



2023 ESG strategy report

Advancing every day together



About embecta

embecta, formerly part of BD (Becton, Dickinson and Company), is one of the largest pure-play diabetes care companies in the world. Empowered by nearly 100 years of innovation, embecta is singularly focused on improving the lives of people living with diabetes. embecta is the leading producer of diabetes injection devices, manufacturing around 8 billion annually for an estimated 30 million patients. Through its approximately 2,000 employees around the world, embecta is working to advance the standard of care in insulin delivery through strong community partnerships, innovative technology and comprehensive care resources.



Mission

To develop and provide solutions that make life better for people living with diabetes

Vision

A life unlimited by diabetes

Values



Integrity



External focus



Results oriented



Hungry mindset



Innovative



Team players



Authentic & inclusive

embecta by the numbers

#1

producer of diabetes injection devices

~8

billion units produced annually

~2k

employees globally

800k

square feet of manufacturing space across the United States, Ireland and China

~30

million people with diabetes reached

>100

countries served



Pen needles

embecta offers pen needles with innovative features that are designed to enable people who are living with diabetes to benefit from comfortable and effective diabetes care. We have led the way in developing shorter needles designed to reduce the risk of intramuscular injection, and our safety pen needles help protect against needle stick injuries.

Insulin syringes

embecta offers a portfolio of insulin syringes in varying needle lengths and barrel sizes for people with diabetes who use an insulin vial, and our safety insulin syringes help protect against needle stick injuries.

BD™ Diabetes Care app

This digital app includes personalized settings and information about how to manage diabetes successfully. The app uses artificial intelligence technology to adapt diabetes and lifestyle content to encourage positive behaviors and give users of the app data-driven insights about their health.

Accessories

embecta offers accessories for safe and convenient diabetes management. These include home sharps containers; needle clipping and storage devices which safely remove and store used needles; and individually wrapped alcohol swabs.

A letter from our President & Chief Executive Officer: Dev Kurdikar

Our team at embecta is working to create a lasting impact by developing and providing solutions that make life better for people with diabetes. Approximately 1 in 10 adults worldwide are living with diabetes, which place a tremendous emotional and financial burden on themselves, their families and society. Our team knows that people with diabetes are counting on us to deliver solutions to help them manage this challenging and chronic condition. Our work is personal to each and every one of us, and we are building a company and culture that reflects our deep commitment to this purpose.

As a new company, we have a unique opportunity to build our organization on a foundation that will support our long-term growth aspirations in a sustainable and responsible manner. Through our Board of Directors; Management; and Environmental, Social and Governance (ESG) team, we are building an ESG strategy that can be executed across the organization and drive results that we believe will improve the sustainability and strength of our business well into the future.

As we work to finalize this strategy, we want to share the principles that are guiding our approach in this inaugural ESG report. We have provided a summary around how we are managing ESG internally, the way we are planning to report on ESG externally and some initial updates on how embecta is already impacting some of these important areas.

As we work to stand up embecta as an independent company, we know that how we operate our business and engage with our stakeholders will be critical to our success. We are building our business in a way that will allow us to pursue our vision of a life unlimited by diabetes, and our ESG strategy will be an essential component in achieving that.

Thank you,



Devdatt (Dev) Kurdikar
President and Chief Executive Officer





ESG planning & reporting

ESG strategic planning

embecta is planning a multi-year strategy to advance our Environmental, Social and Governance (ESG) initiatives. Our work began after our spin-off from BD on April 1, 2022, with an evaluation of embecta's ESG risks and impacts, and how they may differ from those of BD. The evaluation phase commenced with a recently completed sustainability materiality assessment and an internal review of the United Nations Sustainable Development Goals (UNSDGs) and their relevance to embecta. Our approach to this process is detailed below.

Sustainability materiality assessment

A materiality assessment enables appropriate prioritization of ESG issues aligned with an organization's strategy. embecta worked with BSR, a sustainable business network and consultancy, to conduct a series of external and internal interviews and surveys with the stakeholder groups listed here as part of this process. This materiality assessment is helping the company to prioritize sustainability topics and potential approaches to them.

ESG stakeholders

- Community organizations
- embecta employees
- Industry groups / trade organizations
- Investors
- Patient groups
- Payors
- Suppliers

Reporting our results

With this report, embecta is beginning its efforts to report its ESG strategy, and plans to measure progress using the Global Reporting Initiative (GRI). We will continue to review and align our efforts as appropriate against the United Nations 17 Sustainable Development Goals, which are based on the 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015.



embecta supports the Sustainable Development Goals





Board & management governance

ESG management

The management of the ESG strategy at embecta is shared across the organization through a company-wide team; senior leadership team (including the CEO) engagement; and Board oversight. embecta seeks to embed ESG principles into the business planning process so that its sustainability goals are connected to the broader business objectives and will be managed at the highest levels in the organization.



- The **Nominating and Corporate Governance Committee** is a subset of the Board of Directors, and takes the lead on oversight of the strategy and annual reporting, with input from all relevant committees throughout the year. The full Board receives updates on the strategy and its progress.
- The **Enterprise Risk Committee** is comprised of several members of embecta's senior leadership team and directs the ESG strategy, alongside the enterprise risk management process, and provides reports to the Board. The senior leadership team receives regular updates of the strategy and its progress.
- The **ESG Working Group** is comprised of leaders from across the organization tasked with shaping and driving the ESG strategy throughout the year. Senior representatives from the working group are a part of the Enterprise Risk Committee.

Board of Directors governance policy

It is embecta's policy that the Board be composed predominantly of independent directors, thereby ensuring their availability to serve on the Audit; Compensation and Management Development; and Corporate Governance and Nominating Committees. The size of the Board, its operational principles, compensation practices and ethical codes, among other Board topics, are covered in the **Corporate Governance Principles**.



Environmental impact

Reducing our environmental impacts

Our operations at embecta are managed with environmental sustainability principles in mind. We are in the process of setting clear and meaningful environmental goals for our operations and products. We also recognize the impact associated with our entire value chain and will be continuing to work with partners and vendors to understand and manage impacts related to products and services they provide to us.

Managing our operations efficiently

One of the most impactful ways to reduce our environmental footprint is through the effective and efficient management of our operations. We continue to manage and maintain policies and standards that were established when we were a part of BD. These encourage reduction of waste; use of renewable energy sources where possible; and careful management of energy and water consumption consistent with those policies.

We are proud that all of the embecta manufacturing sites carry ISO 14001 certification — a globally-accepted standard that signals embecta has sought to manage our environmental responsibilities in a systematic manner that contributes to the environmental pillar of sustainability.

Across our manufacturing sites, we actively monitor and strive to reduce impacts associated with:

- Waste volumes – hazardous and non-hazardous
- Electricity consumption
- Gas consumption & diesel fuel usage
- Water consumption
- Solvent consumption, and volatile organic compounds (VOC) emissions

Product design and sustainable engineering

Our intention is to design our products in a sustainable manner while still meeting the criteria for effective usage and the required quality standards to which we adhere. For example, we seek to responsibly source materials and keep excessive packaging and disposability in mind with the goal of reducing waste. We also look for opportunities to reduce material intensity, particularly around plastics. As we develop new products and innovations, sustainable engineering practices and product design considerations have been embedded into our process.





Supporting our employees and the community

Health, safety and well-being of team members

The health and well-being of our employees is at the core of everything we do. We are committed to maintaining a safe and healthy workplace and work continuously to ensure a supportive, engaging and inclusive culture where people are respected and valued for the time and effort they devote to working at embecta.

With manufacturing and R&D facilities in the US, China and Ireland, we have a strong workplace safety program that is part of our broader environmental, health and safety management system. This includes consistent policies, training and tracking, along with a significant focus on hazard reduction and safety culture development to minimize workplace injuries.

Our Environmental, Health, Safety and Sustainability Policy provides a foundation for this training and calls for strong leadership at every site to ensure employee safety is a focus of daily operations. To drive consistency, we have recently launched the Safe Start[®] training program, which is focused on reducing injuries through increased engagement and culture improvements. As we seek to continually improve our workplace safety results, this program, which will be expanded to all manufacturing sites going forward, complements our internal management systems and allows us to benefit from the best practices within the industry.



67%
Board is ethnically and/or gender diverse

44%
Senior leadership team is ethnically and/or gender diverse

Inclusion, diversity & equity

Our commitment to inclusion, diversity and equity (ID&E) is embedded in our values and is a priority across the business. We believe our workforce should reflect the communities in which we operate and the customers and patients we serve. We also know that diversity within our teams will drive opportunity identification and problem solving in support of our mission. The goal is to create an environment where everyone can bring their authentic self to work and where a broad range of thoughts and experiences are recognized and encouraged. This starts at the top of our organization with our leadership teams and is being driven throughout the company. We are proud to report that our Board is 67% ethnically and/or gender diverse¹, and our senior leadership team is 44% ethnically and/or gender diverse.

¹Ethnically diverse means identification as a member of one of the following ethnic groups: African American or Black, Alaska Native or Native American, Asian, Hispanic or Latinx, or Native Hawaiian or Pacific Islander.



Photography courtesy of Nasdaq, Inc.



Supporting the diabetes community

Just over half a billion people are living with diabetes worldwide and cases are rising. As a company singularly focused on improving the lives of people living with diabetes, we share a sense of urgency to advance diabetes care together with those who are similarly focused on this goal. In line with BD’s history of strong community partnerships, embecta supports the diabetes community and plans to continue social investing in areas such as product donations, grants and volunteerism in the future.

On November 1, 2022, embecta invited a number of advocacy groups, people with diabetes, caregivers and healthcare professionals to join company leaders as we rang the Nasdaq opening bell in recognition of National Diabetes Awareness Month. The work these groups are doing to raise awareness, improve access, provide education and drive research forward is impressive. We look forward to continuing to work alongside these and other groups to address the needs of people with diabetes and bring education and awareness about how to best prevent and manage this chronic condition. As an example, we were proud to celebrate and bring attention to World Diabetes Day on November 14 and will be working to extend our efforts around this important cause throughout the year through additional advocacy, education and research.



Governance

Business governance

At embecta, our core values start with honesty and integrity, which guide how we operate our business. embecta may be a new company, but as a spin-off from BD, we have a strong foundation and an appreciation that proper governance and management systems allow for responsible business practices across the organization. The company is currently under a series of transitional services agreements that enable embecta to utilize select BD systems and policies as it builds its own. Some of these transitional policies are detailed below, along with details on embecta's Code of Conduct.

Code of Conduct

embecta's Employee Code of Conduct sets the foundation for operations across the business, consistent with the company's core values. To the extent that the Code of Conduct requires a higher standard than required by applicable laws, rules or regulations, embecta adheres to these higher standards. Everyone at embecta, from directors to officers and employees, must follow the Code of Conduct. It applies equally to everyone, no matter their position or level. This is a condition of employment, and every employee goes through an annual training.

Reporting concerns

embecta is committed to an environment where open, honest communications are the expectation, not the exception, and is committed to taking all reports of violations of laws, embecta policies and our high ethical standards seriously. We promptly, fairly and thoroughly investigate all reports and encourage and expect all employees to speak up and report actual or suspected violations of laws, the Code of Conduct, embecta policies or relevant industry codes. There are several mechanisms in place to report such concerns including accessing our anonymous Ethics Helpline; contacting our Ethics Office directly through email or phone; reporting concerns through the **online portal**; or speaking to a supervisor, member of management or Human Resources.

Supplier expectations

We work with a variety of suppliers globally and want to partner with those that share our commitment to responsible and sustainable operations, and rely upon our transitional service agreements with BD to manage our supplier relationships. This supplier Code can be found here: **Expectations for Suppliers**.

Foundational workplace policies

Our transitional service agreements with BD have allowed our company to utilize all workplace policies necessary to support our organization in our first year of operation. Going forward, we plan to adopt new embecta-only policies and work standards in conjunction with our service agreement exit.



**For more information,
please contact:**

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For more information, visit embecta.com

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