

BD Statement on Brexit

As a global company with substantial business and manufacturing operations in the United Kingdom, BD (Becton, Dickinson and Company)* has been closely following events since the decision of the UK to leave the European Union (Brexit). Even in a “worst case” scenario where no transition deal is in place after October 31, 2019, the impact to BD’s business and operations has been assessed as low. The UK and EU are important parts of BD’s global operations, and we remain fully committed to our patients and customers before, during and after Brexit, and will do what is right for them. Our methodology for this risk assessment follows.

Risk Assessment Methodology

Following the UK referendum decision, and the UK government subsequently triggering the Article 50 process for the UK to leave the EU, BD established an expert cross-functional team (Brexit Taskforce) to monitor negotiations between the UK and EU, evaluate the risks and opportunities to BD’s business and operations, and develop plans to ensure minimal disruption to BD’s supply of products and services for customers and patients, both in the UK and outside it.

For contingency planning purposes, BD has consistently assumed a “no deal” Brexit, which would represent a “worst case” scenario in terms of business and operational continuity. This is a scenario in which:

- No transition deal will be in place after October 31, 2019 (the date when the UK is due to leave the EU);
- The UK will exit the Single Market and the Customs Union and hard borders will be introduced; and
- No trade agreement will be in place between the EU and the UK.

The impact of this scenario has been assessed from a number of perspectives, including supply of raw materials, movement of goods, regulatory and quality compliance, as well as staffing. Contingency plans have been developed and appropriately actioned to minimise the risk of negative impacts for BD and our customers from Brexit. For example:

- In relation to potential customs and tariff barriers being put in place, BD is confident that it has the necessary customs authorisations and expertise to complete all applicable import and export customs formalities;
- To maintain continuity of supply into the UK, we continue to work closely with the Department of Health and Social Care and other contracting authorities and intermediaries in the UK on ensuring they hold adequate contingency stock;
- BD Supply Chain has established a command centre, working with customs authorities and healthcare providers to ensure that the flow of goods to both the EU and UK is maintained with minimal delays to customers, including additional warehousing, preferential customs clearance and multiple supply routes/methods;
- CE product and quality system certifications issued by Notified Bodies (NB) in the UK have been transferred to a NB in the Netherlands.

As a result, the impact of a “no deal” Brexit on BD’s business and operations has been assessed as low. We will continue to monitor events and review the impact on BD’s business and refine our contingency plans accordingly.

25 September 2019