hold and are vested with all of the voting power except as our board of directors may provide in the future with respect to any class or series of preferred stock that the board of directors may hereafter authorize.

Fully Paid

Outstanding shares of our common stock are validly issued, fully paid and non-assessable. Any additional common stock we issue will also be fully paid and non-assessable. Holders of our common stock are not, and will not be, subject to any liability as stockholders.

Other Rights

We notify common shareholders of any shareholders' meetings according to applicable law. If we liquidate, dissolve or wind-up our business, either voluntarily or not, common shareholders will share equally in the assets remaining after we pay our creditors and preferred shareholders. The holders of common stock have no preemptive rights to purchase our shares of stock. Shares of common stock are not subject to any redemption or sinking fund provisions and are not convertible into any of our other securities.

DESCRIPTION OF DEBT SECURITIES OF BECTON, DICKINSON AND COMPANY

Reference should be made to the indenture, dated as of March 1, 1997, between BD and The Bank of New York Mellon Trust Company, N.A., as successor to JPMorgan Chase Bank (formerly known as The Chase Manhattan Bank), which we refer to as the BD indenture. The following description is a summary of selected portions of the BD indenture. It does not restate the BD indenture, and the BD indenture, not this description, define the rights of a holder of the BD notes.

Terms of the BD Notes

The registered holder of a BD note is treated as its owner for all purposes. Only registered holders of BD notes have rights under the BD indenture governing the BD notes. The BD indenture and the BD notes are governed by the laws of the State of New York.

0.034% 2025 Notes:

The specific terms of the 0.034% 2025 notes are as follows:

- Title of the notes:* 0.034% Notes due 2025
- Total principal amount issued:* €500,000,000
- Maturity date:* August 13, 2025
- Interest rate:* 0.034% per annum
- Currency of Payment:* Euro
- Form and Denomination:* Fully registered form, minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof
- Date interest started accruing:* August 13, 2021
- Interest payment date:* August 13
- First interest payment date:* August 13, 2022
- Regular record dates for interest:* The business day preceding the interest payment date
- Listing:* The 0.034% 2025 notes are listed on the NYSE under the symbol "BDX25A"

3.020% 2025 Notes:

The specific terms of the 3.020% 2025 notes are as follows:

- *Title of the notes:* 3.020% Notes due 2025
- *Total principal amount issued:* £250,000,000 million
- *Maturity date:* May 24, 2025
- *Interest rate:* 3.020% per annum
- *Currency of Payment:* GBP
- *Form and Denomination:* Fully registered form, minimum denominations of £100,000 and integral multiples of £1,000 in excess thereof
- *Date interest started accruing:* May 24, 2018
- *Interest payment dates:* May 24 and November 24
- *Regular record dates for interest:* The business day preceding the applicable interest payment date
- *Listing:* The 3.020% 2025 notes are listed on the NYSE under the symbol “BDX25”

1.900% 2026 Notes:

The specific terms of the 1.900% 2026 notes are as follows:

- *Title of the notes:* 1.900% Notes due 2026
- *Total principal amount issued:* €500,000,000
- *Maturity date:* December 15, 2026
- *Interest rate:* 1.900% per annum
- *Currency of Payment:* Euro
- *Form and Denomination:* Fully registered form, minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof
- *Date interest started accruing:* December 9, 2016
- *Interest payment date:* December 15
- *Regular record date for interest:* The business day preceding the interest payment date
- *Listing:* The 1.900% 2026 notes are listed on the NYSE under the symbol “BDX26”

An event of default for a particular series of BD notes under the BD indenture does not necessarily constitute an event of default for any other series of BD notes or for any other series of debt securities under the BD indenture.

Additional BD Notes

We may, without notice to or consent of the holders or beneficial owners of any series of the BD notes, issue additional BD notes of such series having the same ranking, interest rate, maturity and/or other terms as the applicable series of BD notes. Any such additional BD notes issued should be considered under the BD indenture fungible with and part of the same series of BD notes under the BD indenture as the applicable series of BD notes. In the event any additional BD notes are not fungible with the BD notes of the applicable series for U.S. federal income tax purposes, such nonfungible additional BD notes will be issued with a separate CUSIP number so that they are distinguishable from the applicable series of BD notes.

Issuance in Euro

If the euro is unavailable to us due to the imposition of exchange controls or other circumstances beyond our control or the euro is no longer used by the then member states of the European Monetary Union that have adopted the euro as their currency or for the settlement of transactions by public institutions within the international banking community, then all payments in respect of the 0.034% 2025 notes and the 1.900% 2026 notes (collectively, the “Euro BD notes”) will be made in U.S. dollars until the euro is again available to us or so used.

The amount payable on any date in euro will be converted into U.S. dollars at the rate mandated by the U.S. Federal Reserve Board as of the close of business on the second business day prior to the relevant payment date or, in the event the U.S. Federal Reserve Board has not mandated a rate of conversion, on the basis of the most recent euro/U.S. dollar exchange rate available on or prior to the second business day prior to the relevant payment date, as determined by us in our sole discretion. Any payment in respect of any series of Euro BD notes so made in U.S. dollars will not constitute an event of default under the applicable Euro BD notes or the BD indenture. Neither the trustee nor the paying agent have any responsibility for any calculation or conversion in connection with the foregoing.

Issuance in GBP

If GBP is unavailable to us due to the imposition of exchange controls or other circumstances beyond our control or GBP is no longer used by the United Kingdom as currency or for the settlement of transactions by public institutions within the international banking community, then all payments in respect of the 3.020% 2025 notes will be made in U.S. dollars until GBP is again available to us or so used.

The amount payable on any date in GBP will be converted into U.S. dollars at the rate mandated by the U.S. Federal Reserve Board as of the close of business on the second business day prior to the relevant payment date or, in the event the U.S. Federal Reserve Board has not mandated a rate of conversion, on the basis of the most recent GBP/U.S. dollar exchange rate available on or prior to the second business day prior to the relevant payment date, as determined by us in our sole discretion. Any payment in respect of the 3.020% 2025 notes so made in U.S. dollars will not constitute an event of default under the 3.020% 2025 notes or the BD indenture. Neither the trustee nor the paying agent have any responsibility for any calculation or conversion in connection with the foregoing.

Interest on the BD Notes

We make interest payments to the person in whose name each series of BD notes are registered on the business day preceding the interest payment date of each year. The rights of holders of beneficial interests of the BD notes to receive the payments of interest on such BD notes are subject to the applicable procedures of Clearstream and Euroclear.

If any interest payment date is not a business day, payment of interest is made on the next day that is a business day and no interest accrues as a result of such delayed payment on amounts payable from and after such interest payment date to the next succeeding business day. For the purposes of the BD notes, "business day" means any day that is not a Saturday or Sunday and that is not a day on which banking institutions are authorized or obligated by law or executive order to close in the City of New York or London and on which the Trans-European Automated Real-time Gross Settlement Express Transfer system (the TARGET2 system), or any successor thereto, operates. Interest on each series of the BD notes is computed on the basis of the actual number of days in the period for which interest is being calculated and the actual number of days from and including the last date on which interest was paid on such series of the BD notes (or from the original issuance date of the applicable series of BD notes, if no interest has been paid on such series of BD notes), to but excluding the next scheduled interest payment date. This payment convention is referred to as ACTUAL/ACTUAL (ICMA) as defined in the rulebook of the International Capital Market Association.

Optional Redemption

We may, at our option, redeem each series of the BD notes, in whole or in part, (i) at any time prior to July 13, 2025 (one month prior to the maturity date) with respect to the 0.034% 2025 notes, (ii) at any time prior to February 24, 2025 (three months prior to the maturity date) with respect to the 3.020% 2025 notes and (iii) at any time prior September 15, 2026 (three months prior to the maturity date) with respect to the 1.900% 2026 notes. The redemption price, as determined by us, will be equal to the greater of:

- 100% of the principal amount of the applicable series of BD notes to be redeemed; and
- the sum of the present values of the remaining scheduled payments on the applicable series of BD notes being redeemed, discounting such payments to the redemption date on an annual basis (ACTUAL/ACTUAL (ICMA)) at the applicable comparable government bond rate, plus (i) 15 basis points in the case of the 0.034% 2025 notes, (v) 25 basis points in the case of the 3.020% 2025 notes and (vi) 25 basis points in the case of the 1.900% 2026 notes, in

each case, plus accrued and unpaid interest to, but excluding, the date of redemption on the principal balance of the applicable series of BD notes being redeemed. The trustee has no responsibility for calculating the redemption price.

At any time on or after (i) July 13, 2025 (one month prior to the maturity date) with respect to the 0.034% 2025 notes, (ii) February 24, 2025 (three months prior to the maturity date) with respect to the 3.020% 2025 notes and (iii) September 15, 2026 (three months prior to the maturity date) with respect to the 1.900% 2026 notes, we may redeem such series of BD notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the applicable series of BD notes to be redeemed, plus accrued and unpaid interest to the date of redemption on the principal balance of the applicable series of BD notes being redeemed.

The term “comparable government bond rate” means the yield to maturity, expressed as a percentage (rounded to three decimal places, with 0.0005 being rounded upwards), on the third business day prior to the date fixed for redemption, of the comparable government bond (as defined below) on the basis of the middle market price of the comparable government bond prevailing at 11:00 a.m. (London time) on such business day as determined by an independent investment bank selected by us.

The term “comparable government bond” means, in relation to any comparable government bond rate calculation, at the discretion of an independent investment bank selected by us, (i) with respect to the applicable series of Euro BD notes, a German federal government bond whose maturity is closest to the maturity of the applicable series of Euro BD notes to be redeemed, or if such independent investment bank in its discretion determines that such similar bond is not in issue, such other German federal government bond as such independent investment bank may, with the advice of three brokers of, and/or market makers in, German federal government bonds selected by us, determine to be appropriate for determining the comparable government bond rate and (ii) with respect to the 3.020% 2025 notes, a United Kingdom government bond whose maturity is closest to the maturity of the 3.020% 2025 notes, or if such independent investment bank in its discretion determines that such similar bond is not in issue, such other United Kingdom government bond as such independent investment bank may, with the advice of three brokers of, and/or market makers in, United Kingdom government bonds selected by us, determine to be appropriate for determining the comparable government bond rate.

The term “remaining scheduled payments,” means, with respect to any series of BD notes, the remaining scheduled payments of the principal and interest on the applicable series of BD notes called for redemption that would be due after the related redemption date but for such redemption up to July 13, 2025 with respect to the 0.034% 2025 notes; provided, however, that, if such redemption date is not an interest payment date with respect to such BD notes, the amount of the next scheduled interest payment thereon will be reduced by the amount of interest accrued thereon to such redemption date.

Notice of any redemption will be mailed or otherwise transmitted in accordance with the applicable procedures of Euroclear or Clearstream to (i) the holders of the 0.034% 2025 notes not less than 10 days and not more than 30 days before the redemption date of the 0.034% 2025 notes being redeemed and (ii) the holders of the 1.900% 2026 notes, the 3.020% 2025 notes and the 1.900% 2026 notes not less than 30 days and not more than 60 days before the redemption date of the 1.900% 2026 notes, the 3.020% 2025 notes and the 1.900% 2026 notes, as applicable, being redeemed. Unless we default on payment of the redemption price, on and after the redemption date, the applicable series of BD notes or any portion of such BD notes called for redemption will stop accruing interest. On or before any redemption date, we will deposit with the paying agent or the trustee money sufficient to pay the accrued interest on the applicable series of BD notes to be redeemed and their redemption price. A partial redemption of any series of BD notes may be effected pursuant to applicable procedures of the depository or the paying agent, and may provide for the selection for redemption of portions (equal to the minimum authorized denomination for such BD notes or any integral multiple of (i) with respect to the Euro BD notes, €1,000 in excess thereof and (ii) with respect to the 3.020% 2025 notes, £1,000 in excess thereof) of the principal amount of such BD notes of a denomination larger than the minimum authorized denomination for such BD notes.

Offer to Repurchase Upon Change of Control Triggering Event

Upon the occurrence of a Change of Control Triggering Event with respect to any series of BD notes, unless we have exercised our right to redeem the applicable series of BD notes as described under “-Optional Redemption” above or “-Redemption for Tax Reasons,” each holder of outstanding BD notes of the applicable series will have the right to require us to purchase all or a portion of that holder’s BD notes (in integral multiples of (i) €1,000 in excess

thereof, with respect to the Euro BD notes and (ii) £1,000 in excess thereof, with respect to the 3.020% 2025 notes) pursuant to the offer described below (the “Change of Control Offer”), at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to, but excluding, the date of purchase, subject to the rights of holders of such BD notes on the relevant record date to receive interest due on the relevant interest payment date.

Within 30 days following the date upon which the Change of Control Triggering Event has occurred with respect to any series of BD notes, or at our option, prior to any Change of Control but after the public announcement of the pending Change of Control, we will be required to send in accordance with the applicable procedures of Euroclear or Clearstream, a notice to each holder of BD notes of the applicable series, with a copy to the trustee, which notice will govern the terms of the Change of Control Offer. The notice will state, among other things, the purchase date, which must be no earlier than 30 days nor later than 60 days from the date the notice is sent, other than as may be required by law (the “Change of Control Payment Date”). The notice, if sent prior to the date of consummation of the Change of Control, will state that the Change of Control Offer is conditioned on the Change of Control being consummated on or prior to the Change of Control Payment Date.

Holders of a series of BD notes electing to have their BD notes purchased pursuant to a Change of Control Offer will be required to surrender their BD notes, with the form entitled “Option of Holder to Elect Purchase” on the reverse of the BD note completed, to the paying agent at the address specified in the notice, or transfer their BD notes to the trustee by book-entry transfer pursuant to the applicable procedures of the paying agent, prior to the close of business on the third business day prior to the Change of Control Payment Date. The Change of Control Offer may be accepted for less than the entire principal amount of a particular BD note, but in that event the principal amount of such BD note remaining outstanding after repurchase must be equal to (i) €100,000 or an integral multiple of €1,000 in excess thereof, with respect to the Euro BD notes and (ii) £100,000 or an integral multiple of £1,000 in excess thereof, with respect to the 3.020% 2025 notes.

We are not required to make a Change of Control Offer with respect to a series of BD notes if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for such an offer made by us and that third party purchases all BD notes of the applicable series properly tendered and not withdrawn under its offer. To the extent that the provisions of any securities laws or regulations conflict with the provisions herein, we are required to comply with the applicable securities laws and regulations and are not deemed to have breached our obligations under the provisions herein by virtue of such conflicts.

For purposes of this section, the following terms have the meanings set forth below:

“*Change of Control*” means the occurrence of any one of the following:

- the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of BD and its subsidiaries taken as a whole to any Person (including any “person” (as that term is used in Section 13 (d)(3) of the Exchange Act)) other than to BD or one of its subsidiaries;
- (i) with respect to the 0.034% 2025 notes, the consummation of any transaction (including without limitation, any merger or consolidation) the result of which is that any Person (including any “person”(as that term is used in Section 13(d)(3) of the Exchange Act)), other than us or one of our subsidiaries, becomes the “beneficial owner”(as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the outstanding Voting Stock of BD or other Voting Stock into which BD’s Voting Stock is reclassified, consolidated, exchanged or changed, measured by voting power rather than number of shares and (ii) with respect to the 3.020% 2025 notes and 1.900% 2026 notes, the consummation of any transaction (including without limitation, any merger or consolidation) the result of which is that any Person (including any “person”(as that term is used in Section 13(d)(3) of the Exchange Act)) becomes the “beneficial owner”(as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the outstanding Voting Stock of BD, measured by voting power rather than number of shares;
- BD consolidates with, or merges with or into, any Person, or any Person consolidates with, or merges with or into, BD, in any such event pursuant to a transaction in which any of the outstanding Voting Stock of BD or such other Person is converted into or exchanged for cash, securities or other property, other than any such transaction where the shares of the Voting Stock of BD outstanding immediately prior to such transaction constitute, or are converted

into or exchanged for, a majority of the Voting Stock of the surviving Person immediately after giving effect to the transaction; or

•the adoption of a plan relating to the liquidation or dissolution of BD.

Notwithstanding the foregoing, a transaction will not be considered to be a Change of Control if (a) BD becomes a direct or indirect wholly-owned subsidiary of a holding company and (b) (x) immediately following that transaction, the direct or indirect holders of the Voting Stock of the holding company are substantially the same as the holders of BD's Voting Stock immediately prior to that transaction or (y) immediately following that transaction, no Person is the beneficial owner, directly or indirectly, of more than 50% of the Voting Stock of such holding company.

“*Change of Control Triggering Event*” means a series of BD notes are rated below Investment Grade by each of the Rating Agencies on any date during the period (the “Trigger Period”) commencing on the date of the first public announcement by BD of any Change of Control (or pending Change of Control) and ending 60 days following consummation of that Change of Control (which Trigger Period will be extended following consummation of a Change of Control (i) with respect to the 0.034% 2025 notes and the 3.020% 2025 notes, for so long as any of the Rating Agencies has publicly announced that it is considering a possible ratings downgrade and the downgrade would result in a Change of Control Triggering Event and (ii) with respect to the 1.900% 2026 notes, for so long as any of the Rating Agencies has publicly announced that it is considering a possible ratings downgrade). Unless at least two of the Rating Agencies are providing a rating for a series of BD notes at the commencement of any Trigger Period, the BD notes of such series will be deemed to be rated below Investment Grade by the Rating Agencies during that Trigger Period. Notwithstanding the foregoing, no Change of Control Triggering Event will be deemed to have occurred in connection with (i) any particular Change of Control unless and until such Change of Control has actually been consummated or (ii) any reduction in rating if the Rating Agencies making the reduction in rating to which this definition would otherwise apply do not announce or publicly confirm or inform (i) with respect to the 0.034% 2025 notes, us in writing at our request that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, a Change of Control (whether or not the Change of Control has occurred at the time of the reduction in rating) and (ii) with respect to the 3.020% 2025 notes and the 1.900% 2026 notes, the trustee in writing at its request that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, a Change of Control (whether or not the Change of Control has occurred at the time of the reduction in rating).

“*Fitch*” means Fitch Ratings, Inc. and its successors.

“*Investment Grade*” means (i) with respect to the 0.034% 2025 notes and the 3.020% 2025 notes, a rating of Baa3 or better by Moody's (or its equivalent under any successor rating category of Moody's); and a rating of BBB- or better by S&P (or its equivalent under any successor rating category of S&P); and a rating of BBB- or better by Fitch (or its equivalent under any successor rating category of Fitch) or the equivalent investment grade credit rating from any additional Rating Agency or Rating Agencies selected by BD in accordance with the applicable definition of “Rating Agency” and (ii) with respect to the 1.900% 2026 notes, a rating of Baa3 or better by Moody's (or its equivalent under any successor rating category of Moody's); and a rating of BBB- or better by S&P (or its equivalent under any successor rating category of S&P) or the equivalent investment grade credit rating from any additional Rating Agency or Rating Agencies selected by BD in accordance with the applicable definition of “Rating Agency.”

“*Moody's*” means Moody's Investors Service, Inc., a subsidiary of Moody's Corporation, and its successors.

“*Person*” means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

“*Rating Agency*” means each of (i) Fitch, Moody's and S&P with respect to the 0.034% 2025 notes and the 3.020% 2025 notes; provided, that if any of Fitch, Moody's or S&P ceases to provide rating services to issuers or investors or fails to make a rating of the 0.034% 2025 notes or the 3.020% 2025 notes, as applicable, publicly available for reasons outside of BD's control, BD may appoint a replacement for that Rating Agency and (ii) Moody's and S&P with the respect to the 1.900% 2026 notes; provided, that if any of Moody's or S&P ceases to provide rating services to issuers or investors or fails to make a rating of the 1.900% 2026 notes, as applicable, publicly available for reasons outside of BD's control, BD may appoint a replacement for that Rating Agency.

“*S&P*” means S&P Global Ratings and its successors.

“*Voting Stock*” of any specified Person as of any date means the capital stock of that Person that is at the time entitled to vote generally in the election of the board of directors of that Person.

Payment of Additional Amounts

We pay, subject to the exceptions and limitations set forth below, as additional interest on each series of BD notes such additional amounts as are necessary in order that the net payment by us or a paying agent of the principal of and interest on each of the BD notes to a holder who is not a United States person (as defined below), after withholding or deduction solely with respect to any present or future tax, assessment or other governmental charge imposed by the United States or a taxing authority in the United States, is not be less than the amount provided in the BD notes to be then due and payable; provided, however, that the foregoing obligation to pay additional amounts does not apply:

- to any tax, assessment or other governmental charge that would not have been imposed but for the holder (or the beneficial owner for whose benefit such holder holds such BD note), or a fiduciary, settlor, beneficiary, member or shareholder of the holder, or a person holding a power over an estate or trust administered by a fiduciary holder, being treated as:
- being or having been present in, or engaged in a trade or business in, the United States, or having or having had a permanent establishment in the United States;
- having a current or former connection with the United States (other than a connection arising solely as a result of the ownership of such BD notes, the receipt of any payment in respect of such BD notes or the enforcement of any rights under the BD indenture), including being or having been a citizen of the United States or treated as being or having been a resident thereof;
- being or having been a personal holding company, a passive foreign investment company or a controlled foreign corporation for United States federal income tax purposes, a foreign tax exempt organization, or a corporation that has accumulated earnings to avoid United States federal income tax;
- being or having been a “10-percent shareholder”, as defined in section 871(h)(3) of the United States Internal Revenue Code of 1986, as amended (the “Code”), or any successor provision, of us; or
- being a bank receiving payments on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business, within the meaning of section 881(c)(3) of the Code or any successor provision;
- to any holder that is not the sole beneficial owner of such BD notes, or a portion of such BD notes, or that is a fiduciary, partnership or limited liability company, but only to the extent that a beneficiary or settlor with respect to the fiduciary, or a beneficial owner or member of the partnership or limited liability company would not have been entitled to the payment of an additional amount had the beneficiary, settlor, beneficial owner or member received directly its beneficial or distributive share of the payment;
- to any tax, assessment or other governmental charge that would not have been imposed but for the failure of the holder or any other person to comply with certification, identification or information reporting requirements concerning the nationality, residence, identity or connection with the United States of the holder or beneficial owner of such BD notes, if compliance is required by statute, by regulation of the United States or any taxing authority therein or by an applicable income tax treaty to which the United States is a party as a precondition to exemption from such tax, assessment or other governmental charge;
- to any tax, assessment or other governmental charge that is imposed otherwise than by withholding by us or a paying agent from the payment;
- to any estate, inheritance, gift, sales, excise, transfer, wealth, capital gains or personal property tax or similar tax, assessment or other governmental charge;
- to any tax, assessment or other governmental charge that would not have been imposed but for the presentation by the holder of any BD note, where presentation is required, for payment on a date more than 30 days after the date on which payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later;

- to any tax assessment or other governmental charge required to be withheld or deducted that is imposed on a payment pursuant to sections 1471 through 1474 of the Code (or any amended or successor version of such sections that is substantively comparable and not materially more onerous to comply with), any Treasury Regulations promulgated thereunder, or any other official interpretations thereof (collectively, "FATCA"), any agreement (including any intergovernmental agreement) entered into in connection therewith, or any law, regulation or other official guidance enacted in any jurisdiction implementing FATCA or an intergovernmental agreement in respect of FATCA;
- to any tax assessment or other governmental charge that is imposed or withheld solely by reason of a change in law, regulation, or administrative or judicial interpretation that becomes effective more than 15 days after the payment becomes due or is duly provided for, whichever occurs later;
- to any tax, assessment or other governmental charge that is imposed by reason of the failure of the beneficial owner to fulfill the statement requirements of section 871(h) or section 881(c) of the Code;
- to any tax imposed pursuant to section 871(h)(6) or section 881(c)(6) of the Code (or any amended or successor provisions); or
- in the case of any combination of the above bulleted items under this heading "-Payment of Additional Amounts."

Except as specifically provided under this heading "-Payment of Additional Amounts," we are not required to pay additional amounts in respect of any tax, assessment or other governmental charge.

As used under this heading "-Payment of Additional Amounts" and under the heading "-Redemption for Tax Reasons," the term "United States" means the United States of America, any state thereof, and the District of Columbia, and the term "United States person" means (i) any individual who is a citizen or resident of the United States for United States federal income tax purposes, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States, any state thereof or the District of Columbia (other than a partnership that is not treated as a United States person for United States federal income tax purposes), (iii) any estate the income of which is subject to U.S. federal income taxation regardless of its source, or (iv) any trust if a United States court can exercise primary supervision over the administration of the trust and one or more United States persons can control all substantial trust decisions, or if a valid election is in place to treat the trust as a United States person.

Redemption for Tax Reasons

If, as a result of any change in, or amendment to, the laws of the United States, or the official interpretation thereof, we become or, based upon a written opinion of independent counsel selected by us, will become obligated to pay additional amounts as described under the heading "-Payment of Additional Amounts" with respect to any series of BD notes, then we may at any time at our option redeem, in whole, but not in part, the BD notes of such series on not less than 30 nor more than 60 days' prior notice, at a redemption price equal to 100% of their principal amount, plus accrued and unpaid interest on the BD notes to be redeemed to, but excluding, the date fixed for redemption.

Priority

The BD notes are our senior unsecured obligations, rank equally in right of payment with all of our other senior unsecured indebtedness and are effectively subordinated in right of payment to all of our existing and future secured indebtedness (to the extent of the value of the collateral securing such indebtedness).

The BD notes are also structurally subordinated to all obligations of our subsidiaries with respect to the assets of such subsidiaries, other than any subsidiaries that may guarantee the BD notes in the future.

Clearance Systems

The BD notes have the following codes:

0.034% 2025 Notes:

- ISIN: XS2375836553

- Common Code: 237583655
- CUSIP Number: 075887 CN7

3.020% 2025 Notes:

- ISIN: XS1822506439
- Common Code: 182250643
- CUSIP Number: 075887 CG2

1.900% 2026 Notes:

- ISIN: XS1531347661
- Common Code: 153134766
- CUSIP Number: 075887 BP3

DESCRIPTION OF DEBT SECURITIES OF BECTON DICKINSON EURO FINANCE S.À R.L.

Reference should be made to the indenture, dated as of May 17, 2019, between Becton Finance, as issuer, BD, as guarantor, and The Bank of New York Mellon Trust Company, N.A., as trustee, which we refer to as the “Becton Finance indenture.” The following description is a summary of selected portions of the Becton Finance indenture. It does not restate the Becton Finance indenture, and the Becton Finance indenture, not this description, define the rights of a holder of the Becton Finance notes.

Terms of the Becton Finance Notes

The registered holder of a Becton Finance note is treated as its owner for all purposes. Only registered holders of Becton Finance notes have rights under the Becton Finance indenture governing the Becton Finance notes. The Becton Finance indenture, the Becton Finance notes and the guarantees thereof are governed by the laws of the State of New York. The provisions of articles 470-1 to 470-19 (inclusive) of the Luxembourg law of 10 August 1915 on commercial companies, as amended, are expressly excluded.

1.208% 2026 Notes:

The specific terms of the 1.208% 2026 notes are as follows:

- Title of the notes:* 1.208% Notes due 2026
- Guarantor of the notes:* Becton, Dickinson and Company
- Total principal amount issued:* €600 million
- Maturity date:* June 4, 2026
- Interest rate:* 1.208% per annum
- Currency of Payment:* Euro
- Date interest started accruing:* June 4, 2019
- Interest payment date:* June 4
- Regular record date for interest:* The business day preceding the interest payment date
- Listing:* The 1.208% 2026 notes are listed on the NYSE under the symbol “BDX/26/A”

1.213% 2036 Notes:

The specific terms of the 1.213% 2036 notes are as follows:

- Title of the notes:* 1.213% notes due 2036
- Guarantor of the notes:* Becton, Dickinson and Company
- Total principal amount issued:* €600 million
- Maturity date:* February 12, 2036
- Interest rate:* 1.213% per annum
- Currency of Payment:* Euro
- Form and Denomination:* Fully registered form, minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof
- Date interest started accruing:* February 12, 2021
- Interest payment date:* February 12
- First interest payment date:* February 12, 2022
- Regular record date for interest:* The business day preceding the interest payment date
- Listing:* The 1.213% 2036 notes are listed on the NYSE under the symbol “BDX/36”

An event of default for a particular series of Becton Finance notes under the Becton Finance indenture does not necessarily constitute an event of default for other series of Becton Finance notes or for any other series of debt securities under the Becton Finance indenture.

Additional Becton Finance Notes

We may, without notice to or consent of the holders or beneficial owners of any series of the Becton Finance notes of such series, issue additional Becton Finance notes of the applicable series having the same ranking, interest rate, maturity and/or other terms as the applicable series of Becton Finance notes. Any such additional Becton Finance notes issued should be considered under the Becton Finance indenture fungible with and part of the same series of Becton Finance notes under the Becton Finance indenture as the applicable series of Becton Finance notes. In the event any additional Becton Finance notes are not fungible with the Becton Finance notes of the applicable series for U.S. federal income tax purposes, such nonfungible additional Becton Finance notes will be issued with a separate CUSIP number so that they are distinguishable from the applicable series of Becton Finance notes.

Guarantees

BD fully and unconditionally guarantees (1) the full and punctual payment when due, whether at stated maturity, by acceleration, by redemption or otherwise, of all obligations of Becton Finance under the Becton Finance indenture (including obligations to the trustee) and the Becton Finance notes, whether for payment of principal of, or interest on or premium, if any, on, the Becton Finance notes and all other monetary obligations of Becton Finance under the Becton Finance indenture and the Becton Finance notes and (2) the full and punctual performance within applicable grace periods of all other obligations of Becton Finance whether for fees, expenses, indemnification or otherwise under the Becton Finance indenture and the Becton Finance notes. Any obligation of BD to make a payment may be satisfied by causing Becton Finance to make such payment. The guarantees are a senior unsecured obligation of BD and are *pari passu* with all of its other senior unsecured obligations.

Issuance in Euro

If the euro is unavailable to us or, in the case of the guarantees, BD, due to the imposition of exchange controls or other circumstances beyond our or BD’s control or the euro is no longer used by the then member states of the European Monetary Union that have adopted the euro as their currency or for the settlement of transactions by public institutions within the international banking community, then all payments in respect of the Becton Finance notes or the guarantees will be made in U.S. dollars until the euro is again available to us or, in the case of the guarantees, BD, or so used.

The amount payable on any date in euro will be converted into U.S. dollars at the rate mandated by the U.S. Federal Reserve Board as of the close of business on the second business day prior to the relevant payment date or, in the

event the U.S. Federal Reserve Board has not mandated a rate of conversion, on the basis of the most recent euro/U.S. dollar exchange rate available on or prior to the second business day prior to the relevant payment date, as determined by us in our sole discretion. Any payment in respect of any series of Becton Finance notes so made in U.S. dollars will not constitute an event of default under the applicable Becton Finance notes or the Becton Finance indenture. Neither the trustee nor the paying agent have any responsibility for any calculation or conversion in connection with the foregoing.

Interest on the Becton Finance Notes

We or, in the case of the guarantees, BD, make interest payments to the person in whose name each series of Becton Finance notes are registered on the business day preceding the interest payment date of each year. The rights of holders of beneficial interests of the Becton Finance notes to receive the payments of interest on such Becton Finance notes are subject to the applicable procedures of Clearstream and Euroclear.

If any interest payment date is not a business day, payment of interest is made on the next day that is a business day and no interest accrues as a result of such delayed payment on amounts payable from and after such interest payment date to the next succeeding business day. For the purposes of the Becton Finance notes, "business day" means any day that is not a Saturday or Sunday and that is not a day on which banking institutions are authorized or obligated by law or executive order to close in the City of New York or London and on which the Trans-European Automated Real-time Gross Settlement Express Transfer system (the TARGET2 system), or any successor thereto, operates. Interest on each series of the Becton Finance notes is computed on the basis of the actual number of days in the period for which interest is being calculated and the actual number of days from and including the last date on which interest was paid on such series of Becton Finance notes (or from the original issuance date of the applicable series of Becton Finance notes, if no interest has been paid on such series of Becton Finance notes), to but excluding the next scheduled interest payment date. This payment convention is referred to as ACTUAL/ACTUAL (ICMA) as defined in the rulebook of the International Capital Market Association.

Optional Redemption

We may, at our option, redeem each series of Becton Finance notes, in whole or in part, at any time prior to (i) March 4, 2026 (three months prior to the maturity date) with respect to the 1.208% 2026 notes and (ii) November 12, 2035 with respect to the 1.213% 2036 notes. The redemption price, as determined by us, will be equal to the greater of:

- 100% of the principal amount of the applicable series of Becton Finance notes to be redeemed; and
- the sum of the present values of the remaining scheduled payments on the applicable series of Becton Finance notes being redeemed, discounting such payments to the redemption date on an annual basis (ACTUAL/ACTUAL (ICMA)) at the applicable comparable government bond rate, plus (i) 25 basis points in the case of the 1.208% 2026 notes and (ii) 25 basis points in the case of the 1.213% 2036 notes, in each case, plus accrued and unpaid interest to, but excluding the date of redemption on the principal balance of the applicable series of Becton Finance notes being redeemed. The trustee has no responsibility for calculating the redemption price.

At any time on or after (i) March 4, 2026 (three months prior to the maturity date) with respect to the 1.208% 2026 notes and (ii) November 12, 2035 with respect to the 1.213% 2036 notes, we may redeem such series of Becton Finance notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the applicable series of Becton Finance notes to be redeemed, plus accrued and unpaid interest to the date of redemption on the principal balance of the applicable series of Becton Finance notes being redeemed.

The term "comparable government bond rate" means the yield to maturity, expressed as a percentage (rounded to three decimal places, with 0.0005 being rounded upwards), on the third business day prior to the date fixed for redemption, of the comparable government bond (as defined below) on the basis of the middle market price of the comparable government bond prevailing at 11:00 a.m. (London time) on such business day as determined by an independent investment bank selected by us.

The term "comparable government bond" means, in relation to any comparable government bond rate calculation, at the discretion of an independent investment bank selected by us, a German federal government bond whose maturity is closest to the maturity of the applicable series of Becton Finance notes to be redeemed (assuming with respect to the 1.213% 2036 notes, that such 1.213% 2036 notes to be redeemed matured on November 12, 2035), or if such

independent investment bank in its discretion determines that such similar bond is not in issue, such other German federal government bond as such independent investment bank may, with the advice of three brokers of, and/or market makers in, German federal government bonds selected by us, determine to be appropriate for determining the comparable government bond rate.

The term “remaining scheduled payments,” means, with respect to any series of Becton Finance notes, the remaining scheduled payments of the principal and interest on the applicable series of Becton Finance notes called for redemption that would be due after the related redemption date but for such redemption up to (i) March 4, 2026 (three months prior to the maturity date) with respect to the 1.208% 2026 notes and (ii) November 12, 2035 with respect to the 1.213% 2036 notes; provided, however, that, if such redemption date is not an interest payment date with respect to such Becton Finance notes, the amount of the next scheduled interest payment thereon will be reduced by the amount of interest accrued thereon to such redemption date.

Notice of any redemption will be mailed or otherwise transmitted in accordance with the applicable procedures of Euroclear or Clearstream to (i) the holders of the 1.213% 2036 notes not less than 10 days and not more than 30 days before the redemption date of the 1.213% 2036 notes being redeemed and (ii) the holders of the 1.208% 2026 notes not less than 30 days and not more than 60 days before the redemption date of the 1.208% 2026 notes being redeemed. Unless we default on payment of the redemption price, on and after the redemption date, the applicable series of Becton Finance notes or any portion of such Becton Finance notes called for redemption will stop accruing interest. On or before any redemption date, we will deposit with the paying agent or the trustee money sufficient to pay the accrued interest on the Becton Finance notes to be redeemed and their redemption price. A partial redemption of any series of Becton Finance notes may be effected pursuant to applicable depositary procedures or by such method as the paying agent deems fair and appropriate in accordance with the applicable procedures of Clearstream and Euroclear and may provide for the selection for redemption of portions (equal to the minimum authorized denomination for such Becton Finance notes or any integral multiple of €1,000 in excess thereof) of the principal amount of such Becton Finance notes of a denomination larger than the minimum authorized denomination for such Becton Finance notes.

Offer to Repurchase Upon Change of Control Triggering Event

Upon the occurrence of a Change of Control Triggering Event with respect to any series of Becton Finance notes, unless we have exercised our right to redeem the applicable series of Becton Finance notes as described under “-Optional Redemption” above or “-Redemption for Tax Reasons,” each holder of outstanding Becton Finance notes of the applicable series will have the right to require us to purchase all or a portion of that holder’s Becton Finance notes (in integral multiples of €1,000) pursuant to the offer described below (the “Change of Control Offer”), at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to, but excluding, the date of purchase, subject to the rights of holders of such Becton Finance notes on the relevant record date to receive interest due on the relevant interest payment date.

Within 30 days following the date upon which the Change of Control Triggering Event has occurred with respect to any series of Becton Finance notes, or at our option, prior to any Change of Control but after the public announcement of the pending Change of Control, we will be required to send in accordance with the applicable procedures of Euroclear or Clearstream, a notice to each holder of Becton Finance notes of the applicable series, with a copy to the trustee, which notice will govern the terms of the Change of Control Offer. The notice will state, among other things, the purchase date, which must be no earlier than 30 days nor later than 60 days from the date the notice is sent, other than as may be required by law (the “Change of Control Payment Date”). The notice, if sent prior to the date of consummation of the Change of Control, will state that the Change of Control Offer is conditioned on the Change of Control being consummated on or prior to the Change of Control Payment Date.

Holders of a series of Becton Finance notes electing to have their Becton Finance notes purchased pursuant to a Change of Control Offer will be required to surrender their Becton Finance notes, with the form entitled “Option of Holder to Elect Purchase” on the reverse of the Becton Finance note completed, to the paying agent at the address specified in the notice, or transfer their Becton Finance notes to the trustee by book-entry transfer pursuant to the applicable procedures of the paying agent, prior to the close of business on the third business day prior to the Change of Control Payment Date. The Change of Control Offer may be accepted for less than the entire principal amount of a particular Becton Finance note, but in that event the principal amount of such Becton Finance note

remaining outstanding after repurchase must be equal to €100,000 or an integral multiple of €1,000 in excess thereof.

We are not required to make a Change of Control Offer with respect to a series of Becton Finance notes if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for such an offer made by us and that third party purchases all Becton Finance notes of the applicable series properly tendered and not withdrawn under its offer. To the extent that the provisions of any securities laws or regulations conflict with the provisions herein, we are required to comply with the applicable securities laws and regulations and are not deemed to have breached our obligations under the provisions herein by virtue of such conflicts.

For purposes of this section, the following terms have the meanings set forth below:

“*Change of Control*” means the occurrence of any one of the following:

- the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of BD and its subsidiaries taken as a whole to any Person (including any “person” (as that term is used in Section 13(d)(3) of the Exchange Act)) other than to BD or one of its subsidiaries;
- the consummation of any transaction (including without limitation, any merger or consolidation) the result of which is that any Person (including any “person”(as that term is used in Section 13(d)(3) of the Exchange Act)) becomes the “beneficial owner”(as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the outstanding Voting Stock of BD, measured by voting power rather than number of shares;
- BD consolidates with, or merges with or into, any Person, or any Person consolidates with, or merges with or into, BD, in any such event pursuant to a transaction in which any of the outstanding Voting Stock of BD or such other Person is converted into or exchanged for cash, securities or other property, other than any such transaction where the shares of the Voting Stock of BD outstanding immediately prior to such transaction constitute, or are converted into or exchanged for, a majority of the Voting Stock of the surviving Person immediately after giving effect to the transaction; or
- the adoption of a plan relating to the liquidation or dissolution of BD.

Notwithstanding the foregoing, a transaction will not be considered to be a Change of Control if (a) BD becomes a direct or indirect wholly-owned subsidiary of a holding company and (b) (x) immediately following that transaction, the direct or indirect holders of the Voting Stock of the holding company are substantially the same as the holders of BD’s Voting Stock immediately prior to that transaction or (y) immediately following that transaction, no Person is the beneficial owner, directly or indirectly, of more than 50% of the Voting Stock of such holding company.

“*Change of Control Triggering Event*” means a series of Becton Finance notes are rated below Investment Grade by each of the Rating Agencies on any date during the period (the “Trigger Period”) commencing on the date of the first public announcement by BD of any Change of Control (or pending Change of Control) and ending 60 days following consummation of that Change of Control (which Trigger Period will be extended following consummation of a Change of Control for so long as any of the Rating Agencies has publicly announced that it is considering a possible ratings downgrade and the downgrade would result in a Change of Control Triggering Event). Unless at least two of the Rating Agencies are providing a rating for a series of Becton Finance notes at the commencement of any Trigger Period, the Becton Finance notes of such series will be deemed to be rated below Investment Grade by the Rating Agencies during that Trigger Period. Notwithstanding the foregoing, no Change of Control Triggering Event will be deemed to have occurred in connection with (i) any particular Change of Control unless and until such Change of Control has actually been consummated or (ii) any reduction in rating if the Rating Agencies making the reduction in rating to which this definition would otherwise apply do not announce or publicly confirm or inform us in writing at our request that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, a Change of Control (whether or not the Change of Control has occurred at the time of the reduction in rating).

“*Fitch*” means Fitch Ratings, Inc. and its successors.

“*Investment Grade*” means a rating of Baa3 or better by Moody’s (or its equivalent under any successor rating category of Moody’s); and a rating of BBB- or better by S&P (or its equivalent under any successor rating category

of S&P); and a rating of BBB- or better by Fitch (or its equivalent under any successor rating category of Fitch) or the equivalent investment grade credit rating from any additional Rating Agency or Rating Agencies selected by BD in accordance with the definition of "Rating Agency."

"*Moody's*" means Moody's Investors Service, Inc., a subsidiary of Moody's Corporation, and its successors.

"*Person*" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

"*Rating Agency*" means each of Fitch, Moody's and S&P; provided, that if any of Fitch, Moody's or S&P ceases to provide rating services to issuers or investors or fails to make a rating of a series of Becton Finance notes publicly available for reasons outside of our or BD's control, we may appoint a replacement for that Rating Agency.

"*S&P*" means S&P Global Ratings and its successors.

"*Voting Stock*" of any specified Person as of any date means the capital stock of that Person that is at the time entitled to vote generally in the election of the board of directors of that Person.

Payment of Additional Amounts

We or, in the case of the guarantee, BD, pay, subject to the exceptions and limitations set forth below, as additional interest on each series of Becton Finance notes such additional amounts as are necessary in order that the net payment by us or a paying agent of the principal of and interest on each of the Becton Finance notes to a holder, after withholding or deduction solely with respect to any present or future tax, assessment or other governmental charge imposed by Luxembourg, the United States or any other jurisdiction in which Becton Finance or BD or, in each case, any successor thereof (including a continuing Person formed by a consolidation with Becton Finance or BD, into which Becton Finance or BD is merged, or that acquires or leases all or substantially all of the property and assets of Becton Finance or BD) may be organized, as applicable, or any political subdivision thereof or therein having the power to tax (a "Taxing Jurisdiction"), is not less than the amount provided in the Becton Finance notes to be then due and payable; provided, however, that the foregoing obligation to pay additional amounts does not apply:

- to any tax, assessment or other governmental charge that would not have been imposed but for the holder (or the beneficial owner for whose benefit such holder holds such Becton Finance note), or a fiduciary, settlor, beneficiary, member or shareholder of the holder, or a person holding a power over an estate or trust administered by a fiduciary holder, being treated as:

- being or having been present in, or engaged in a trade or business in, the relevant Taxing Jurisdiction, or having or having had a permanent establishment in such Taxing Jurisdiction;

- having a current or former connection with the relevant Taxing Jurisdiction (other than a connection arising solely as a result of the ownership of such Becton Finance notes, the receipt of any payment in respect of such Becton Finance notes or the enforcement of any rights under the Becton Finance indenture), including being or having been a citizen of such Taxing Jurisdiction or treated as being or having been a resident thereof;

- being or having been a personal holding company, a passive foreign investment company or a controlled foreign corporation for United States federal income tax purposes, a foreign tax exempt organization, or a corporation that has accumulated earnings to avoid United States federal income tax;

- being or having been a "10-percent shareholder", as defined in section 871(h)(3) of the Code, or any successor provision, of us or BD; or

- being a bank receiving payments on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business, within the meaning of section 881(c)(3) of the Code or any successor provision;

- to any holder that is not the sole beneficial owner of such Becton Finance notes, or a portion of such Becton Finance notes, or that is a fiduciary, partnership or limited liability company, but only to the extent that a beneficiary or settlor with respect to the fiduciary, or a beneficial owner or member of the partnership or limited liability company would not have been entitled to the payment of an additional amount had the beneficiary, settlor, beneficial owner or member received directly its beneficial or distributive share of the payment;

- to any tax, assessment or other governmental charge that would not have been imposed but for the failure of the holder or any other person to comply with certification, identification or information reporting requirements concerning the nationality, residence, identity or connection with the relevant Taxing Jurisdiction of the holder or beneficial owner of such Becton Finance notes, if compliance is required by statute, by regulation of the relevant Taxing Jurisdiction or any taxing authority therein or by an applicable income tax treaty to which the relevant Taxing Jurisdiction is a party as a precondition to exemption from such tax, assessment or other governmental charge;
- to any tax, assessment or other governmental charge that is imposed otherwise than by withholding by us or a paying agent from the payment;
- to any estate, inheritance, gift, sales, excise, transfer, wealth, capital gains or personal property tax or similar tax, assessment or other governmental charge;
- to any tax, assessment or other governmental charge that would not have been imposed but for the presentation by the holder of any Becton Finance note, where presentation is required, for payment on a date more than 30 days after the date on which payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later;
- to any tax assessment or other governmental charge required to be withheld or deducted that is imposed on a payment pursuant to sections 1471 through 1474 of the Code (or any amended or successor version of such sections that is substantively comparable and not materially more onerous to comply with), any Treasury Regulations promulgated thereunder, or any other official interpretations thereof (collectively, "FATCA"), any agreement (including any intergovernmental agreement) entered into in connection therewith, or any law, regulation or other official guidance enacted in any jurisdiction implementing FATCA or an intergovernmental agreement in respect of FATCA;
- any tax assessment or other governmental charge that is imposed or withheld solely by reason of a change in law, regulation, or administrative or judicial interpretation that becomes effective more than 15 days after the payment becomes due or is duly provided for, whichever occurs later;
- any tax, assessment or other governmental charge that is imposed by reason of the failure of the beneficial owner to fulfill the statement requirements of section 871(h) or section 881(c) of the Code;
- any tax imposed pursuant to section 871(h)(6) or section 881(c)(6) of the Code (or any amended or successor provisions); or
- in the case of any combination of the above bulleted items under this heading "-Payment of Additional Amounts."

Except as specifically provided under this heading "-Payment of Additional Amounts," we or BD are not required to pay additional amounts in respect of any tax, assessment or other governmental charge.

As used under this heading "-Payment of Additional Amounts" and under the heading "-Redemption for Tax Reasons," the term "United States" means the United States of America, any state thereof, and the District of Columbia, and the term "United States person" means (i) any individual who is a citizen or resident of the United

States for United States federal income tax purposes, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States, any state thereof or the District of Columbia (other than a partnership that is not treated as a United States person for United States federal income tax purposes), (iii) any estate the income of which is subject to U.S. federal income taxation regardless of its source, or (iv) any trust if a United States court can exercise primary supervision over the administration of the trust and one or more United States persons can control all substantial trust decisions, or if a valid election is in place to treat the trust as a United States person.

Redemption for Tax Reasons

If, as a result of a change in law, we become or, based upon a written opinion of independent counsel selected by us, will become obligated to pay additional amounts as described under the heading "-Payment of Additional Amounts" with respect to any series of Becton Finance notes, then we may at any time at our option redeem, in whole, but not in part, the Becton Finance notes of such series on not less than 30 nor more than 60 days' prior notice, at a

redemption price equal to 100% of their principal amount, plus accrued and unpaid interest on the Becton Finance notes to be redeemed to, but excluding, the date fixed for redemption. For this purpose, "change in law" means any change in, or amendment to, the laws of a Taxing Jurisdiction, or an official interpretation thereof that is announced or becomes effective on or after (i) with respect to the United States and Luxembourg as the initial applicable Taxing Jurisdictions, the date of the initial issuance of the applicable series of Becton Finance notes or (ii) with respect to any other Taxing Jurisdiction, the date on which such jurisdiction becomes a Taxing Jurisdiction for Becton Finance or BD, as applicable.

Clearance Systems

The Becton Finance notes have the following codes:

1.208% 2026 Notes:

•ISIN: XS2002532724

•Common Code: 200253272

•CUSIP Number: 07589L AC1

•Financial Short Name: BECTON DICKINSON/1.208EUR NT 2026060, or as updated on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN

•Classification of Financial Instruments Code: DYFXXR, or as updated on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN

1.213% 2036 Notes:

•ISIN: XS2298459426

•Common Code: 229845942

•CUSIP Number: 07589L AD9

•Financial Short Name: BECTON DICKINSON/ASST BKD 22001231

•Classification of Financial Instruments Code: DAFNFR

BECTON, DICKINSON AND COMPANY
PERFORMANCE INCENTIVE PLAN
AMENDED AND RESTATED EFFECTIVE AS OF JULY 25, 2023

PURPOSE

The purpose of the Performance Incentive Plan (the "Plan") is to provide annual incentive payments to associates for their contribution to the Company's successful financial performance and the accomplishment of strategic objectives.

Notwithstanding anything in this plan to the contrary, the payment of annual incentives, if any, is solely within the discretion of the PIP Steering Committee and the Board of Directors, except that payment in excess of the plan guidelines will not be made. No employee has any vested right to any such payment.

PIP STEERING COMMITTEE

The PIP Steering Committee will be responsible for administering this Plan, except that the Compensation and Human Capital Committee of the Board of Directors (the "Compensation Committee") will be responsible for administering this Plan with respect to the Chief Executive Officer of the Company and other members of the Executive Leadership Team (the "ExLT") and for selection and approval of total Company metrics, targets, and payouts, as specified herein. The PIP Steering Committee will consist of no less than three persons, including the Chief Executive Officer, Chief Financial Officer, and Chief People Officer and such other senior executives as are designated from time to time by the Chief Executive Officer. The Chief People Officer shall have authority to act on behalf of the PIP Steering Committee with respect to all matters under this Plan.

ELIGIBILITY

Participation in any particular fiscal year is generally restricted to employees of the Company and its worldwide subsidiaries in Job Group 4 and above positions (other than those covered under other incentive plans or sales incentive plans) and other key positions as may be approved by the PIP Steering Committee. Current employees promoted to, and persons newly hired to, eligible positions during a particular fiscal year may be considered for a pro-rata bonus; provided that such employees are promoted to, or newly hired to, eligible positions on or before July 1 of the particular fiscal year. Persons employed by companies acquired by the Company which have pre-existing incentive, profit sharing or similar programs will not participate in this Plan until and unless those plans are superseded by this Plan. For the avoidance of doubt, employees who transferred out of the Company due to a divestiture of a subsidiary or business unit during the fiscal year will not be eligible for an incentive payment under this Plan with respect to the fiscal year in which the spin-off occurs, except as otherwise determined by the Compensation Committee.

PARTICIPATION LEVELS

Plan targets for eligible employees are determined based upon the scope and responsibilities of the position. Plan targets for eligible employees who have received a promotion or other role change during the applicable year will be pro-rated based on the eligible employee's time in each role.

DETERMINATION OF PERFORMANCE CRITERIA

Prior to or shortly following the beginning of a fiscal year, the Compensation Committee shall establish financial and strategic criteria, targets and related formula(s) with respect to the total Company, which shall apply to the ExLT and other applicable associates, and the PIP Steering Committee shall establish financial and strategic criteria, targets and related formula(s) tied to results below total Company, including targets related to segment, business unit, region, and/or country performance.

INCENTIVE CALCULATION

Incentive payments shall be made under the Plan based upon total Company, segment, business unit, region, and/or country performance, as applicable, as measured against the financial and strategic criteria and targets established as set forth above. Subject to the terms of this Plan as set forth herein, Incentive Payments for individual participants shall generally be equal to the applicable final business modifier (i.e. the percentage of achievement of the financial and strategic criteria and targets upon application of the applicable pre-approved formula) multiplied by the participant's target and salary or earnings, as applicable. For participants approved for Exceptional Impact (discussed below), this calculation is also increased by a set Exceptional Impact Reward Percentage to determine each recipient's Incentive Payment. For participants who have been designated as needing performance remediation, this calculation will be reduced by a set percentage. For the ExLT, the Compensation Committee (and in the case of the Chief Executive Officer, the independent directors of the Board) shall approve the final incentive payment amount in its sole discretion after considering the formula noted above. For the avoidance of doubt, the final incentive payment for any ExLT member, as determined by the Compensation Committee or the Board, as applicable, may be greater or less than the amount determined pursuant to the formula noted above.

DETERMINATION OF FUNDING LEVELS

Funding levels relating to ExLT incentive payments shall be determined by the Compensation Committee based on total Company performance as measured against the corporate financial and strategic performance targets in accordance with the formula established by the Compensation Committee. Funding levels tied to incentive payments below total Company shall be determined by the PIP Steering Committee based on the satisfaction of the performance targets in accordance with the formula established by the PIP Steering Committee at the beginning of the Fiscal Year. These funding levels are adjusted both upwards (for performance above target) and downwards (for performance below target). With respect to total Company, the Compensation Committee has the discretion to make adjustments to the Company's operating results for unbudgeted items that are not considered part of BD's ordinary operations and other events that significantly impacted BD's performance. Similarly, the PIP Steering Committee has this same discretion for results below total Company.

DETERMINATION OF INCENTIVE POOLS AND FINAL INCENTIVES

(a) Theoretical Incentive and Exceptional Impact Pool

Following the close of each fiscal year, a hypothetical incentive pool will be established assuming achievement at 100% of target for participants, and the PIP Steering Committee will hold back an amount of the hypothetical incentive pool, in an amount determined by the PIP Steering Committee in its sole discretion, to be established as an Exceptional Impact Pool. For purposes of determining the hypothetical incentive pool, the target for participants who have had a salary, individual target, or status change during

the applicable fiscal year will be pro-rated based on the period during the year that the original salary, individual target, or status and the adjusted salary, individual target, or status was applicable.

(b) Final Business Modifiers

Following the close of each fiscal year, the Compensation Committee (with respect to incentives based on total Company performance) and the PIP Steering Committee (with respect to incentives based on segment, business unit, region and/or country performance) will determine the final achievement level of the financial and strategic performance targets and will apply the formula established by the Compensation Committee or PIP Steering Committee, as applicable, to determine the final business modifiers for the applicable fiscal year.

(c) Communication

The operating unit and performance results will be communicated throughout the organization to the extent that the Company deems appropriate and subject to any confidentiality concerns.

(d) Incentive Payment Recommendations

The ExLT will review and approve the list of designated participants below the ExLT who have had exceptional impact during the fiscal year for an additional amount to be paid through the Exceptional Impact Pool. The Compensation Committee will review and approve any ExLT participants who are considered to have had exceptional impact during the fiscal year and who will be eligible for an additional amount to be paid through the Exceptional Impact Pool, and will determine, for such ExLT participants, the Exceptional Impact Reward Percentage that will apply to such ExLT participants. ExLT members who have been designated as needing performance remediation will receive a reduced incentive amount, as determined by the Compensation Committee in its sole discretion. For all participants below the ExLT, the PIP Steering Committee determines the Exceptional Impact Percentage.

The PIP Steering Committee will apply the final business modifiers, and Exceptional Impact Reward Percentage to the individual incentive targets as applicable to determine the final incentive amounts for participants (other than the ExLT). Participants who have been designated as needing performance remediation will receive a reduced incentive amount. The Compensation Committee will approve the final total Company business modifier and will determine the final incentive payments for the ExLT (inclusive of Exceptional Impact awards) in its sole discretion.

Participants who have been on an approved leave of absence during the fiscal year may have their incentive amounts pro-rated based on Company policy in the applicable region or country. No individual may receive an incentive payment in excess of 200% of the their target incentive.

FINAL REVIEW AND APPROVAL

All incentive payments for the participants other than the ExLT will be reviewed and approved by the Chief Executive Officer, in the aggregate or on a case-by-case basis, as appropriate. In the case of the ExLT, recommendations will be subject to final review and approval by the Compensation Committee (and in the case of the Chief Executive Officer, the independent directors of the Board). The Compensation Committee (and the Board, as applicable) has the discretion to reduce payouts based on any factors it deems appropriate, including whether an individual has taken unnecessary or excessive risk.

(a) Payment

Incentives will generally be paid by January of the calendar year following the year in which they are awarded (unless deferred by the participant). Except in cases of death, disability, retirement, or involuntary terminations due to the elimination of employees' position, no incentive payments will be made to individuals who are not active employees on the final day of the fiscal year. Employees who are terminated for cause prior to the distribution date will forfeit their incentives.

If an employee is terminated by reason of death, disability, or retirement, his or her incentive payment will be paid in or around January of the calendar year following the year in which it was awarded and will be based on applicable business performance and pro-rated based on the number of days the employee was actively at work during the fiscal year in which the incentive payment was awarded.

Incentives awarded to any employee who dies prior to the distribution date may be made to the employee's estate or beneficiaries at the discretion of management.

If a U.S.-based employee has experienced a Termination Due to Workforce Restructuring, as determined in accordance with the U.S. BD Severance Plan, or an employee who is not a U.S.-based employee is terminated by reason of an involuntary termination due to the elimination of the employee's position, as determined in the sole discretion of the applicable Human Resources business partner, such employee may receive a pro-rated incentive payment at the target level of performance based on his or her individual incentive target and salary or earnings as applicable. In the event that an employee shall receive a pro-rated incentive payment under this paragraph, the incentive payment will be pro-rated based on the number of days the employee was actively at work during the fiscal year in which the incentive payment was awarded and be paid in accordance with the following:

(i) if the employee is a U.S.-based employee, the pro-rated incentive payment shall be paid under, in accordance with, and subject to, the terms of the U.S. BD Severance Plan and subject to the Plan Administrator of the U.S. BD Severance Plan's discretion to eliminate or modify such pro-rated incentive payment; and

(ii) if the employee is not a U.S.-based employee, the pro-rated incentive payment shall be paid under the Plan in accordance with applicable law, subject to local rules, practices, procedures, and limitations that would provide for a lesser benefit (e.g., probationary periods); provided that the lead Human Resources business partner and the Regional Total Rewards Director may, in their sole and absolute discretion, authorize a pro-rated incentive payment that is different from the amount otherwise set forth in this Plan or determine that an individual is not entitled to a pro-rated incentive payment; and, provided further that the payment of any incentive under this subsection shall also be in satisfaction of any local severance plan, arrangement, or law that requires the payment of bonus (or any similar compensation) as part of severance or separation pay.

Notwithstanding the foregoing, participants in the ExLT, including the Chief Executive Officer, are eligible to receive a prorated bonus pursuant to this Plan unless they are a participant in or a party to a separate plan, agreement, or arrangement that was approved by the Company.

(b) Exceptions

Any recommendations for exceptions to the provisions of the Plan must be submitted to the PIP Steering Committee for review and are subject to final approval by the Chief Executive Officer. Any exceptions applicable to the ExLT are further subject to approval by the Compensation Committee (and in the case of the Chief Executive Officer, the independent directors of the Board).

RECOVERY OF INCENTIVE PAYMENTS

Any incentive payment approved under this Plan shall be subject to the terms of the Company's Policy Regarding the Recovery of Compensation, as the same may be subsequently amended, or any similar policy or policies established by the Company that may apply to the employee (referred to as the "Policy"); provided, that no amendment to the Policy shall adversely affect the rights of an employee with respect to any incentive payment that is approved in accordance with this Plan prior to such amendment. The Company's rights under the Policy shall be in addition to, and not in substitution of, the Company's rights under this Plan or otherwise and, in all events, the terms of the Policy shall prevail to the extent that the terms of the Policy conflict with this Plan or any other plan, program, agreement or arrangement.

**BECTON, DICKINSON AND COMPANY
2004 EMPLOYEE AND DIRECTOR EQUITY-BASED
COMPENSATION PLAN**

As amended and restated as of July 25, 2023

Section 1. *Purpose.*

The purpose of the Becton, Dickinson and Company 2004 Employee and Director Equity-Based Compensation Plan is to provide an incentive to employees of the Company and its subsidiaries to achieve long-range goals, to aid in attracting and retaining employees and directors of outstanding ability and to closely align their interests with those of shareholders.

Section 2. *Definition.*

As used in the Plan, the following terms shall have the meanings set forth below:

(a) “**Affiliate**” shall mean (i) any entity that, directly or indirectly, is controlled by the Company and (ii) any entity in which the Company has a significant equity interest, in either case as determined by the Committee.

(b) “**Award**” shall mean any Option, Stock Appreciation Right, award of Restricted Stock, Restricted Stock Unit, Performance Unit or Other Stock-Based Award granted under the Plan.

(c) “**Award Agreement**” shall mean any written agreement, contract or other instrument or document evidencing any Award granted under the Plan, which may, but need not, be executed or acknowledged by a Participant.

(d) “**Board**” shall mean the board of directors of the Company.

(e) “**Cause**” shall mean (i) the willful and continued failure of a Participant to perform substantially the Participant’s duties with the Company or any Affiliate (other than any such failure resulting from incapacity due to physical or mental illness), or (ii) the willful engaging by the Participant in illegal conduct or gross misconduct that is materially and demonstrably injurious to the Company. No act, or failure to act, on the part of the Participant shall be considered “willful” unless it is done, or omitted to be done, by the Participant in bad faith or without the reasonable belief that the Participant’s action or omission was in the best interest of the Company.

(f) “**Change in Control**” means

(i) the acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”)) (a “**Person**”) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 25% or more of either (A) the then-outstanding shares of common stock of the Company (the “**Outstanding Company Common Stock**”) or (B) the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors (the “**Outstanding Company Voting Securities**”); *provided, however,* that, for purposes of this Section 2(f), the following acquisitions shall not constitute a Change in Control: (i) any acquisition directly from the Company; (ii) any acquisition by the Company, or (iii)

any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any affiliated company, (iv) any acquisition by any corporation pursuant to a transaction that complies with Section 2(f)(iii)(A), Section 2(f)(iii)(B) and Section 2(f)(iii)(C), or (v) any acquisition that the Board determines, in good faith, was inadvertent, if the acquiring Person divests as promptly as practicable a sufficient amount of the Outstanding Company Common Stock and/or the Outstanding Company Voting Securities, as applicable, to reverse such acquisition of 25% or more thereof;

(ii) individuals who, as of the day after the effective time of this Plan, constitute the Board (the “**Incumbent Board**”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to such time whose election, or nomination for election as a director by the Company’s shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consent by or on behalf of a Person other than the Board;

(iii) consummation of a reorganization, merger, consolidation or sale or other disposition of all or subsequently all of the assets of the Company (a “**Business Combination**”), in each case, unless, following such Business Combination, (A) all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Company Common Stock and the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of the then-outstanding shares of common stock and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation that, as a result of such transaction, owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Common Stock and the Outstanding Company Voting Securities, as the case may be, (B) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 25% or more of, respectively, the then-outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such corporation, except to the extent that such ownership existed prior to the Business Combination, and (C) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board providing for such Business Combination; or

(iv) approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

(g) “**Code**” shall mean the Internal Revenue Code of 1986, as amended from time to time.

(h) “**Committee**” shall mean the Compensation and Benefits Committee of the Board or such other committee as may be designated by the Board.

(i) “**Company**” shall mean Becton, Dickinson and Company.

(j) **“Disability”** shall mean a Participant’s disability as determined in accordance with a disability insurance program maintained by the Company.

(k) **“409A Disability”** shall mean a Disability that qualifies as a total disability as defined below and determined in a manner consistent with Code Section 409A and the regulations thereunder:

The Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.

A Participant will be deemed to have suffered a 409A Disability if determined to be totally disabled by the Social Security Administration. In addition, the Participant will be deemed to have suffered a 409A Disability if determined to be disabled in accordance with a disability insurance program maintained by the Company, provided that the definition of disability applied under such disability insurance program complies with the requirements of Code Section 409A and the regulations thereunder.

(l) **“Earnings Per Share”** shall mean earnings per share calculated in accordance with U.S. Generally Accepted Accounting Principles.

(m) **“Executive Group”** shall mean every person who is expected by the Committee to be both (i) a “covered employee” as defined in Section 162(m) of the Code as of the end of the taxable year in which payment of the Award may be deducted by the Company, and (ii) the recipient of compensation of more than \$1,000,000 for that taxable year.

(n) **“Fair Market Value”** shall mean, with respect to any property (including, without limitation, any Shares or other securities) the fair market value of such property determined by such methods or procedures as shall be established from time to time by the Committee.

(o) **“Incentive Stock Option”** shall mean an option representing the right to purchase Shares from the Company, granted under and in accordance with the terms of Section 6, that meets the requirements of Section 422 of the Code, or any successor provision thereto.

(p) **“Market Share”** shall mean the percent of sales of the total available market in an industry, product line or product attained by the Company or one of its business units during a time period.

(q) **“Net Income”** shall mean net income calculated in accordance with U.S. Generally Accepted Accounting Principles.

(r) **“Net Revenue Per Employee”** in a period shall mean net revenue divided by the average number of employees of the Company, with average defined as the sum of the number of employees at the beginning and ending of the period divided by two.

(s) **“Non-Qualified Stock Option”** shall mean an option representing the right to purchase Shares from the Company, granted under and in accordance with the terms of Section 6, that is not an Incentive Stock Option.

(t) **“Option”** shall mean an Incentive Stock Option or a Non-Qualified Stock Option.

(u) **“Other Stock-Based Award”** shall mean any right granted under Section 9.

- (v) “**Participant**” shall mean an individual granted an Award under the Plan.
- (w) “**Performance Unit**” shall mean any right granted under Section 8.
- (x) “**Restrictive Covenants**” shall mean the restrictive covenants set forth in any written agreement, contract or other instrument, which may, but need not, include the Participant’s Award Agreement, pursuant to which such restrictive covenants apply to an Award under the Plan.
- (y) “**Restricted Stock**” shall mean any Share granted under Section 7.
- (z) “**Restricted Stock Unit**” shall mean a contractual right granted under Section 7 that is denominated in Shares. Each Unit represents a right to receive the value of one Share (or a percentage of such value, which percentage may be higher than 100%) upon the terms and conditions set forth in the Plan and the applicable Award Agreement. Awards of Restricted Stock Units may include, without limitation, the right to receive dividend equivalents.
- (aa) “**Retirement**” shall mean a Separation from Service after attainment of retirement as specified in the applicable terms of an Award.
- (ab) “**Return on Common Equity**” for a period shall mean net income less preferred stock dividends divided by total shareholders’ equity, less amounts, if any, attributable to preferred stock.
- (ac) “**Return on Invested Capital**” for a period shall mean earnings before interest, taxes, depreciation and amortization divided by the difference of total assets less non-interest bearing current liabilities.
- (ad) “**Return on Net Assets**” for a period shall mean net income less preferred stock dividends divided by the difference of average total assets less average non-debt liabilities, with average defined as the sum of assets or liabilities at the beginning and ending of the period divided by two.
- (ae) “**Revenue Growth**” shall mean the percentage change in revenue (as defined in Statement of Financial Accounting Concepts No. 6, published by the Financial Accounting Standards Board) from one period to another.
- (af) “**Plan**” shall mean this Becton, Dickinson and Company 2004 Employee and Director Equity-Based Compensation Plan.
- (ag) “**Separation from Service**” shall mean a termination of employment or other separation from service from the Company, as described in Code Section 409A and the regulations thereunder, including, but not limited to a termination by reason of Retirement or involuntary termination without Cause, but excluding any such termination where there is a simultaneous re-employment by the Company.
- (ah) “**Shares**” shall mean shares of the common stock of the Company, \$1.00 par value.
- (ai) “**Specified Employee**” shall mean a Participant who is deemed to be a specified employee in accordance with procedures adopted by the Company that reflect the requirements of Code Section 409A(2)(B)(i) and the guidance thereunder.

(aj) “**Stock Appreciation Right**” shall mean a right to receive a payment, in cash and/or Shares, as determined by the Committee, equal in value to the excess of the Fair Market Value of a Share at the time the Stock Appreciation Right is exercised over the exercise price of the Stock Appreciation Right.

(ak) “**Substitute Awards**” shall mean Awards granted in assumption of, or in substitution for, outstanding awards previously granted by a company acquired by the Company or with which the Company combines.

(al) “**Total Shareholder Return**” shall mean the sum of the appreciation in the Company’s stock price and dividends paid on the common stock of the Company over a given period of time.

Section 3. *Eligibility.*

(a) Any individual who is employed by (including any officer), or who serves as a member of the board of directors of, the Company or any Affiliate shall be eligible to be selected to receive an Award under the Plan.

(b) An individual who has agreed to accept employment by the Company or an Affiliate shall be deemed to be eligible for Awards hereunder as of the date of such agreement.

(c) Holders of options and other types of Awards granted by a company acquired by the Company or with which the Company combines are eligible for grant of Substitute Awards hereunder.

Section 4. *Administration.*

(a) The Plan shall be administered by the Committee. The Committee shall be appointed by the Board and shall consist of not less than three directors, each of whom shall be independent, within the meaning of and to the extent required by applicable rulings and interpretations of the New York Stock Exchange and the Securities and Exchange Commission, and each of whom shall be a “**Non-Employee Director**”, as defined from time to time for purposes of Section 16 of the Securities Exchange Act of 1934 and the rules promulgated thereunder. The Board may designate one or more directors as alternate members of the Committee who may replace any absent or disqualified member at any meeting of the Committee. The Committee may issue rules and regulations for administration of the Plan. It shall meet at such times and places as it may determine. A majority of the members of the Committee shall constitute a quorum.

(b) Subject to the terms of the Plan and applicable law, the Committee shall have full power and authority to: (i) designate Participants; (ii) determine the type or types of Awards (including Substitute Awards) to be granted to each Participant under the Plan; (iii) determine the number of Shares to be covered by (or with respect to which payments, rights, or other matters are to be calculated in connection with) Awards; (iv) determine the terms and conditions of any Award; (v) determine whether, to what extent, and under what circumstances Awards may be settled or exercised in cash, Shares, other securities, other Awards, or other property, or canceled, forfeited or suspended, and the method or methods by which Awards may be settled, exercised, canceled, forfeited or suspended; (vi) determine whether, to what extent, and under what circumstances cash, Shares, other securities, other Awards, other property, and other amounts payable with respect to an Award under the Plan shall be deferred either automatically or at the election of the holder thereof or of the Committee; (vii) interpret and administer the Plan and any instrument or agreement relating to, or Award made under, the Plan; (viii) establish, amend, suspend or waive such rules and regulations and appoint such agents as it shall deem

appropriate for the proper administration of the Plan; (ix) determine whether and to what extent Awards should comply or continue to comply with any requirement of statute or regulation; (x) determine whether the conditions to forfeit an Award have been met; and (xi) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan. Notwithstanding the foregoing, the Plan will be interpreted and administered by the Committee in a manner that is consistent with the requirements of Code Section 409A to allow for tax deferral thereunder, and the Committee shall take no action hereunder that would result in a violation of Code Section 409A.

(c) All decisions of the Committee shall be final, conclusive and binding upon all parties, including the Company, the stockholders and the Participants.

Section 5. *Shares Available For Awards.*

(a) The number of Shares available for issuance under the Plan is 51,700,000 shares, subject to adjustment as provided below. Notwithstanding the foregoing and subject to adjustment as provided in Section 5(e), (i) no Participant may receive Options and Stock Appreciation Rights under the Plan in any calendar year that relate to more than 250,000 Shares, (ii) the maximum number of Shares with respect to which unrestricted Awards (either as to vesting, performance or otherwise) may be made to employees under the Plan is 450,000 Shares, and (iii) the maximum number of Shares that may be issued with respect to any Awards granted on or after February 2, 2010 that are not Awards of Options or Stock Appreciation Rights shall be 17,540,000.

(b) If, after the effective date of the Plan, any Shares covered by an Award other than a Substitute Award, or to which such an Award relates, are forfeited, or if such an Award otherwise terminates without the delivery of Shares or of other consideration, then the Shares covered by such Award, or to which such Award relates, to the extent of any such forfeiture or termination, shall again be, or shall become, available for issuance under the Plan, except as otherwise provided in Section 5(f).

(c) In the event that any Option or other Award granted hereunder (other than a Substitute Award) is exercised through the delivery of Shares, or in the event that withholding tax liabilities arising from such Option or Award are satisfied by the withholding of Shares by the Company, the number of Shares available for Awards under the Plan shall be increased by the number of Shares so surrendered or withheld. Notwithstanding the foregoing, this Section 5(c) will not apply to any such surrender or withholding of Shares occurring on or after November 21, 2006.

(d) Any Shares delivered pursuant to an Award may consist, in whole or in part, of authorized and unissued Shares or of treasury Shares.

(e) In the event that any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of Shares or other securities of the Company, issuance of warrants or other rights to purchase Shares or other securities of the Company, or other similar corporate transaction or event affects the Shares such that an adjustment is required in order to preserve the value of issued and outstanding Awards and to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under the Plan, then the Committee shall, in such manner as it may deem equitable, adjust any or all of (i) the number and type of Shares (or other securities or property) which thereafter may be made the subject of Awards, including the aggregate and individual limits specified in Section 5(a), (ii) the number and type of Shares (or other securities or property) subject to outstanding Awards, and (iii) the grant, purchase, or

exercise price with respect to any Award or, if deemed appropriate, make provision for a cash payment to the holder of an outstanding Award; *provided, however*, that the number of Shares subject to any Award denominated in Shares shall always be a whole number.

(f) Shares underlying Substitute Awards shall not reduce the number of Shares remaining available for issuance under the Plan.

(g) Upon the exercise of any Stock Appreciation Rights, the greater of (i) the number of shares subject to the Stock Appreciation Rights so exercised, and (ii) the number of Shares, if any, that are issued in connection with such exercise, shall be deducted from the number of Shares available for issuance under the Plan.

Section 6. *Options and Stock Appreciation Rights.*

The Committee is hereby authorized to grant Options and Stock Appreciation Rights to Participants with the following terms and conditions and with such additional terms and conditions, in either case not inconsistent with the provisions of the Plan, as the Committee shall determine:

(a) The exercise price per Share under an Option or Stock Appreciation Right shall be determined by the Committee; *provided, however*, that, except in the case of Substitute Awards, such exercise price shall not be less than the Fair Market Value of a Share on the date of grant of such Option or Stock Appreciation Right. The exercise price of a Substitute Award may be less than the Fair Market Value of a Share on the date of grant to the extent necessary for the value of Substitute Award to be substantially equivalent to the value of the award with respect to which the Substitute Award is issued, as determined by the Committee.

(b) The term of each Option and Stock Appreciation Right shall be fixed by the Committee but shall not exceed 10 years from the date of grant thereof.

(c) The Committee shall determine the time or times at which an Option or Stock Appreciation Right may be exercised in whole or in part, and, with respect to Options, the method or methods by which, and the form or forms, including, without limitation, cash, Shares, other Awards, or other property, or any combination thereof, having a Fair Market Value on the exercise date equal to the relevant exercise price, in which, payment of the exercise price with respect thereto may be made or deemed to have been made.

(d) The terms of any Incentive Stock Option granted under the Plan shall comply in all respects with the provisions of Section 422 of the Code, or any successor provision thereto, and any regulations promulgated thereunder.

(e) Section 10 sets forth certain additional provisions that shall apply to Options and Stock Appreciation Rights.

Section 7. *Restricted Stock And Restricted Stock Units.*

(a) The Committee is hereby authorized to grant Awards of Restricted Stock and Restricted Stock Units to Participants.

(b) Shares of Restricted Stock and Restricted Stock Units shall be subject to such restrictions as the Committee may impose (including, without limitation, any limitation on the right to vote a Share of Restricted Stock or the right to receive any dividend or other right or property), which restrictions may lapse separately or in combination at such time or times, in such installments or otherwise, as the Committee may deem appropriate; *provided*, that if the

vesting conditions applicable to an Award of Restricted Stock or Restricted Stock Units to an employee of the Company relate exclusively to the passage of time and continued employment, such time period shall consist of not less than thirty-six (36) months. In the event the vesting of any Award of Restricted Stock is subject to the achievement of performance goals, the performance period relating to such Award shall be at least twelve (12) months. Any Award of Restricted Stock Units for which vesting is conditioned upon the achievement of performance goals shall be considered an award of Performance Units under Section 8.

(c) Any share of Restricted Stock granted under the Plan may be evidenced in such manner as the Committee may deem appropriate including, without limitation, book-entry registration or issuance of a stock certificate or certificates. In the event any stock certificate is issued in respect of shares of Restricted Stock granted under the Plan, such certificate shall be registered in the name of the Participant and shall bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Stock.

(d) Notwithstanding anything contained herein to the contrary and except as otherwise provided by the Committee at the time a Restricted Stock award is granted or in any amendment thereto, upon a Participant's (i) Separation from Service on account of Retirement, death or Disability, any and all remaining restrictions with respect to an award of Restricted Stock granted to the Participant shall lapse, and the Participant shall receive all of the Shares of Restricted Stock subject to the award, and (ii) voluntary termination, involuntary termination without Cause or involuntary termination with Cause, all Shares of Restricted Stock held by the Participant shall be forfeited as of the date of termination.

(e) Notwithstanding anything contained herein to the contrary and except as otherwise provided by the Committee at the time a Restricted Stock Unit award is granted or in any amendment thereto, upon a Participant's:

(i) Separation from Service on account of Retirement or Disability, any and all remaining restrictions with respect to Restricted Stock Units granted to the Participant shall lapse and the Participant shall receive any amounts otherwise payable with respect to such Restricted Stock Units as soon as administratively practicable thereafter (or at such later distribution date as may be set by the Committee at the time of the Award or in any amendment thereto), except that, for amounts subject to Code Section 409A, in the case of a Participant who is a Specified Employee, the payment of such amounts that are made on account of the Specified Employee's Separation from Service shall not be made prior to the earlier of (A) the first day of the seventh month following the Participant's Separation from Service (without regard to whether the Participant is reemployed on that date) or (B) death;

(ii) Separation from Service on account of involuntary termination without Cause, all Restricted Stock Units held by the Participant shall be forfeited as of the date of termination; provided, that the Committee may, in its discretion, authorize the payment to the Participant of all amounts payable with respect to such Restricted Stock Units in the case of financial hardship on the part of the Participant or in connection with a reduction-in-force. Notwithstanding the foregoing, for amounts subject to Code Section 409A, in the case of a Participant who is a Specified Employee, the payment of any amounts that are made on account of the Specified Employee's Separation from Service shall not be made prior to the earlier of (A) the first day of the seventh month following the Participant's Separation from Service (without regard to whether the Participant is reemployed on that date) or (B) death;

(iii) death, any and all remaining restrictions with respect to Restricted Stock Units granted to the Participant shall lapse and the Participant's beneficiary shall receive

any amounts otherwise payable with respect to such Restricted Stock Units as soon as administratively practicable thereafter; and

(iv) voluntary termination or involuntary termination with Cause, all Restricted Stock Units held by the Participant shall be forfeited as of the date of termination.

Section 8. *Performance Units.*

(a) The Committee is hereby authorized to grant Performance Units to Participants.

(b) Subject to the terms of the Plan, a Performance Unit granted under the Plan (i) may be denominated or payable in cash, Shares (including, without limitation, Restricted Stock), other securities, other Awards, or other property and (ii) shall confer on the holder thereof rights valued as determined by the Committee and payable to, or exercisable by, the holder of the Performance Unit, in whole or in part, upon the achievement of such performance goals during such performance periods as the Committee shall establish. Subject to the terms of the Plan, the performance goals to be achieved during any performance period, the length of any performance period, the amount of any Performance Unit granted and the amount of any payment or transfer to be made pursuant to any Performance Unit shall be determined by the Committee; provided, that the performance period relating to any Award of Performance Units shall be at least twelve (12) months.

(c) Notwithstanding anything contained herein to the contrary and except as otherwise provided by the Committee at the time a Performance Unit Award is granted or in any amendment thereto, upon a Participant's:

(i) Separation from Service on account of Retirement or involuntary termination without Cause prior to the expiration of any performance period applicable to a Performance Unit granted to the Participant, the Participant shall be entitled to receive, following the expiration of such performance period, a pro-rata portion of any amounts otherwise payable with respect to, or a pro-rata right to exercise, the Performance Unit;

(ii) death or 409A Disability prior to the expiration of any performance period applicable to a Performance Unit granted to the Participant, the Participant or the Participant's beneficiary shall receive upon such event a partial payment with respect to, or a partial right to exercise, such Performance Unit as determined by the Committee in its discretion;

(iii) Separation from Service on account of Disability (other than a 409A Disability) prior to the expiration for any performance period applicable to a Performance Unit granted to the Participant, the Participant shall be entitled to receive, following the expiration of such performance period, a partial payment with respect to, or a partial right to exercise, such Performance Unit as determined by the Committee in its discretion; and

(iv) voluntary termination or involuntary termination with Cause, all Performance Units held by the Participant shall be canceled as of the date of termination.

Section 9. *Other Stock-Based Awards.*

The Committee is hereby authorized to grant to Participants such other Awards (including, without limitation, rights to dividends and dividend equivalents) that are denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, Shares (including, without limitation, securities convertible into Shares) as are deemed by the

Committee to be consistent with the purposes of the Plan (provided that no rights to dividends and dividend equivalents shall be granted in tandem with an Award of Options or Stock Appreciation Rights). Subject to the terms of the Plan, the Committee shall determine the terms and conditions of such Awards; provided, that (i) if the vesting conditions applicable to any such Award to an employee relate exclusively to the passage of time and continued employment, such time period shall consist of not less than thirty-six (36) months, (ii) if the vesting of the award is contingent upon the achievement of any performance goals over a performance period, the performance period relating to such Award shall be at least twelve (12) months. Shares or other securities delivered pursuant to a purchase right granted under this Section 9 shall be purchased for such consideration, which may be paid by such method or methods and in such form or forms, including, without limitation, cash, Shares, other securities, other Awards, or other property, or any combination thereof, as the Committee shall determine, the value of which consideration, as established by the Committee, shall, except in the case of Substitute Awards, not be less than the Fair Market Value of such Shares or other securities as of the date such purchase right is granted. To the extent that any Other Stock-Based Awards granted by the Committee are subject to Code Section 409A as nonqualified deferred compensation, such Other Stock-Based Awards shall be subject to terms and conditions that comply with the requirements of Code Section 409A to avoid adverse tax consequences under Code Section 409A.

Section 10. *Effect of Termination on Certain Awards.*

Except as otherwise provided by the Committee at the time an Option or Stock Appreciation Right is granted or in any amendment thereto, if a Participant ceases to be employed by, or serve as a non-employee director of, the Company or any Affiliate, then:

(a) if termination is for Cause, all Options and Stock Appreciation Rights held by the Participant shall be canceled as of the date of termination;

(b) if termination is voluntary or involuntary without Cause, the Participant may exercise each Option or Stock Appreciation Right held by the Participant within three months after such termination (but not after the expiration date of such Award) to the extent such Award was exercisable pursuant to its terms at the date of termination; provided, however, if the Participant should die within three months after such termination, each Option or Stock Appreciation Right held by the Participant may be exercised by the Participant's estate, or by any person who acquires the right to exercise by reason of the Participant's death, at any time within a period of one year after death (but not after the expiration date of the Award) to the extent such Award was exercisable pursuant to its terms at the date of termination;

(c) if termination is (i) by reason of Retirement (or alternatively, in the case of a non-employee director, at a time when the Participant has served for five full years or more and has attained the age of sixty), or (ii) by reason of a Disability, each Option or Stock Appreciation Right held by the Participant shall, at the date of Retirement or Disability, become exercisable to the extent of the total number of shares subject to the Option or Stock Appreciation Right, irrespective of the extent to which such Award would otherwise have been exercisable pursuant to the terms of the Award at the date of Retirement or Disability, and shall otherwise remain in full force and effect in accordance with its terms;

(d) if termination is by reason of the death of the Participant, each Option or Stock Appreciation Right held by the Participant may be exercised by the Participant's estate, or by any person who acquires the right to exercise such Award by reason of the Participant's death, to the extent of the total number of shares subject to the Award, irrespective of the extent to which such Award would have otherwise been exercisable pursuant to the terms of the Award at the date of death, and such Award shall otherwise remain in full force and effect in accordance with its terms.

Section 11. *General Provisions Applicable To Awards.*

(a) Awards shall be granted for no cash consideration or for such minimal cash consideration as may be required by applicable law.

(b) Awards may, in the discretion of the Committee, be granted either alone or in addition to or in tandem with any other Award. Awards granted in addition to or in tandem with other Awards may be granted either at the same time as or at a different time from the grant of such other Awards or awards.

(c) Subject to the terms of the Plan, payments or transfers to be made by the Company upon the grant, exercise or payment of an Award may be made in such form or forms as the Committee shall determine including, without limitation, cash, Shares, other securities, other Awards, or other property, or any combination thereof, and may be made in a single payment or transfer, in installments, or on a deferred basis, in each case in accordance with rules and procedures established by the Committee. Such rules and procedures may include, without limitation, provisions for the payment or crediting of reasonable interest on installment or deferred payments or the grant or crediting of dividend equivalents in respect of installment or deferred payments. Notwithstanding the foregoing, in no event shall the Company extend any loan to any Participant in connection with the exercise of an Award; provided, however, that nothing contained herein shall prohibit the Company from maintaining or establishing any broker-assisted cashless exercise program.

(d) Unless the Committee shall otherwise determine, no Award and no right under any Award shall be assignable, alienable, saleable or transferable by a Participant otherwise than by will or by the laws of descent and distribution. In no event may an Award be transferred by a Participant for value. Each Award, and each right under any Award, shall be exercisable during the Participant's lifetime only by the Participant or, if permissible under applicable law, by the Participant's guardian or legal representative. The provisions of this paragraph shall not apply to any Award which has been fully exercised, earned or paid, as the case may be, and shall not preclude forfeiture of an Award in accordance with the terms thereof.

(e) The Plan and any Award granted hereunder shall be governed by, and construed and enforced in accordance with, the laws of the State of New Jersey, without regard to any contrary conflict of laws. Any legal proceeding arising out of or relating to the Plan and any Award granted hereunder will be brought exclusively in any state or federal court of competent jurisdiction located within the State of New Jersey and will not be commenced or maintained in any other court.

(f) All certificates for Shares or other securities delivered under the Plan pursuant to any Award or the exercise thereof shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan or the rules, regulations, and other requirements of the Securities and Exchange Commission, any stock exchange upon which such Shares or other securities are then listed, and any applicable Federal or state securities laws, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

(g) Every Award (other than an Option or Stock Appreciation Right) to a member of the Executive Group shall, if the Committee intends that such Award should constitute "qualified performance-based compensation" for purposes of Section 162(m) of the Code, include a pre-established formula, such that payment, retention or vesting of the Award is subject to the achievement during a performance period or periods, as determined by the Committee, of a level or levels, as determined by the Committee, of one or more of the following performance measures: (i) Return on Net Assets, (ii) Revenue Growth, (iii) Return on Common Equity, (iv)

Total Shareholder Return, (v) Earnings Per Share, (vi) Net Revenue Per Employee (vii) Market Share, (viii) Return on Invested Capital, or (ix) Net Income. For any Award subject to any such pre- established formula, no more than 150,000 Shares can be paid in satisfaction of such Award to any Participant, subject to adjustment as provided in Section 5(e). Notwithstanding any provision of this Plan to the contrary, the Committee shall not be authorized to increase the amount payable under any Award to which this Section 11(f) applies upon attainment of such pre-established formula.

(h) Notwithstanding any other provision of the Plan to the contrary, upon a Change in Control:

(i) All outstanding Awards granted prior to January 1, 2015 shall become fully vested and exercisable, all performance targets applicable to such Awards, if any, shall be deemed to have been met at target performance, and any restrictions applicable to such Awards shall automatically lapse.

(ii) All outstanding Awards granted on or after January 1, 2015 shall become fully vested and exercisable, all performance targets applicable to such Awards, if any, shall be deemed to have been met at target performance, and any restrictions applicable to such Awards shall automatically lapse, except to the extent such Awards are (1) assumed by the successor corporation (or an affiliate thereof) or continued, or (2) replaced with an equity award that preserves the existing value of the Award at the time of the Change in Control on terms that are no less favorable to the Participant than those applicable to the Award (in each case in clauses (1) and (2), a "Continuing Award"), in which event such Continuing Awards shall remain outstanding and be governed by their respective terms, subject to Section 11(g)(iii) below.

(iii) In the event a Participant holding a Continuing Award is involuntarily terminated without Cause or such Participant terminates employment with the Company for Good Reason (as defined below) within the two-year period commencing on the Change in Control, then, as of the date of such termination, the Continuing Award shall become fully vested and exercisable, all performance targets applicable to the Award, if any, shall be deemed to have been met at target performance, and any other restrictions applicable to any Award shall automatically lapse.

(iv) For purposes of this Section 11(g), the following capitalized terms shall have the meanings provided below.

(A) "Good Reason" means the occurrence (without the Participant's express written consent) of (1) a reduction in the Participant's base salary as in effect immediately prior to the Change in Control or as the same may be increased thereafter from time to time, or a reduction in the Participant's annual performance incentive award opportunity or equity-based compensation that is not in good faith and consistent with past practices, or (2) any change in the location of the Participant's principal place of employment as it existed immediately prior to the Change in Control to a location that is more than twenty-five (25) miles from such principal place of employment. No event described above shall constitute Good Reason unless the Participant gives written notice to the Company of the existence of the event within 90 days after the initial occurrence of such event and the Company has not remedied such within 30 days of receipt of such notice. Notwithstanding the foregoing, if a Participant is a party to a Change in Control Agreement (as defined below), "Good Reason" with respect to such Participant for purposes of this Plan shall have the meaning given to such term in the Change in Control Agreement.

(B) “Change in Control Agreement” means an employment agreement or other agreement or plan between the Company and a Participant and approved by the Board or the Committee that provides for the continued employment of the Participant following a Change in Control and the payment of benefits upon termination of employment in connection with or following a Change in Control.

(v) Notwithstanding anything in this Section 11(g) to the contrary, any Awards that are otherwise subject to Code Section 409A shall not be distributed or payable upon a Change in Control unless the Change in Control otherwise meets the requirements for a change in the ownership or effective control of the Company or in the ownership of a substantial portion of the assets of the Company within the meaning of Code Section 409A and the regulations and other guidance promulgated thereunder; instead such Awards shall be distributed or payable in accordance with the Award’s applicable terms.

(i) Non-employee Directors of the Company shall be entitled to defer the receipt of any Shares that may become issuable to them under any Award in accordance with the terms of the 1996 Directors’ Deferral Plan, as the same may be hereinafter amended, or any other plan that may be established by the Company that provides for the deferred receipt of such Shares.

(j) Employees of the Company shall be entitled to defer the receipt of any Shares that may become issuable to them under any Award in accordance with the terms of the Deferred Compensation and Retirement Benefit Restoration Plan, as the same may be hereinafter amended, or any other plan that may be established by the Company that provides for the deferred receipt of such Shares.

(k) Notwithstanding any provision of the Plan to the contrary (but subject to Sections (7)(d) and (e), 8(c), 10, and 11(h) of the Plan), no Award granted under the Plan shall become vested over a period of less than one year following the date the applicable Award is granted; provided, however, that, notwithstanding the foregoing, Awards that result in the issuance of up to 5% of the Shares reserved for issuance under Section 5(a)(ii) may be granted to any one or more Participants without respect to such minimum vesting provisions. Nothing in this Section 11(k) shall preclude the Committee from taking action, in its sole discretion, to accelerate the vesting of any Award in connection with or following a Participant’s death, Disability, retirement, termination of service other than for Cause, or the consummation of a Change in Control.

(l) Notwithstanding any provision of the Plan to the contrary, any dividend or dividend equivalent otherwise payable in respect of any Award of Restricted Stock, Restricted Stock Unit, Performance Unit, or Other Stock-Based Award that remains subject to vesting conditions at the time of payment or accrual of such dividend or dividend equivalent shall be retained by the Company and remain subject to the same vesting conditions as the underlying Award to which the dividend relates, and the right to any such accumulated dividends shall be forfeited upon the forfeiture of the Award to which such dividends relate.

Section 12. *Amendments and Termination.*

(a) Except to the extent prohibited by applicable law and unless otherwise expressly provided in an Award Agreement or in the Plan, the Board may amend, alter, suspend, discontinue, or terminate the Plan or any portion thereof at any time; *provided, however*, that no such amendment, alteration, suspension, discontinuation or termination shall be made without (i) shareholder approval (A) if the effect thereof is to increase the number of Shares available for issuance under the Plan or to expand the class of persons eligible to participate in the Plan or (B) if such approval is necessary to comply with any tax or regulatory requirement for which or

with which the Board deems it necessary or desirable to qualify or comply or (ii) the consent of the affected Participant, if such action would adversely affect the rights of such Participant under any outstanding Award. Notwithstanding anything to the contrary herein, the Committee may amend the Plan in such manner as may be necessary to enable the Plan to achieve its stated purposes in any jurisdiction outside the United States in a tax-efficient manner and in compliance with local rules and regulations. In all events, no termination or amendment shall be made in a manner that is inconsistent with the requirements under Code Section 409A to allow for tax deferral.

(b) The Committee may waive any conditions or rights under, amend any terms of, or amend, alter, suspend, discontinue or terminate, any Award theretofore granted, prospectively or retroactively, without the consent of any relevant Participant or holder or beneficiary of an Award; *provided, however*, that no such action shall impair the rights of any affected Participant or holder or beneficiary under any Award theretofore granted under the Plan; and *provided further* that, except as provided in Section 5(e), no such action shall reduce the exercise price, grant price or purchase price of any Award established at the time of grant thereof; and *provided further*, that the Committee's authority under this Section 12(b) is limited in the case of Awards subject to Section 11(f), as set forth in Section 11(f); and *provided further*, that the Committee may not act under this Section 12(b) in a way that is inconsistent with the requirements under Code Section 409A to allow for tax deferral. In no event shall an outstanding Option or Stock Appreciation Right for which the exercise price is less than the Fair Market Value of a Share be cancelled in exchange for cash or, except as provided in Section 5(e), replaced with a new Option or Stock Appreciation Right with a lower exercise price, without approval of the Company's shareholders.

(c) Except as noted in Section 11(f), the Committee shall be authorized to make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of events (including, without limitation, the events described in Section 5(e)) affecting the Company, or the financial statements of the Company, or of changes in applicable laws, regulations or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan.

(d) Any provision of the Plan or any Award Agreement to the contrary notwithstanding, in connection with a Business Combination, the Committee may cause any Award granted hereunder to be canceled in consideration of a cash payment or alternative Award made to the holder of such canceled Award equal in value to the Fair Market Value of such canceled Award.

(e) The Committee may correct any defect, supply any omission, or reconcile any inconsistency in the Plan or any Award in the manner and to the extent it shall deem desirable to carry the Plan into effect or to otherwise comply with the requirements of Code Section 409A so as to avoid adverse tax consequences under Code Section 409A.

Section 13. *Confidentiality, Non-Solicitation and Non-Compete.*

By accepting an Award under the Plan, a Participant agrees, understands, and acknowledges that the Participant shall be bound by, and shall abide by the Restrictive Covenants. In the event that a Participant breaches any applicable Restrictive Covenant, the Company may claw back or recoup any vested and unvested Awards granted under the Plan to such Participant (including any amounts or benefits arising from such Award) in accordance with Section 14.

Section 14. *Clawback Policy; Recoupment*

Notwithstanding any other provision of the Plan to the contrary, any Award granted under the Plan (including any amounts or benefits arising from such Award) shall be subject to potential cancellation, recoupment, rescission, payback or other action in accordance with the terms of the Company's Policy Regarding the Recovery of Compensation, as it may be amended from time to time, or any similar policy or policies established by the Company that may apply to the Participant (referred to as the "Policy"). By accepting an Award under the Plan, a Participant agrees and consents to the Company's application, implementation and enforcement of (i) the Policy and (ii) any provision of applicable law relating to cancellation, rescission, payback or recoupment of compensation, and expressly agrees that the Company may take such actions as are necessary to effectuate the Policy or applicable law without further consent or action being required by the Participant. The Company's rights under the Policy shall be in addition to, and not in substitution of, the Company's rights under the Plan or otherwise and, in all events, the terms of the Policy shall prevail to the extent that the terms of the Policy conflict with the Plan or any other plan, program, agreement or arrangement.

Section 15. *Miscellaneous.*

(a) No employee, Participant or other person shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of employees, Participants, or holders or beneficiaries of Awards under the Plan. The terms and conditions of Awards need not be the same with respect to each recipient.

(b) The Committee may delegate to one or more officers or managers of the Company, or a committee of such officers or managers, the authority, subject to such terms and limitations as the Committee shall determine, to grant Awards to, or to cancel, modify, waive rights with respect to, alter, discontinue, suspend or terminate Awards held by, employees who are not officers or directors of the Company for purposes of Section 16 of the Securities Exchange Act of 1934, as amended. The Committee may delegate to one or more officers or managers of the Company, or a committee of such officers or managers, the authority, subject to such terms and limitations as the Committee shall determine, authority to carry out a specified part or parts of its administrative responsibilities or ministerial functions in connection with the Plan, including but not limited to determining whether the conditions to forfeit an Award have been met and whether any Restrictive Covenant has been breached and any remedy for such breach. Any delegation of authority may be removed by the Committee at any time with or without cause. Notwithstanding the foregoing, (1) any delegation to management with respect to the Plan shall conform with the requirements of the corporate law of New Jersey and with the requirements, if any, of the New York Stock Exchange, in either case as in effect from time to time, (2) interpretations or determinations with respect to an executive officer's rights under an Award or the Plan shall be made by the Committee, and (3) if any action or direction of any person to whom authority hereunder has been delegated conflicts with an action or direction of the Committee, then the authority of the Committee shall supersede that of the delegate with respect to such action or direction. Any action taken by a person under an authorized delegation of authority in compliance with this Section 15.2(b) shall have the same force and effect as if taken directly by the Committee.

(c) The Company shall be authorized to withhold from any Award granted or any payment due or transfer made under any Award or under the Plan or from any compensation or other amount owing to a Participant the amount (in cash, Shares, other securities, other Awards, or other property) of withholding taxes due in respect of an Award, its exercise, or any payment or transfer under such Award or under the Plan and to take such other action (including, without limitation, providing for elective payment of such amounts in cash, Shares, other securities, other Awards or other property by the Participant) as may be necessary in the opinion of the Company to satisfy all obligations for the payment of such taxes.

(d) Nothing contained in the Plan shall prevent the Company from adopting or continuing in effect other or additional compensation arrangements, and such arrangements may be either generally applicable or applicable only in specific cases.

(e) The grant of an Award shall not be construed as giving a Participant the right to be retained in the employ of the Company or any Affiliate. Further, the Company or the applicable Affiliate may at any time dismiss a Participant from employment, free from any liability, or any claim under the Plan, unless otherwise expressly provided in the Plan or in any Award Agreement or in any other agreement binding the parties. The receipt of any Award under the Plan is not intended to confer any rights on the receiving Participant except as set forth in such Award.

(f) If any provision of the Plan or any Award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction, or as to any person or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction, person or Award, and the remainder of the Plan and any such Award shall remain in full force and effect.

(g) Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and a Participant or any other person. To the extent that any person acquires a right to receive payments from the Company pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company.

(h) No fractional Shares shall be issued or delivered pursuant to the Plan or any Award, and the Committee shall determine whether cash, other securities or other property shall be paid or transferred in lieu of any fractional Shares, or whether such fractional Shares or any rights thereto shall be canceled, terminated or otherwise eliminated.

Section 16. *Effective Date of Plan.*

The Plan shall be effective as of the date of its approval by the stockholders of the Company.

Section 17. *Term of the Plan.*

No Award shall be granted under the Plan after January 25, 2033. However, unless otherwise expressly provided in the Plan or in an applicable Award Agreement, any Award theretofore granted may extend beyond such date, and the authority of the Committee to amend, alter, adjust, suspend, discontinue, or terminate any such Award, or to waive any conditions or rights under any such Award, and the authority of the Board to amend the Plan, shall extend beyond such date.

US Subsidiaries of Becton, Dickinson and Company

<u>Entity</u>	<u>Jurisdiction</u>
Accuri Cytometers, Inc.	Delaware
Adaptec Medical Devices LLC	Delaware
Alverix, Inc.	Delaware
Bard Access Systems, Inc.	Utah
Bard Acquisition Sub, Inc.	Delaware
Bard ASDI, Inc.	New Jersey
Bard Brachytherapy, Inc.	Delaware
Bard Devices, Inc.	Delaware
Bard Global Holdings I LLC	Delaware
Bard Global Holdings II LLC	Delaware
Bard Global Holdings III LLC	Delaware
Bard IP Holdings Inc.	Delaware
Bard Healthcare, Inc.	Texas
Bard International, Inc.	Delaware
Bard MRL Acquisition Corp.	Delaware
Bard Peripheral Vascular, Inc.	Arizona
BD Ventures LLC	New Jersey
BDX INO LLC	Delaware
Becton Dickinson Biosciences, Systems and Reagents Inc.	California
Becton Dickinson Global Holdings I Inc.	Delaware
Becton Dickinson Global Holdings II LLC	Delaware
Becton Dickinson Global Holdings IV LLC	Delaware
Becton Dickinson Global Holdings V LLC	Delaware
Becton Dickinson Global Holdings VI LLC	Delaware
Becton Dickinson Global Holdings VII LLC	Delaware
Becton Dickinson Global Holdings VIII LLC	Delaware
Becton Dickinson Infusion Therapy Systems Inc.	Delaware
Becton Dickinson Korea Holding, Inc.	Delaware
Becton Dickinson Malaysia, Inc.	Oregon
Becton Dickinson Matrex Holdings, Inc.	Delaware
Becton Dickinson Overseas Services Ltd.	Nevada
Becton Dickinson Venture LLC	Delaware
Bridger Biomed, Inc.	Montana
C. R. Bard, Inc.	New Jersey
Cardal II, LLC	Delaware

CareFusion 213, LLC	Delaware
CareFusion 2200, Inc.	Delaware
CareFusion 2201, Inc.	Delaware
CareFusion 302, LLC	Delaware
CareFusion 303, Inc.	Delaware
CareFusion Corporation	Delaware
CareFusion Manufacturing, LLC	Delaware
CareFusion Resources, LLC	Delaware
CareFusion Solutions, LLC	Delaware
Cell Analysis Systems, Inc	Illinois
Cellular Research, Inc.	Delaware
Chudy Group, LLC	Delaware
CRISI Medical Systems, Inc.	Delaware
Cytognos Inc.	Delaware
Davol Inc.	Delaware
DVL Acquisition Sub, Inc.	Delaware
Dymax Corporation	Pennsylvania
Echo Healthcare LLC	Delaware
Enturican, Inc.	Kansas
FJ International, Inc.	Oregon
FlowCardia, Inc.	Delaware
FlowCardia, LLC	Delaware
FlowJo LLC	Oregon
Franklin Lakes Enterprises, L.L.C.	New Jersey
Galatea Surgical, Inc.	Delaware
Gesco International, Inc.	Massachusetts
Gesco International, LLC	Massachusetts
GSL Solutions, Inc.	Washington
GSL Holdings, Inc.	Washington
HandyLab, Inc.	Delaware
IBD Holdings LLC	Delaware
Iontophoretics Corporation	Utah
JoHome LLC	Oregon
Liberator Health and Education Services, Inc.	Florida
Liberator Health and Wellness, Inc.	Florida
Liberator Medical Holdings, Inc.	Nevada
Liberator Medical Supply, Inc.	Florida
Loma Vista Medical, Inc.	Delaware
Loma Vista Medical, LLC	Delaware
Lutonix, Inc.	Delaware
Medafor, Inc.	Minnesota

MedChem Products, Inc.	Massachusetts
Medegen, LLC	California
Med-Design Corporation	Delaware
Med Design Investment Holdings, Inc.	Delaware
Medinservice.com, Inc.	Utah
Medivance, Inc.	Delaware
Med-Safe Systems, Inc.	California
NAT Diagnostics Inc.	Delaware
Navarre Biomedical, LLC	Minnesota
Navarre Biomedical, Ltd.	Minnesota
Neomend, Inc.	Delaware
NOW Medical Distribution, Inc.	Delaware
NOW Medical Distribution, LLC	Delaware
Omega Biosystems Incorporated	Delaware
Parata Systems, LLC	Delaware
Pembroke Blocker LLC	Delaware
Pembroke Foreign Blocker LLC	Delaware
Pembroke Parent LLC	Delaware
PharMingen	California
ProSeed, Inc.	New Jersey
PureWick Corporation	California
Roberts Laboratories, Inc.	Arizona
Rochester Medical Corporation	Minnesota
Safety Syringes Corporation	Utah
Safety Syringes, Inc.	California
Scanwell Health Inc.	Delaware
SenoRx, Inc.	Delaware
SenoRx, LLC	Delaware
Shield Healthcare Centers, Inc.	Delaware
Sirigen, Inc.	California
Specialized Cooperative Corporation	Utah
Specialized Health Products International, Inc.	Delaware
Specialized Health Products International, LLC	Delaware
Specialized Health Products, Inc.	Utah
Surgical Site Solutions, Inc.	Wisconsin
Synergy Medical USA Inc.	Delaware
Targa Buyer, LLC	Delaware
Targa International Holdco, Inc.	Delaware
Targa Parent Holdings, LLC	Delaware
Tepha, Inc.	Delaware
Tri-County Medical & Ostomy Supplies, Inc.	Tennessee

TriPath Imaging, Inc.	Delaware
TVA Medical, Inc.	Delaware
Vascular Pathways, Inc.	Delaware
Velano Vascular, Inc.	Delaware
Venclose, Inc.	Delaware
Venetec International, Inc.	Delaware
Venetec International, LLC	Delaware
Y-Med, Inc.	Delaware
Y-Med, LLC	Delaware
ZebraSci, Inc.	Delaware

Non-US Subsidiaries of Becton, Dickinson and Company

<u>Entity</u>	<u>Jurisdiction</u>
Bard (Thailand) Limited	Thailand
Bard Australia Pty. Limited	Australia, New South Wales
Bard Brasil Indústria e Comércio de Produtos Para a Saúde Ltda.	Brazil, Sao Paolo
Bard Canada Inc.	Canada, Ontario
Bard Dublin ITC Limited	Ireland
Bard Finance B.V. & Co. KG.	Netherlands
Bard Healthcare R&D Corp Limited	China, Shanghai
Bard Healthcare Science (Shanghai) Co., Ltd.	China
Bard Hellas S.A.	Greece
Bard Holdings Limited	England
Bard Holdings Netherlands B.V.	Netherlands
Bard Hong Kong Limited	Hong Kong
Bard India Healthcare Pvt. Ltd.	India, Maharashtra
Bard International Holdings, B.V.	Netherlands
Bard Limited	England
Bard Malaysia Healthcare Sdn. Bhd.	Malaysia
Bard Medical Devices (Beijing) Co., Ltd.	China
Bard Medical R&D (Shanghai) Co., Ltd.	China, Shanghai
Bard Medical SA (Proprietary) Limited	South Africa, Johannesburg, Gauteng
Bard Mexico Realty, S. de R.L. de C.V.	Mexico, Chihuahua
Bard Pacific Health Care Company Ltd.	Taiwan
Bard Produtos Plasticos e Medicos Ltda.	Brazil
Bard Reynosa, S.A. de C.V.	Mexico, Tamaulipas
Bard Sdn. Bhd.	Malaysia
Bard Shannon Limited	Ireland
Bard Sourcing Office Singapore Pte. Ltd.	Singapore
BD Holding S. de R.L. de C.V.	Mexico
BD Infection Prevention BV	Belgium
BD Hermosillo S.A. de C.V.	Mexico, Hermosillo, Sonora
BD Kiestra BV	Netherlands
BD Rapid Diagnostic (Suzhou) Co., Ltd.	China
BD San Luis Potosi, S.A. de C.V.	Mexico, San Luis
BD Switzerland Sarl	Switzerland
BD West Africa Limited	Ghana
Becton Dickinson A.G.	Switzerland
Becton Dickinson A/S	Denmark

Becton, Dickinson and Company, Ltd.	Ireland
Becton Dickinson Argentina S.R.L.	Argentina
Becton Dickinson Asia Holdings Ltd.	Gibraltar
Becton Dickinson Asia Limited	Hong Kong
Becton Dickinson Austria GmbH	Austria
Becton Dickinson Austria Holdings GmbH	Austria
Becton Dickinson Benelux N.V.	Belgium
Becton, Dickinson B.V.	Netherlands
Becton Dickinson B.V. Saudi Limited Company	Saudi Arabia
Becton Dickinson Canada Inc.	Canada
Becton Dickinson Caribe Ltd.	Cayman Islands
Becton Dickinson Croatia d.o.o.	Croatia
Becton Dickinson Czechia s.r.o.	Czech Republic
Becton Dickinson de Colombia Ltda.	Colombia
Becton Dickinson de Mexico, S.A. de C.V.	Mexico
Becton Dickinson del Uruguay S.A.	Uruguay
Becton Dickinson Dispensing Belgium BVBA	Belgium
Becton Dickinson Dispensing Denmark A/S	Denmark
Becton Dickinson Dispensing France SAS	France
Becton Dickinson Dispensing Ireland Limited	Ireland
Becton Dickinson Dispensing Norway	Norway
Becton Dickinson Dispensing Spain S.L.U.	Spain
Becton Dickinson Dispensing UK Ltd.	United Kingdom
Becton Dickinson Distribution Center N.V.	Belgium
Becton Dickinson East Africa Ltd.	Kenya
Becton Dickinson Euro Finance Sarl	Luxembourg
Becton Dickinson Europe Holdings S.A.S.	France
Becton Dickinson Foreign Sales Corporation	Barbados
Becton Dickinson France S.A.S.	France
Becton Dickinson (Gibraltar) Holdings Ltd.	Gibraltar
Becton Dickinson (Gibraltar) Limited	Gibraltar
Becton Dickinson (Gibraltar) Management Limited	Gibraltar
Becton Dickinson GmbH	Germany
Becton Dickinson GSA Beteiligungs GmbH	Germany
Becton Dickinson Guatemala S.A.	Guatemala
Becton Dickinson Holdings Designated Activity Company	Ireland
Becton Dickinson Holdings Pte Ltd.	Singapore
Becton Dickinson Hungary Kft.	Hungary
Becton Dickinson India Private Limited	India, Maharashtra
Becton, Dickinson Industrias Cirurgicas, Ltda.	Brazil
Becton Dickinson Infusion Therapy AB	Sweden

Becton Dickinson Infusion Therapy Holdings UK Limited	United Kingdom
Becton Dickinson Infusion Therapy Systems Inc., S.A. de C.V.	Mexico, Sonora
Becton Dickinson Infusion Therapy UK	United Kingdom
Becton Dickinson Insulin Syringe, Ltd.	Cayman Islands
Becton Dickinson International Holdings Pte Ltd.	Singapore
Becton Dickinson International Holdings II Pte Ltd.	Singapore
Becton Dickinson International Holdings III Pte Ltd.	Singapore
Becton Dickinson Ireland Limited	Ireland
Becton Dickinson Israel Ltd.	Israel
Becton Dickinson Italia S.p.A.	Italy
Becton Dickinson Ithalat Ihracat Limited Sirketi	Turkey
Becton Dickinson Global Services Centre Sdn. Bhd.	Malaysia
Becton Dickinson Korea Ltd.	Korea
Becton Dickinson Ltd.	New Zealand
Becton Dickinson Luxembourg Finance S.a.r.L.	Luxembourg
Becton Dickinson Luxembourg Global Holdings Sarl	Luxembourg
Becton Dickinson Luxembourg Holdings II S.a.r.L	Luxembourg
Becton Dickinson Luxembourg Holdings III S.a.r.L	Luxembourg
Becton Dickinson Luxembourg Holdings V S.à r.l.	Luxembourg
Becton Dickinson Management GmbH & Co. KG	Germany
Becton Dickinson Medical (S) Pte Ltd.	Singapore
Becton Dickinson Medical Devices (Shanghai) Co., Ltd.	China
Becton Dickinson Medical Devices (Suzhou) Co., Ltd.	China
Becton Dickinson Medical Products Pte. Ltd.	Singapore
Becton Dickinson Medical Technology (Jiangsu) Co. Ltd	China
Becton Dickinson Netherlands Global Holdings II C.V.	Netherlands
Becton Dickinson Netherlands Holdings B.V.	Netherlands
Becton Dickinson Netherlands Holdings II B.V.	Netherlands
Becton Dickinson Norway AS	Norway
Becton Dickinson O.Y.	Finland
Becton Dickinson Pakistan (Pvt) Ltd.	Pakistan
Becton Dickinson Philippines, Inc.	Philippines
Becton Dickinson Polska Sp.z.o.o.	Poland
Becton Dickinson Portugal, Unipessoal, Lda.	Portugal
Becton Dickinson Pty. Ltd.	Australia
Becton Dickinson (Pty) Ltd.	South Africa
Becton Dickinson Research Centre Ireland Limited	Ireland
Becton Dickinson Rowa Germany GmbH	Germany
Becton Dickinson Rowa Italy Srl	Italy
Becton Dickinson S.A.	Spain
Becton Dickinson Sample Collection GmbH	Switzerland

Becton Dickinson Scot Financing LP	Scotland
Becton Dickinson Scot Financing LLP	Scotland
Becton Dickinson Sdn. Bhd.	Malaysia
Becton Dickinson Slovakia s.r.o.	Slovakia
Becton Dickinson Sweden AB	Sweden
Becton Dickinson Sweden Holdings AB	Sweden
Becton Dickinson Switzerland Global Holdings SarL	Switzerland
Becton Dickinson Technology Campus India	India
Becton Dickinson (Thailand) Limited	Thailand
Becton Dickinson UK Financing I Limited	United Kingdom
Becton Dickinson UK Financing II Limited	United Kingdom
Becton Dickinson U.K. Limited	United Kingdom
Becton Dickinson Venezuela, C.A.	Venezuela
Becton Dickinson Verwaltungs GmbH	Germany
Becton Dickinson Vostok LLC	Russia
Becton Dickinson Worldwide Investments Sa.r.L.	Luxembourg
Becton Dickinson Zambia Limited	Zambia
Benex Ltd.	Ireland
C. R. Bard Do Brasil Produtos Medicos Ltda.	Brazil
CareFusion Asia (HK) Limited	Hong Kong
CareFusion (Barbados) Srl	Barbados
CareFusion BH 335 d.o.o. Cazin	Bosnia
Care Fusion Development Private Limited	India
CareFusion D.R. 203 Ltd.	Bermuda
CareFusion (Shanghai) Commercial and Trading Co. Limited	China
CareFusion France 309 S.A.S.	France
CareFusion Israel 330 Ltd.	Israel
CareFusion Italy 312 S.p.A.	Italy
CareFusion Mexico 215 SA de CV	Mexico
CareFusion Netherlands 328 B.V.	Netherlands
CareFusion Netherlands 503 B.V.	Netherlands
CareFusion Netherlands 504 B.V.	Netherlands
CareFusion Netherlands Financing 283 C.V.	Netherlands
CareFusion U.K. 305 Limited	United Kingdom
CareFusion U.K. 306 Limited	United Kingdom
Carmel Pharma AB	Sweden
Clearstream Technologies Group Limited	Ireland
Clearstream Technologies Limited	Ireland
CME Ltd.	Israel
CME Medical (UK) Limited	United Kingdom
CME UK (Holdings) Limited	United Kingdom

Corporativo BD de Mexico, S. de R.L. de C.V.	Mexico
Cytognos Spain S.L.U.	Spain
Cytognos UK Ltd.	United Kingdom
DLD (Bermuda) Ltd.	Bermuda
Davol International Limited	England
Davol Surgical Innovations, S.A. de C.V.	Mexico, Chihuahua
Dutch American Manufacturers (D.A.M.) B.V.	Netherlands
Echo Healthcare Canada ULC	Canada
Embo Medical Limited	Ireland
Enturia de México S. de R.L. de C.V.	Mexico
Gamer Lasertechnik GmbH	Germany
GenCell Biosystems Ltd.	Ireland
GeneOhm Sciences Canada ULC	Canada
Kabushiki Kaisha Medicon (Medicon, Inc.)	Japan
Limited Liability Company Bard Rus	Russian Federation
Nippon Becton Dickinson Company, Ltd.	Japan
PreAnalytiX GmbH	Switzerland
Pristine Access Technologies, Inc.	Israel
P.R.C.(Isialys) Societe a responsabilite limitee (Societe a associe unique)	France
Procesos para Esterilizacion, S.A. de C.V.	Mexico
Productos Bard de Mexico, S.A. de C.V.	Mexico, Mexico City
Productos Para el Cuidado de la Salud, S.A. de C.V.	Mexico, Sonora
PT Becton Dickinson Indonesia	Indonesia
Sendal, S.L.U.	Spain
Sirigen II Limited	United Kingdom
Sistemas Médicos ALARIS, S.A. de C.V.	Mexico, Baja
Straub Medical AG	Switzerland
Synergy Medical BRG Inc.	Canada
Synergy Medical Europe Ltd.	United Kingdom
Tissuemed Limited	England and Wales
TVA Medical GmbH	Germany
Vas-Cath Incorporated	Canada, Ontario

Subsidiary Issuer of Guaranteed Securities

As of September 30, 2023, Becton, Dickinson and Company (“BD”) is the guarantor of the senior unsecured registered notes listed below issued by Becton Dickinson Euro Finance S.à r.l. (“BD Finance”). BD owns, directly or indirectly, 100% of BD Finance.

Becton Dickinson Euro Finance S.à r.l.

1.208% Notes due June 4, 2026

0.334% Notes due August 13, 2028

3.553% Notes due September 13, 2029

1.213% Notes due February 12, 2036

1.336% Notes due August 13, 2041

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements:

- (1) Registration Statements on Form S-8 Nos. 33-64115, 333-11885, 333-16091, 333-118235, 333-147594, 333-161129, 333-161215, 333-170821, 333-199830, 333-214780, 333-218179, 333-250960 and 333-250961 of Becton, Dickinson and Company; and
- (2) Registration Statement on Form S-3 No. 333-255829 of Becton, Dickinson and Company and Becton Dickinson Euro Finance S.à r.l.;

of our reports dated November 21, 2023, with respect to the consolidated financial statements of Becton, Dickinson and Company and the effectiveness of internal control over financial reporting of Becton, Dickinson and Company included in this Annual Report (Form 10-K) of Becton, Dickinson and Company for the year ended September 30, 2023.

/s/ ERNST & YOUNG LLP

New York, New York
November 21, 2023

CERTIFICATION

I, Thomas E. Polen, certify that:

1. I have reviewed this Annual Report on Form 10-K of Becton, Dickinson and Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting, and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 21, 2023

/s/ Thomas E. Polen

Thomas E. Polen

Chairman, Chief Executive Officer and President

CERTIFICATION

I, Christopher J. DeLorefice, certify that:

1. I have reviewed this Annual Report on Form 10-K of Becton, Dickinson and Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 21, 2023

/s/ Christopher J. DeLorefice

Christopher J. DeLorefice

Executive Vice President and Chief Financial Officer

CERTIFICATION

The certification set forth below is being submitted in connection with the Annual Report on Form 10-K of Becton, Dickinson and Company for the fiscal year ended September 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report") for the purpose of complying with Rule 13a-14(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code.

I, Thomas E. Polen, the Chief Executive Officer of Becton, Dickinson and Company, certify that:

1. such Report fully complies with the requirements of Section 13(a) of the Exchange Act; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Becton, Dickinson and Company.

Date: November 21, 2023

/s/ Thomas E. Polen

Thomas E. Polen

Chief Executive Officer

CERTIFICATION

The certification set forth below is being submitted in connection with the Annual Report on Form 10-K of Becton, Dickinson and Company for the fiscal year ended September 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report") for the purpose of complying with Rule 13a-14(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code.

I, Christopher J. DeLOrefice, the Chief Financial Officer of Becton, Dickinson and Company, certify that:

1. such Report fully complies with the requirements of Section 13(a) of the Exchange Act; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Becton, Dickinson and Company.

Date: November 21, 2023

/s/ Christopher J. DeLOrefice

Christopher J. DeLOrefice
Chief Financial Officer