Risk Factors Comparison 2023-11-21 to 2022-11-22 Form: 10-K

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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 We are subject to risks associated with..... of the other risks described herein. 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 ~~significant~~ inflationary pressures in fiscal year ~~2022~~ **2023** and **we expect** inflation ~~rates~~ **to persist** in ~~the U. S., as well as in other countries in which we operate, are currently expected to continue~~ at ~~elevated~~ **lower** levels ~~for the~~ **than in fiscal** ~~near~~ **year 2023** ~~term~~. 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** ~~Deterioration in the domestic or~~ international ~~economic environment~~ **operations subject us to certain business risks. A substantial amount of our sales come from our operations outside the U. S.** , ~~particularly~~ **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 **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~~ 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** ~~- sponsored healthcare systems, may cause decreased demand for~~ **or** ~~our products~~ **civil sanctions** and **other liabilities** ~~services and increased competition~~ , ~~which~~ **and negatively affect our reputation and** could result in **a material adverse effect on** ~~lower sales volume and lower prices for our products, longer sales cycles, and slower adoption of new technologies, as well as increase the cost of operating~~ our business ~~or contribute to disruptions in our supply chain. In addition~~ , **results of operations** ~~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~~ **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 ~~marketing~~ **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 ~~marketing~~ **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** ~~such as~~ 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 ~~and cybersecurity~~ demands in terms of our product offerings and **go- to-** ~~marketing~~ **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 ~~proposed~~ **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. ~~Fluctuations in~~ **Furthermore, currency** exchange rates **have been especially volatile in** ~~between the U. S. dollar and other~~ **the recent past, and these** ~~currencies~~ **currency fluctuations have affected, and** may ~~also~~ **continue to** affect **,** the reported value of **our** ~~BD' s~~ 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~~ **changes** in reimbursement practices ~~of~~ **and coverage policies and** third- party ~~payers~~ **payer** ~~or other~~ cost containment measures could affect the demand for our products and the prices at which they are sold. ~~Our~~ **The** ~~sales~~ **sale of our products and market access to BD products and services** ~~depend~~ **depends** , in part, on the ~~extent to which~~ **healthcare funding landscape as well as how** healthcare providers and facilities are reimbursed by **public** ~~government authorities (including Medicare, Medicaid and comparable foreign programs)~~ and private **payers** ~~insurers for the costs of our products~~ . ~~The coverage~~ **Coverage** policies and reimbursement levels ~~of third- party payers, which~~ can vary **across the payer** ~~among public and private sources and by country~~ **community globally** , **regionally, and locally, and** may affect which products customers purchase **, the market acceptance rate for new technologies** and the prices ~~they~~ **customers** are willing to pay for those products in a particular jurisdiction. **Furthermore, any changes** ~~Reimbursement rates can also affect the market acceptance rate of new technologies and products. Reforms~~ to **the coverage or** reimbursement **landscape** ~~systems in the U. S. or abroad, changes in coverage or reimbursement rates by private payers~~ , 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. ~~Initiatives to~~ **A global trend towards** ~~limit~~ **limiting** ~~the~~ growth of healthcare costs ~~in the U. S. and other countries where we do business~~ may also put industry- wide pressure on medical device or clinical diagnostic pricing. In the U. S., these include ~~, among others,~~ 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. ~~Additionally~~ **Even if we successfully develop new products or enhancements or new generations of existing products** , ~~the~~ **they** ~~ongoing~~ **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 ~~the~~ COVID- 19 ~~pandemic~~ ,which **could** ~~may continue to~~ 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 ~~the~~ COVID- 19 ~~pandemic.While many countries around the world have removed or reduced the restrictions taken in response to the COVID- 19 pandemic~~ , **which** ~~the emergence of new variants of the SARS- CoV- 2 virus may result in new governmental lockdowns,quarantine requirements or other restrictions to slow the spread of the virus.This~~ could result in ~~significant~~ reductions in the demand for certain of our products ~~due to reductions~~ **.While the direct impact of COVID- 19 and many of the preventive measures moderated** in ~~elective and non~~ **FY2023,any resurgence of COVID** ~~- essential~~ **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** ~~semiconductor chip~~ 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** ~~component~~ **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** ~~shortage~~ **shortages , particularly shortages of nursing staff, which** could impact ~~certain critical components of~~ **the future demand for** our ~~R & D process~~ **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 ~~could~~ **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 ~~business, financial condition and results of~~ operations ~~. Our international operations subject us to certain business risks. A substantial amount of our sales come from our operations outside the U. S.,~~ and **global** ~~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 general political conditions, including any political instability (such as those resulting from war, terrorism and insurrections) and general~~ economic conditions **more generally** ~~in these markets~~ , **it** such as inflation, deflation, interest..... these broader market conditions, our operations may also **have** ~~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 **effect** ~~U. S., and we face increased difficulty in establishing, staffing and managing our foreign operations. The success~~ of ~~our operations outside~~ **heightening many of** 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~~ **risks described herein** ~~that there may be unauthorized payments or offers of payments made by employees, consultants, sales agents or distributors. 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~~ . 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 ~~(" NIH ")~~ and similar agencies in other countries. The level of government funding of research and development is unpredictable ~~. For instance, certain NIH grants have been frozen or otherwise unavailable for extended periods~~ . 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 **,** ~~and other~~ key employees **and other associates** . Competition for experienced employees, particularly for persons with ~~specialized skills~~ **certain technical competencies in some geographies** , can be ~~intense~~ **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~~ **there** has been **a slight improvement in what had been** an **intensely** ~~overall tightening and increasingly~~ 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 ~~could~~ **has** lead 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 ~~are continuing~~ **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** ~~are increasingly reliant upon~~ 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 ~~their~~ 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** ~~been subjected to~~ , and are likely to continue to experience, a variety of **cybersecurity** attacks including **,** but not limited to **, unauthorized access,** malicious code execution ~~,~~ and **/** ~~cyber-~~ or phishing- attacks. ~~We~~ **Geopolitical events** have also **increased cybersecurity risks on a global basis** ~~experienced instances of unauthorized access to our systems in the past and expect to be subject to similar cyberattacks in the future~~ . 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 ~~also~~ 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, ~~cyberattacks are becoming more sophisticated, frequent and adaptive. There~~ **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 ~~. The U. S. and other governments may enact or use laws and regulations, such as the Defense Production Act or export restrictions, to ensure availability of needed COVID- 19 testing and vaccination delivery devices or to address other national emergencies. Any such action may impact our global supply chain network~~ . 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** ~~U. S. Environmental Protection Agency~~ 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 ~~fugitive~~ 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 ~~. Governmental agencies may also regulate the use and emission of ethylene oxide~~ . 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** ~~the establishment of enhanced internal processes or systems~~

to ~~track them~~ **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 ~~and~~ **,** vena cava filter products **and implantable ports**), and suits alleging patent infringement. We **also are or** have ~~also~~ 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,** ~~we are undertaking certain remediation of our~~ BD **received** ~~Alaris ™ System, and are currently shipping the product in the U. S. only in cases of medical necessity and to remediate recalled software versions. We will not be able to fully resume commercial operations for the BD Alaris ™ System in the U. S. until a~~ 510 (k) ~~submission relating to the product has been cleared~~ - **clearance** ~~by~~ **from** the FDA ~~.~~ ~~No assurance can be given as to when or~~ **for** ~~if clearance~~ **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 ~~obtained from~~ **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** , ~~and companies have~~ **the EU Parliament voted to extend the EU MDR transition timeline, which postpones application** until ~~May 2024~~ **2027** ~~to meet the requirements~~ for ~~medical~~ **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 ~~a valid conformity assessment certificate~~ **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** ~~regions, including China, Brazil, South Korea,~~ and ~~is expanding through~~ **at the state level in** the U. S. ~~, state by state (e. g., California, Virginia, Colorado, Connecticut, Utah),~~ 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. NameAgePositionThomas E. ~~Polen49Chairman~~ **Polen50Chairman** 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 ~~Byrd55Executive~~ **Byrd56Executive** 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. ~~DelOrefice51Executive~~ **DelOrefice52Executive** 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. ~~Ezell53Executive~~ **Ezell54Executive** 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 ~~Garrison54Executive~~ **Garrison55Executive** 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 ~~Goette60Executive~~ **Goette61Executive** Vice President and President, EMEA since May 2017; and President, Europe from October 2014 to May 2017. David B. ~~Hickey60Executive~~ **Hickey61Executive** 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. ~~Samrat S. Khichi55Executive Vice President, Corporate Development, Public Policy, Regulatory Affairs and General Counsel since September 2021; Executive Vice President, Public Policy, Regulatory Affairs and General Counsel from May 2019 to September 2021; Executive Vice President and General Counsel from December 2017 to May 2019; and Senior Vice President, General Counsel and Corporate Secretary, C. R. Bard, Inc. from July 2014 to December 2017.~~ Pavan ~~Mocherla53Executive~~ **Mocherla54Executive** 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 ~~Neal57Executive~~ **Neal58Executive** 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 Quinn55Executive 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 Shan53Executive 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.**