

# COMPANY STATEMENT



**Updated April 17, 2020**

## **BD Statement on COVID-19 (Coronavirus)**

BD is closely monitoring the COVID-19 (coronavirus) situation across the world and guidance from the U.S. Centers for Disease Control and Prevention (CDC), the World Health Organization (WHO) and health officials in a variety of affected countries to protect the health and safety of BD employees while ensuring continued availability of BD's critical medical devices at this unprecedented time.

### **Status of BD operations and supply chain**

BD manufactures and sources product from multiple locations around the world. Each of our manufacturing and distribution centers that provide medical devices essential to diagnosing or treating patients with coronavirus are operational, with 95 percent of our critical-to-COVID locations operating at or close to full capacity. We have also enacted business continuity plans to minimize the risk of disruption to our customers.

- Within North and South America, all of BD's manufacturing and distribution centers that provide critical-to-COVID medical devices remain operational. Similar to the healthcare providers we serve, BD's manufacturing and distribution center teams are considered essential workers and are exempt from the "shelter in place" directives multiple jurisdictions have issued.
- In Europe, Middle East and Africa, all of BD's manufacturing and distribution centers are operational. In countries where local governments have imposed stricter "lockdown" measures to slow the spread of coronavirus, BD's operations continue to operate with measures in place to ensure business continuity. In Belgium, our major European Distribution Centers continue to replenish stock via BD's Global Supply Chain network.
- In Greater Asia, the vast majority of BD's manufacturing and distribution centers are operating normally. In Japan, we do not expect any disruptions in our manufacturing or ability to serve customers as a result for the State of Emergency declaration in seven prefectures. We have implemented business continuity measures in response to the "lockdown" directive in Singapore and Malaysia, which has temporarily restricted the number of employees able to report to work in these countries. As a result, these plants are currently operating at a reduced capacity through May 4 while we work with local government agencies to seek an exemption and assess additional business continuity options to maximize our manufacturing output. We are working with suppliers and our manufacturing sites to maintain sufficient inventory of the products manufactured at these sites, and no material product impact is projected at this time.

In India, our manufacturing site in Haryana is operating normally with minimal disruptions. We are continuing to work closely with third-party logistics providers, distributors, and the local and national government in India on transportation challenges as a result of the extended lockdown through May 3. At this time, we do not expect there to be any impact to product supply.

In addition, BD continues to work closely with our key suppliers around the world that provide raw materials and components to BD manufacturing plants. We have implemented business continuity measures to mitigate the risk of potential supplier disruption, including partnering with local governments to seek “essential business” exemptions for key suppliers where necessary. For products considered critical-to-COVID, BD continues to have sufficient raw material and component inventory to meet manufacturing demand.

BD is making every effort to ensure product is transported to distributors and customers as quickly and efficiently as possible. We are actively monitoring our global logistics and transportation network, taking necessary actions to work around global capacity and border constraints to minimize the risk of any customer delays.

### **Product availability**

In response to very high demand for our critical medical devices, **we have ramped up production, and we are closely monitoring inventory and customer ordering to ensure supply continuity. While we continue to meet current demand for the vast majority of our products,** we are seeing high demand in select product categories because of a prolonged flu season and the coronavirus pandemic.

As a result, the following products are on manual inventory allocation to supply our customers as much as possible:

- **BD Universal Viral Transport (UVT) System (including swabs, vials and prepackaged kits).** These products are used to collect and transport clinical specimens for viral testing, including for the diagnosis of the flu or the coronavirus. Alternative product options may be available.
- **Swab-based specimen collection portfolio,** inclusive of additional swabs approved for use by the U.S. Food and Drug Administration (FDA).
- **BD MAX™ System and BD MAX™ Open-System Reagents** providing FDA EUA authorized and/or CE marked molecular assays for SARS-CoV-2 testing and system reagents enabling the development of laboratory tests supporting COVID-19 detection, such as the Total Nucleic Acid (TNA) reagent suite.
- **Point of care testing portfolio,** including the BD Veritor™ Plus System Analyzer, BD Veritor™ Flu A+B CLIA Waived Kit and BD Veritor™ Flu A+B moderate complexity Kit.
- **BioMedomics COVID-19 IgM-IgG Rapid Test,** a serology test used in high complexity CLIA labs and lab satellite locations, to detect antibodies in blood to help identify recent and later stage SARS-CoV-2 infections.
- Relevant **vascular access and injection-related products** used in treatment of COVID-19. We are currently in a healthy inventory position for the majority of these formulary critical products being used for the treatment of COVID-19.
- **BD Alcohol Swabs** sold to retail pharmacies and used in other 'small-medical' settings.

- **BD and Alaris infusion sets.** To help ensure continuity of supply, we have placed all BD and Alaris infusion sets on manual inventory allocation until further notice. As a part of our supply continuity plan, we are also reducing the number of available product SKU's of our Alaris System pump sets, enabling us to maximize manufacturing production while ensuring we meet our customers' clinical needs. For U.S. customers, additional information on the infusion set allocation process and SKU prioritization is available at [bd.com/allocation](https://bd.com/allocation).
- **BD Alaris™ System (Applicable to U.S. customers only)** We understand that while distribution is suspended for the BD Alaris™ System, you may have an immediate medical need that requires a limited shipment. As a result, we have established a process by which existing customers with Alaris™ System devices may request limited shipment of the BD Alaris™ System software compatible devices upon [certification of medical necessity](#). Further, due to increased COVID-19 demand, BD will limit approved medical necessity orders to an equitable allocation to ensure we effectively serve our existing customers as well as serve areas of the country with high census due to treatment of COVID-19 patients.
- **BD Alaris™ Plus and CME infusion pumps sold outside the U.S.** To help ensure that we can effectively serve our customers and impacted areas during this time of unprecedented demand, we are working to significantly increase our production capacity, and we have placed all Alaris™ Plus and CME infusion pumps on manual inventory allocation until further notice.

Manual inventory allocation is an internal process that allows BD to retain greater visibility and control of available product to effectively serve our customers by ensuring an equitable allocation of available inventory. This includes reviewing orders for disproportionate quantities based on historic demand. For U.S. customers, an up-to-date list of products on manual inventory allocation can be found at [bd.com/allocation](https://bd.com/allocation).

While this may result in longer than normal call times for customer service, customers do not need to take any special action related to this process and it will not otherwise delay the ordering or shipping process. Customers may receive a backorder notification when an order is placed, and orders may be filled as partial shipments as inventory becomes available. We believe these practices will help minimize supply disruptions by ensuring an equitable allocation of available inventory.

### **Business continuity planning**

BD has business continuity plans for these types of situations. If a product or raw material is deemed at risk, BD will adopt numerous contingency plans including seeking alternative suppliers, expediting shipments, redeploying raw materials and/or finished goods from other parts of the BD network and placing at-risk products on order review to prevent hoarding behavior. BD also institutes preventative pandemic precautions at facilities to protect employees, including increasing cleaning protocols, implementing temperature screenings for on-site employees, encouraging work-from-home for all employees who are able, suspending travel and group meetings, limiting on-site visitors, and regularly educating employees about good hygiene and health practices, including social distancing, self-quarantining and handwashing.

### **Supporting global response**

As one of the largest global medical technology companies in the world, BD is deploying our capabilities, expertise and scale to address critical health needs related to coronavirus – from our diagnostic offerings to

identify COVID-19, to real-time informatics and electronic surveillance technology, to essential medical devices to support patient care. Specifically, BD:

- Announced multiple new products to help aid in the detection and identification of COVID-19, including [a molecular test for the detection of COVID-19 for clinical laboratories in countries recognizing the CE mark](#).
- Partnered with BioGX to [launch a new diagnostic test that will enable hospitals to screen for COVID-19 on site](#) and get results in under three hours.
- Received [CE mark and Emergency Use Authorization \(EUA\) from the FDA for an additional molecular diagnostics test for COVID-19](#) that can return results in two to three hours, helping to increase the availability of tests around the world.
- Partnered with BioMedomics to [announce the release of a new point-of-care test](#) that can detect antibodies in blood to help identify recent and later stage SARS-CoV-2 infections in as little as 15 minutes.
- Collaborating with peers from across the industry, HHS, FDA and private partners to identify and validate additional swab types as well as transport medium options in order to expand capacity and alternative collection methods.
- Announced [the launch of the Prevention Course in HAI Knowledge and Control](#), developed independently by the Society for Healthcare Epidemiology of America (SHEA) and supported in full by an educational grant from BD.

In addition, BD is [deploying \\$1.1 million in cash and product donations to seven non-profit organizations](#) – Direct Relief, the International Medical Corps, Americares, the World Health Organization-United Nations Foundation COVID-19 Solidarity Response Fund, Project HOPE, the CDC Foundation and the Wuhan Red Cross – to advance their work to contain COVID-19, support healthcare workers and treat patients in countries throughout the world.

BD will continue to monitor the situation and provide regular updates at [bd.com/COVID-19](https://www.bd.com/COVID-19).